

SHARE PURCHASE AGREEMENT

- BETWEEN:** **CISCOM CORP.**, a company incorporated under the laws of the province of Ontario (the “**Purchaser**”)
- AND:** **DAVID MATHEWS**, an individual resident in the province of Ontario (“**David**”)
- AND:** **NASHLY MATHEWS**, an individual resident in the province of Ontario (together with David, the “**Vendors**”)
- AND:** **1883713 ONTARIO INC.** a company incorporated under the laws of the province of Ontario (“**Holdco**”)
- AND:** **PROSPECT MEDIA GROUP LTD.**, a company incorporated under the laws of the province of Ontario (the “**Corporation**”)

WHEREAS:

- A. The Corporation runs a consumer analytics, media strategy and media planning business for retail and consumer packaged goods customers.
- B. The Vendors are the sole registered holders and legal and beneficial owners of all of the currently issued and outstanding shares in the capital of the Holdco.
- C. Holdco is the sole shareholder of the Corporation.
- D. The Vendors wish to sell to the Purchaser, and the Purchaser wishes to buy from the Vendors, all of the issued and outstanding shares in the share capital of Holdco.
- E. The Purchaser, the Vendors and the Corporation entered into a letter of intent dated October 21, 2021, pursuant to which, among other things, the Vendors agreed to sell Holdco to the Purchaser (the “**Letter of Intent**”).
- F. The Parties wish to set forth herein the terms and conditions of their agreement, as initially outlined in the Letter of Intent.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH THAT, in consideration of the mutual covenants herein contained, it is agreed by and between the Parties as follows:

1. INTERPRETATION

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

- 1.1.1 “**Agreement**” means this agreement, including all Schedules hereto, as it may be supplemented or amended by written agreement between the Parties;
- 1.1.2 “**Authorization**” means, in connection with any Person, the registrations, permits, orders, certificates of approval, approvals, licences, quotas, consents, qualifications, certifications, commitments, rights, exemptions, waivers, privileges or other similar authorizations issued or granted by any Governmental Authority having jurisdiction over the Person or its assets or rights, or by any other third party from which such authorizations are required;
- 1.1.3 “**Books and Records**” means books, ledgers, files, records, reports, plans, correspondence, Tax Returns and other data and information, including all data and information stored on computer-related or other electronic media, owned or maintained by or relating to the Corporation or the Business, including all books of account, Tax records, by-laws, minutes, resolutions and other corporate records, sales and purchase records, all files relating to employees, customer and supplier lists, promotional materials, formulae, business and research reports, computer software, studies, marketing plans, budgets, market data, marketing materials, part lists and all other like documents, files, correspondence and other information;
- 1.1.4 “**Business**” means the consumer analytics, media strategy and media planning business of the Corporation as further described in the current version of the Business’ website at <https://prospectmedia.com/>;
- 1.1.5 “**Business Day**” means any day other than a Saturday, a Sunday or a statutory holiday in Toronto, Ontario;
- 1.1.6 “**Ciscom Shares**” means common shares in the capital of the Purchaser;
- 1.1.7 “**Claim(s)**” means any claim, demand, action, cause of action, suit, hearing, arbitration, investigation, proceeding, complaint, grievance, charge, prosecution, judgement, settlement or compromise, award, assessment or reassessment, including any appeal or application for review;
- 1.1.8 “**Closing**” means the completion of the sale to and purchase by the Purchaser of the Purchased Shares pursuant to this Agreement on the Closing Date;
- 1.1.9 “**Closing Date**” means the date of Closing on a date on or about February 28, 2022;
- 1.1.10 “**Closing Receivables**” means the outstanding accounts receivable of the Business as at the Closing Date;

- 1.1.11 “**Collective Agreement**” has the meaning ascribed thereto in **Section 3.36.1** hereof;
- 1.1.12 “**Competitive Activity**” has the meaning ascribed thereto in **Section 7.2** hereof;
- 1.1.13 “**Computer Systems**” means all computer hardware, peripheral equipment, software and firmware, processed data, technology infrastructure and other computer systems and services possessed and used by the Corporation to receive, store, process or transmit data, to carry on the Business or to carry on its day-to-day operations and affairs;
- 1.1.14 “**Contract(s)**” means any agreement, understanding, undertaking, commitment, licence or lease, whether written or oral;
- 1.1.15 “**Corporation**” has the meaning ascribed thereto in the recitals of this Agreement;
- 1.1.16 “**Corporation IP**” has the meaning ascribed thereto in **Section 3.25.1** hereof;
- 1.1.17 “**Earn-Out**” means the conditional portion of the Purchase Price related to the financial performance of the Corporation for F2022 and F2023;
- 1.1.18 “**Earn-Out Payments**” has the meaning ascribed thereto in **Section 2.3.2** hereto;
- 1.1.19 “**Earn-Out Shares**” means Ciscom Shares to be held in escrow that comprise the Earn-Out Payments;
- 1.1.20 “**Employees**” means all current personnel employed or engaged by the Corporation in connection with the Business including any who are on medical leave or other statutory or authorized leave, and including employees and independent contractors listed in **Schedule 3.35.1** hereto;
- 1.1.21 “**Employee Plans**” means all employment, retention, retirement, pension, supplemental pension, savings, retirement savings, bonus, profit sharing, stock purchase, stock option, phantom stock, share appreciation rights, deferred compensation, severance or termination pay, change of control, life insurance, medical, hospital, dental care, vision care, drug, sick leave, short-term or long-term disability, unemployment benefits, vacation, incentive, compensation or other Employee individual or group benefits, agreements, plans, programs, arrangements, policies, practices or undertakings, whether written or oral, formal or informal, funded or unfunded, registered or unregistered, insured, self-insured or uninsured, whether or not subject to any Laws:

- 1.1.21.1 that are sponsored, maintained, funded or contributed to, or required to be sponsored, maintained, funded or contributed to, for the benefit of Employees or former employees, the Vendors, or their spouses, dependents, survivors or other beneficiaries; or
- 1.1.21.2 which the Corporation is a party to or bound by, or under which the Corporation with respect to Employees has any liability (whether known or unknown, accrued presently or in the future, actual or contingent, absolute, current, long-term or otherwise);
- 1.1.22 “**Encumbrance(s)**” means any security interest, mortgage, charge, pledge, hypothec, prior claim, assignment, lien (statutory or otherwise), title retention right or arrangement, easement, title defect, restriction, option, adverse claim, right of others or other encumbrance of any kind or howsoever arising, and any right or privilege capable of becoming any of the foregoing;
- 1.1.23 “**Financial Statements**” means (i) the audited financial statements for the Corporation as at December 31, 2021 and for the twelve-months then ended, comparative with the same period for 2020, consisting of a balance sheet and the accompanying statement of operations and retained earnings for the period then ended and notes thereto together with the notice to reader thereon, true and complete copies of which are enclosed herewith as **Schedule 1.1.23**;
- 1.1.24 “**F2022**” means the financial year of the Corporation from January 1, 2022, to December 2022;
- 1.1.25 “**F2023**” means the financial year of the Corporation from January 1, 2023, to December 2023;
- 1.1.26 “**Governmental Authority**” means any national, federal, provincial, state, local, municipal, regional, territorial, or other government, governmental or public ministry, department, branch agency, commission, court, arbitration panel or authority, domestic or foreign, exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory or taxing authority or power of any nature as well as any quasi-governmental or private body exercising any regulatory or taxing authority under or for the account of any of them, and any subdivision of any of them;
- 1.1.27 “**IFRS**” means International Financial Reporting Standards;
- 1.1.28 “**Indemnified Party**” has the meaning ascribed thereto in **Section 9.1** hereof;
- 1.1.29 “**Intellectual Property**” means all rights and interests, anywhere in the world, to and in (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all

patents, patent applications, and patent disclosures, together with all reissues, continuations, continuations-in-part, revisions, extensions, and re-examinations thereof; (b) all trademarks, service marks, unregistered trademarks, trade dress, logos, trade names, domain names and corporate names (including all internet and intranet name(s), addresses, icon(s) and other designation(s) useful to identify or locate the Corporation on a computer network such as the world wide web), together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith; (c) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith; (d) all mask works and all applications, registrations, and renewals in connection therewith; (e) all trade secrets and business information and other confidential information (including ideas expressed in writing related to the Business, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals); (f) all computer software, software packages and application software (including data and related documentation and source code and object or executable code), in all forms and on any medium (collectively, the “**Software**”); (g) all other proprietary rights and other rights associated with any of the foregoing, including moral rights; and (h) all copies and tangible embodiments thereof, in each instance in whatever form or medium;

- 1.1.30 “**Intellectual Property Contracts**” has the meaning ascribed thereto in **Section 3.25.2.4** hereof;
- 1.1.31 “**ITA**” means the *Income Tax Act* (Canada), as may be amended from time to time;
- 1.1.32 “**Knowledge of the Vendors**” means the knowledge that David has or should reasonably be expected to have in relation to facts or circumstances contemplated by the applicable provisions of this Agreement, after having conducted a commercially reasonable inquiry among the Corporation’s legal counsel and independent accountants or auditors about such facts or circumstances as a reasonable person would do under such circumstances;
- 1.1.33 “**Law(s)**” means all applicable laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, judicial, arbitral or administrative judgments, orders, decisions, rulings or awards, whether domestic, foreign or international, or any provisions or requirements of the foregoing, and the terms and conditions of any grant of Authorization, and the term “applicable” with respect to Laws and in a context that refers to one or more Persons, means that the Laws apply to the Person or Persons, or its or their business, undertaking, property, assets or rights, and emanate from a

Governmental Authority having jurisdiction over the Person or Persons or its or their business, undertaking, property, assets or rights;

- 1.1.34 “**Leased Premises**” means the only premises leased (or sub-leased) by the Business;
- 1.1.35 “**Letter of Intent**” has the meaning ascribed thereto in the recitals of this Agreement;
- 1.1.36 “**Licensed IP**” has the meaning ascribed thereto in **Section 3.25.1** hereof;
- 1.1.37 “**Loss(es)**” means any loss, liability, damage, cost, expense, charge, fine, penalty or assessment including the costs and expenses of any Claim and all interest, fines, penalties and reasonable professional fees and disbursements but excluding (i) loss of profits, consequential damages, punitive damages or any indirect damages (unless awarded by a Governmental Authority to a Person bringing a Third Party Claim), (ii) all insurance recoveries received by the Party suffering any of the foregoing directly associated therewith, and (iii) direct Tax benefits received by the Party suffering any of the foregoing;
- 1.1.38 “**Material Contracts**” has the meaning ascribed thereto in **Section 3.30.2** hereto;
- 1.1.39 “**Net Working Capital**” consists of the sum of accounts receivable, and good and services tax recoverable minus accounts payable and accrued liabilities, income taxes payable, employee deductions payable and amounts due to shareholder, calculated in accordance with IFRS and following the methodology and sample calculation set out in Schedule 1.1.39;
- 1.1.40 “**Normalized EBITDA**” means earnings before interest, income tax, depreciation and amortization of continuing operations adjusted for:
- a. shareholders’ benefits no longer continuing or added;
 - b. one-time non-recurring items both in revenue and expenses;
 - c. the proper level of expenses that were reduced during the pandemic or levels that are not at market or representative of on-going operations;
 - d. market compensation for all employees
 - e. removing all government financial assistance programs related to Covid-19;
 - e. an amount of \$200,000 will be included in the normalization with respect to lease obligations, which has been agreed between Vendor and Purchaser; and
 - f. total compensation of \$500,000 annually for David.
- 1.1.41 “**Ordinary Course**” means, with respect to an action or conduct, that such action or conduct is consistent with past practice and is taken or arising in

the ordinary course of normal day-to-day operations of the Business of the Corporation;

- 1.1.42 “**Owned IP**” has the meaning ascribed thereto in **Section 3.25.1** hereof;
- 1.1.43 “**Party(ies)**” means the Purchaser, the Corporation, Holdco and the Vendors, or any one (1) or more of them, as applicable;
- 1.1.44 “**Person(s)**” means an individual, body corporate, sole proprietorship, partnership, trust, LLC, unincorporated association, unincorporated syndicate, unincorporated organization, or another entity, and a natural person acting in his or her individual capacity or in his or her capacity as executor, trustee, administrator or legal representative, and any Governmental Authority;
- 1.1.45 “**Purchase Price**” has the meaning ascribed thereto in **Section 2.2.1** hereof;
- 1.1.46 “**Purchased Companies**” means, Holdco and the Corporation.
- 1.1.47 “**Purchased Shares**” means, collectively, all of the issued and outstanding shares in the share capital of the Holdco, namely 750,000 class A voting shares, 100 class 1 voting shares and 100 class 2 non-voting shares held by the Vendors;
- 1.1.48 “**Purchaser**” has the meaning ascribed thereto in the initial description of the Parties hereunder;
- 1.1.49 “**Restrictive Period**” has the meaning ascribed thereto in **Section 7.1** hereof;
- 1.1.50 “**Securities**” has the meaning given to that term in the *Securities Act* (Ontario);
- 1.1.51 “**Software**” has the meaning ascribed thereto in **Section 1.1.29** hereof;
- 1.1.52 “**Tax**” or “**Taxes**” means, with respect to a Person, any or all general or special taxes, duties, fees, premiums, assessments, imposts, levies, rates, withholdings, dues, government contributions or other charges of any kind whatsoever, whether direct or indirect, imposed by any Governmental Authority, that are assessed on, levied on, imposed on, become an Encumbrance upon or relates to the Person, any property of the Person, the rents or revenues from any such property, or the ownership, use, occupancy or enjoyment of any such property, including, but not limited to, all Canadian, and other federal, provincial, state, local and other net income, gross income, gross receipts, alternative minimum, estimated, property, school, license, *ad valorem*, business and occupation, sales, use, goods and services, transfer, excise, severance, stamp, occupational, profits, franchise, added value, withholding, social security, social insurance, employment

insurance, payroll, receipts, capital stock, capital, large corporations, transfer, profits, employment, disability, worker's compensation, government-sponsored pension plans, real estate or personal property taxes, customs duties or other taxes, governmental fees or other like assessments or charges of any kind whatsoever, together with all interest, penalties, fines or other additions thereto whether disputed or not, as well as their foreign equivalent;

1.1.53 “**Tax Law(s)**” means the ITA and any other Law that imposes Taxes or that deals with the administration or enforcement of liabilities for Taxes;

1.1.54 “**Tax Return(s)**” means any return, report, declaration, designation, election, agreement, undertaking, waiver, notice, filing, information return, statement, form, certificate or any other document, instrument or materials relating to Taxes, including any related or supporting information and documentation with respect to any of the foregoing, filed or to be filed with any Governmental Authority in connection with the determination, assessment, collection or administration of Taxes, including any amendment thereto;

1.1.55 “**Territory**” has the meaning ascribed thereto in **Section 7.2** hereof;

1.1.56 “**Third Party Claim**” has the meaning ascribed thereto in **Section 9.6.1** hereof; and

1.1.57 “**Vendors**” has the meaning ascribed thereto in the initial description of the Parties hereunder.

1.2 **Certain Rules of Interpretation.**

1.2.1 In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include both genders. Every use of the word “including” in this Agreement is to be construed as meaning “including, without limitation”.

1.2.2 The division of this Agreement into Sections, the insertion of headings and the provision of a table of contents are for convenience of reference only and do not affect the construction or interpretation of this Agreement. References in this Agreement to a Section or Schedule are to be construed as references to a Section or Schedule of or to this Agreement.

1.3 **Governing Law.** This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein. The Vendors, Holdco, the Corporation and the Purchaser each hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

- 1.4 **Entire Agreement.** This Agreement (including its Schedules), together with the agreements and other documents to be delivered pursuant to this Agreement, constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties (including, without limitation, the Letter of Intent), and there are no representations, warranties or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement or the other agreements and documents delivered pursuant to this Agreement. This Agreement shall prevail and rank paramount over its Schedules to the extent only of any inconsistency or conflict.
- 1.5 **Schedules.** The following Schedules are attached to and incorporated by reference into this Agreement:

<u>Schedule</u>	<u>Subject Matter</u>
A	Earn-Out Payments
1.1.233	Financial Statements
1.1.39	Working Capital methodology and sample calculation
1.1.40	Normalized EBITDA
3.8	Consents
3.23	Lease for Business
3.25.1	Intellectual Property
3.29	Banking Information
3.30	Material Contracts
3.31	Suppliers of the Business
3.35.1	Employees
3.37.1	Employee Plans
3.40	Litigation
5.1.6	Mutual Release
5.1.7.A	David Mathews Employment Agreement
5.1.7.B	Corporation Management Incentive Plan for 2022

2. THE TRANSACTION

- 2.1 **Purchase and Sale.** On the terms and subject to the conditions of this Agreement, and in reliance on the representations, warranties, covenants and agreements set forth in this Agreement, the Purchaser hereby purchases and acquires from the Vendors, and the Vendors hereby sell, convey, assign, transfer, grant and deliver to the Purchaser, as at the Closing Date, the Purchased Shares.

2.2 Purchase Price.

2.2.1 Subject to the adjustments set out hereunder, the aggregate purchase price for the Purchased Shares to be paid by the Purchaser to the Vendors shall be calculated as 5.75 times Normalized EBITDA of the Corporation for the last twelve months ending December 31, 2021, less all debt, excluding trade payables, outstanding on the Closing Date and adjusted for the Earn-Out Payments (the “**Purchase Price**”).

2.2.2 The Purchase Price shall be satisfied in the following manner at Closing:

- a. A cash payment in a sum representing 75% of 5.75 times the net of the Purchase Price less, \$1,250,000 (being the Earn-Out for F2022 and F2023 at 100% of the target); and
- b. The issuance of Ciscom Shares in a number representing 25% of 5.75 times the net of the Purchase Price less the Earn-Out for F2022 and F2023 at 100% of target, or \$1,250,000. Ciscom Shares to be valued at the higher of the average trading or selling price of the prior 30 days of the Closing of the Transaction and \$0.25 per Ciscom Share;
- c. The Parties hereto covenant and agree that, notwithstanding the provisions of Section 2.2.1 above, for income and corporate tax purposes the acquisition cost to the Purchaser and the proceeds of disposition to each of the Vendors shall be deemed to be an amount equal to an amount to be designated by each Vendor, (the “Elected Amount”, as defined in the Income Tax Act (Canada)) provided that such amount so designated may not be less than the greater of, (i) such Vendor’s Adjusted Cost Base (as defined in the Income Tax Act (Canada)) of the Purchased Shares being sold by such Vendor; (ii) the non-share consideration received by the Vendor for the Purchased Shares being sold, nor greater than the Fair Market Value of the Purchased Shares being sold, and the parties hereto agree jointly to make, execute and file with the appropriate bodies the elections required under subsection 85(1) of the Income Tax Act (Canada) and the applicable provisions of the Taxation Act 2007 (Ontario) in prescribed form and within the prescribed time.

2.3 Earn-Out Payments.

As part of the Purchase Price, the Vendors shall also receive ongoing payments, subject to adjustments as set out in Section 2.4 below, calculated in accordance with and payable upon the timelines as outlined in **Schedule “A”** hereto (together, the “**Earn-Out Payments**”).

Within 120 days of year-end and upon achieving the threshold performance of the Earn-Out:

- a. For F2022, an amount as defined in Table 1 of Schedule 'A' hereto payable in Earn-Out Shares on achievement of the 2022 performance target as outlined therein. Earn-Out Shares to be valued at the higher of the average trading or selling price of the prior 30 days of December 31, 2022, and \$0.25 per Ciscom Share; and
- b. For 2023, an amount as defined in Table 2 of Schedule 'B' hereto payable in Earn-Out Shares on achievement of the 2023 performance target as outlined therein. Earn-Out Shares to be valued at the higher of the average market price of the prior 30 days of December 31, 2023, and \$0.25 per Ciscom Share.
- c. The Earn-Out Shares shall be issued at Closing to the Vendors for the maximum amount of the Earn-Out Payments and shall be held in escrow, to be released to the Vendors on each anniversary following the Closing. To the extent that less than the maximum amount of the Earn-Out is achieved, Earn-Out Shares in excess of the amount achieved shall be cancelled, as more particularly set out in the escrow agreement.

2.4 Purchase Price Adjustments.

- 2.4.1 Should the Net Working Capital at Closing be less than \$300,000, the Purchase Price shall be reduced, on a dollar for dollar basis, by the amount in which such Net Working Capital is less than \$300,000.
- 2.4.2 Should the Net Working Capital at Closing be more than \$300,000, the Purchase Price shall be increased, on a dollar for dollar basis, by the amount in which such Net Working Capital is more than \$300,000.

2.5 Earn-Out Payment Adjustments.

The Earn-Out Payments shall, subject to the dispute resolution mechanism set out in Article 9, be offset, if applicable, by:

- 2.5.1 any other liabilities, costs or damages paid by the Corporation attributable to events occurring prior to Closing, except to the extent deducted in the calculation of Net Working Capital at Closing; and
- 2.5.2 any claims made against the Vendors pursuant to Article 9 of this Agreement.

The Purchaser covenants and agrees to allow the Vendors to continue to operate the Corporation consistent with past practice until the end of F2023, subject to any mutually agreed upon governance matrix determined by the Vendors and Purchaser.

3. REPRESENTATIONS AND WARRANTIES OF THE VENDORS

The Vendors jointly and severally represent and warrant to the Purchaser that each and all of the following statements are true and correct as at the Closing Date, and that none of the same omits or will omit to state any fact necessary to make the statements contained herein not misleading, and acknowledge that the Purchaser is relying upon such representations and warranties in connection with the purchase of the Purchased Shares, and that the Purchaser would not have entered into this Agreement without such representations and warranties:

- 3.1 **Capacity to Enter Agreement.** The Vendors and the Purchased Companies have all necessary authority and capacity to enter into and perform their obligations under this Agreement.
- 3.2 **Binding Obligation.** This Agreement has been duly executed and delivered by the Vendors and the Purchased Companies and constitutes valid and binding obligations of the Vendors and the Purchased Companies, enforceable against each of them in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that equitable remedies, including specific performance, are discretionary and may not be ordered in respect of certain defaults.
- 3.3 **Absence of Conflicts.** None of the execution and delivery of this Agreement, the performance of the Vendors' obligations hereunder, or the completion of the transactions contemplated by this Agreement will:
 - 3.3.1 result in or constitute a breach of any term or provision of, or constitute a default under any Contract to which the Vendors, the Business or either of the Purchased Companies is a party or by which the Purchased Shares or any assets or rights of the Corporation are bound;
 - 3.3.2 constitute an event which would permit any party to any Contract with the Purchased Companies or the Business to terminate such Contract, or to accelerate the maturity of any indebtedness or other obligation of the Purchased Companies or the Business;
 - 3.3.3 result in a breach of, or cause the termination or revocation of, any Authorizations to which either of the Purchased Companies or the Business is a party or by which either of the Purchased Companies, the Business or any of its assets or rights is bound; or
 - 3.3.4 result in the creation or imposition of any Encumbrance on the Purchased Shares or any assets or rights of either of the Purchased Companies or the Business.
- 3.4 **Title to Purchased Shares.** The Vendors are the sole registered holders and legal and beneficial owners of all of the Purchased Shares and has good title to them, free and clear of any Encumbrances. The Vendors have the exclusive right to dispose

of the Purchased Shares as provided in this Agreement. Upon completion of the transactions contemplated by this Agreement, the Purchaser will have good and valid title to the Purchased Shares, free and clear of all Encumbrances, and will be the sole shareholder of Holdco, with the Corporation as Holdco's wholly owned subsidiary.

- 3.5 **Shareholders' and Other Agreements.** Neither the Vendors, the Corporation nor the Purchased Shares are subject to the terms of any shareholders' agreement, governing the affairs of the Corporation or the relationship, rights and duties of its shareholders, nor are there any voting trusts, proxies or other agreements or understandings with respect to the voting of any share in the share capital of the Corporation.
- 3.6 **Residence of Vendors.** Each of the Vendors is not a "non-resident" of Canada for purposes of the ITA.
- 3.7 **Authorizations.** No Authorization of, or filing, is required on the part of the Vendors, the Business or the Purchased Companies in connection with the execution, delivery and performance of this Agreement or any other documents and agreements to be delivered under this Agreement.
- 3.8 **Consents.** Except as disclosed in **Schedule 3.8** hereto, there is no requirement to obtain any consent, approval or waiver of a party under any Contract to which the Purchased Companies or the Business is a party or by which it is bound in order to complete the transactions contemplated by this Agreement.
- 3.9 **Subsidiaries.** The Corporation does not own, nor has it ever owned, directly or indirectly, any shares or other Securities of any other Person, and it does not have, nor has it ever had, any property or equity interest in, any other Person.
- 3.10 **Corporate Existence.**
- 3.10.1 Each of the Purchased Companies has been duly incorporated and organized, is validly existing and in good standing under the *Business Corporations Act* (Ontario). The Corporation is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) nor has it made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof nor had any petition for a receiving order presented in respect of the Purchased Companies. The Purchased Companies have not initiated proceedings with respect to a compromise or arrangement with its creditors. No receiver has been appointed in respect of the Purchased Companies or any of its property, assets or rights and no execution or distress has been levied upon any of its property, assets or rights. No act or proceeding has been taken or authorized by or against the Purchased Companies with respect to any amalgamation, merger, consolidation, arrangement or reorganization of, or relating to, the

Purchased Companies, nor have any such proceedings been authorized by any Person.

3.10.2 The Business is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) nor has it made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof nor had any petition for a receiving order presented in respect of the Business. The Business has not initiated proceedings with respect to a compromise or arrangement with its creditors. No receiver has been appointed in respect of the Business or any of its property, assets or rights and no execution or distress has been levied upon any of its property, assets or rights. No act or proceeding has been taken or authorized by or against the Business with respect to any amalgamation, merger, consolidation, arrangement or reorganization of, or relating to, the Business, nor have any such proceedings been authorized by any Person.

3.11 **Capacity and Powers.** The Corporation has all necessary power, authority and capacity to own or lease and operate its assets and rights and to carry on the Business as currently being conducted.

3.12 **Business.**

3.12.1 The operations of the Corporation are limited to the conduct of the Business. No past endeavours or activities of the Corporation that were divested or otherwise disposed of, if any, will result in any liability for the Corporation from and after the Closing Date.

3.12.2 Neither the Vendors nor its affiliates or family members are currently involved in any activity, business or other endeavour which competes with any substantial part of the Business, nor are there plans to carry on such competitive activities.

3.13 **Authorized and Issued Capital.** The authorized share capital of the Holdco consists of an unlimited number of class A voting shares, class 1 voting shares and class 2 non-voting shares, of which 750,000 class A shares, 100 class 1 shares and 100 class 2 shares are issued and outstanding as fully paid shares, and are legally and beneficially owned by the Vendors with good title, free and clear of any Encumbrances. Holdco owns 9,938,300 common shares of the Corporation, being all of the issued and outstanding shares of the Corporation.

3.14 **Options.**

3.14.1 No agreements, options, warrants or other rights to purchase shares or other Securities in the share capital of the Purchased Companies and no Securities or obligations convertible into or exchangeable for shares or other Securities in the share capital of the Corporation have been authorized or agreed to be issued or are outstanding.

- 3.14.2 There are no outstanding or authorized agreements, options, warrants, purchase rights, subscription rights, conversion rights, exchange rights or other commitments that could require the Purchased Companies to issue, sell or otherwise cause to become outstanding any of its shares or other Securities except to the Purchaser under this Agreement.
- 3.14.3 There exists no outstanding stock appreciation plan, phantom stock plan or similar right or program with respect to the Purchased Companies.
- 3.14.4 There are no outstanding agreements, options, offers, commitments or other rights to purchase, or obligations to sell, assets or rights of the Purchased Companies or the Business except for the acquisition or disposition of current assets in the Ordinary Course.
- 3.15 **Books and Records.** The Books and Records fairly and correctly set out and disclose in all material respects the financial position of the Business, and all financial and corporate transactions of the Business have been accurately recorded therein.
- 3.16 **Financial Statements.** The Financial Statements fairly present the assets, liabilities and obligations (accrued presently or in the future, actual or contingent, absolute, current, long-term or otherwise), retained earnings, reserves and financial condition of the Corporation as of the dates thereof and the income, losses and other results of operations of the Corporation and the changes in its financial position for the periods referred to therein.
- 3.17 **Tax Matters.**
 - 3.17.1 **Computation, Preparation and Payment.** Each of the Purchased Companies has prepared and filed on a timely fashion with all appropriate Governmental Authorities all Tax Returns required to be filed by or on its behalf in respect of any Taxes or in respect of any other provision in any applicable domestic or foreign Tax Law for all fiscal periods ending on or prior to the Closing Date. To the Knowledge of the Vendors, all such Tax Returns are correct and complete in all material respects, and no material fact has been nor shall be omitted therefrom. No extension of time in which to file any such Tax Returns is in effect. All Taxes shown on all such Tax Returns or on any assessments or reassessments in respect of any such returns have been paid in full. The Purchased Companies have paid in full all Taxes required to be paid on or prior to the Closing Date and have made adequate provisions in the Financial Statements for the payment of all Taxes in respect of all fiscal periods ending on or before the Closing Date.
 - 3.17.2 **Assessments.** There exist no outstanding assessments or reassessments of the Business' Taxes or any outstanding issues which have been raised and communicated to the Business by any Governmental Authority for any taxation year in respect of which a Tax Return of the Business has been

audited. No Governmental Authority has communicated or otherwise announced to the Business any challenge, dispute or investigation in respect of Taxes or of any Tax Returns, filings or other reports filed by the Business under any applicable Tax Law. The Business is not negotiating any draft assessment or reassessment with any Governmental Authority. To the Knowledge of the Vendors, there exist no contingent liabilities for Taxes or any justified grounds for an assessment or a reassessment, including, without limitation, unreported benefits conferred on a shareholder of the Business, aggressive treatment of income, expenses, credits or other claims for deduction under any Tax Return or notice other than as adequately disclosed in the Financial Statements. Neither the Vendors, nor the Purchased Companies have received any indication from any Governmental Authority that an assessment or a reassessment of the Business is proposed in respect of any Taxes, regardless of its merits. The Business has not executed or filed with any Governmental Authority, or is otherwise bound by, any agreement or waiver extending the period for assessment, reassessment or collection of any Taxes.

3.17.3 **Withholdings.** The Purchased Companies have withheld from each payment made to any of its past and present shareholders, directors, officers, employees, agents, other third parties and non-residents of Canada the amount of all Taxes and other deductions required to be withheld and has paid such amounts, in the form required under the appropriate Laws, or made adequate provision for the payment of such amounts to the proper Governmental Authorities. The amount of Tax withheld but not remitted by the Business has been retained in its accounts and remitted to the appropriate Governmental Authorities when due. The Business has remitted all Canada Pension Plan contributions, provincial pension plan contributions, unemployment insurance premiums, employer health taxes and other Taxes payable in respect of its employees and has remitted such amounts to the proper Governmental Authorities within the time required under the applicable Law. The Business has charged, collected and remitted on a timely basis all Taxes as required under applicable Laws on any sale, supply or delivery whatsoever, made by it.

3.17.4 **Permanent Establishment.** The Business has not, nor has it ever had, a permanent establishment in any country outside of Canada, or in any jurisdiction where it has not filed Tax Returns.

3.18 **Absence of Changes.** Since December 31, 2021, the Business has carried on in all material respects in the Ordinary Course, and without limiting the foregoing, there has not been any material adverse change in the financial condition, operations, or results of operations of the Business, nor has there been any occurrence or circumstances which, to the Knowledge of the Vendors, with the passage of time, might reasonably be expected to have such a material adverse effect.

- 3.19 **Absence of Undisclosed Liabilities.** Except to the extent reflected or reserved in the Financial Statements, or incurred subsequent to December 31, 2021 and specifically disclosed herein or incurred in the Ordinary Course, the Business has not incurred any material indebtedness, claims, liabilities or obligations (whether known or unknown, accrued presently or in the future, actual or contingent, absolute, current, long-term or otherwise, including under any guarantee of any debt, and whether due or to become due) of a nature or scope required to be reflected or reserved against in a balance sheet in accordance with IFRS.
- 3.20 **Absence of Unusual Transactions.** Since December 31, 2021, until the Closing Date, the Business has not:
- 3.20.1 authorized or issued any note, bond or other debt security, created, incurred, assumed or guaranteed any indebtedness for borrowed money or capitalized lease obligation, authorized, imposed or granted any Encumbrances upon any of its assets, tangible or intangible, nor given any guarantee of any debt, liability or obligation of any Person;
 - 3.20.2 acquired, sold, leased or otherwise disposed of or transferred any assets other than in the Ordinary Course, nor made or committed to any capital expenditures;
 - 3.20.3 issued, allotted, redeemed, purchased, sold or otherwise retired or disposed of any of shares or other Securities in its share capital, or granted any options, warrants or other rights to purchase or obtain (including upon conversion, exchange or exercise) any such shares or other Securities, or otherwise increased or reduced its stated capital;
 - 3.20.4 declared, set aside or paid any dividend or made any distribution with respect to its share capital (whether in cash or in kind) aside from those discussed with the Purchaser as part of the Net Working Capital calculation;
 - 3.20.5 entered into, become bound by or amended any Material Contract, except in the Ordinary Course or as otherwise indicated in **Schedule 3.30** hereto;
 - 3.20.6 delayed or postponed the payment of accounts payable or other liabilities outside the Ordinary Course, nor cancelled or compromised any indebtedness, claims, liabilities or obligations owed to it, or waived or released any right or value;
 - 3.20.7 made any material change in any method of accounting or auditing practice;
or
 - 3.20.8 agreed or offered to do any of the any of the types of action described in this **Section 3.20**.
- 3.21 **Title to Assets.** The Business owns, possesses and has good and marketable title to all of its undertaking, property, assets and rights not otherwise the subject of

specific representations and warranties in this **Section 3** including all the undertaking, property, assets and rights reflected in the most recent balance sheet included in the Financial Statements, free and clear of all Encumbrances.

3.22 Condition and Sufficiency of Assets.

3.22.1 The tangible assets owned by the Corporation are in good operating condition and repair having regard to the use and age and are adequately suitable for the use to which there are being put. None of such tangible assets is in need of maintenance or repair, except for normal maintenance or repairs that are not material in nature, efforts or costs.

3.22.2 The assets and rights owned by the Corporation represent the assets and rights necessary for the Corporation to operate the Business as presently conducted on a stand-alone basis from and after the Closing Date.

3.23 **Leased Premises.** The Business is not bound by any Contract in connection with real or immovable property for any Leased Premises.

3.24 **Real Property.** The Corporation is not the owner of, or subject to any Contract to own, any real or immovable property.

3.25 Intellectual Property.

3.25.1 **Schedule 3.25.1** hereto includes a list of registered Intellectual Property, unregistered trade-marks and third party Software (other than off-the-shelf and other Software not material to the Business) which are either owned by the Business (the “**Owned IP**”) or licensed to the Business (the “**Licensed IP**”) (together with the Owned IP, the “**Corporation IP**”).

3.25.2 Except as otherwise disclosed in **Schedule 3.25.1** hereto:

3.25.2.1 all of the Owned IP which has been registered or applied for has been properly maintained and renewed by the Business in accordance with all applicable Laws;

3.25.2.2 the Business owns all right, title and interest in and to the Owned IP, free and clear of all Encumbrances, and the Business has the right to use all Corporation IP as used pursuant to rights validly granted and agreements validly entered into, and which, subject to their respective terms and conditions, will be enforceable by the Business on and after the Closing Date to the same extent as prior to the Closing Date;

3.25.2.3 to the Knowledge of the Vendors, the conduct of the Business does not infringe upon the Intellectual Property rights of any Person. No Claims have been asserted or, to the Knowledge of the Vendors, are or could be threatened by any Person alleging

that the conduct of the Business, including the use of the Corporation IP, infringes upon any of their Intellectual Property rights. To the Knowledge of the Vendors, no Person is currently infringing any of the Corporation IP;

- 3.25.2.4 the transaction contemplated by this Agreement and the continued operation of the Business as presently conducted will not violate or breach in any material respect the terms of any Intellectual Property license or other Contract related to the Intellectual Property (the “**Intellectual Property Contracts**”) or entitle any other party to any such Intellectual Property Contract to terminate or modify it, or otherwise adversely affect in any material respect the Business’ rights thereunder;
- 3.25.2.5 following the Closing Date, neither the Vendors, nor any of their affiliates or family members will retain or use any of the Corporation IP;
- 3.25.2.6 none of the Owned IP has been developed with the use of any funding from any Governmental Authority;
- 3.25.2.7 to the Knowledge of the Vendors, each Software owned and used by the Business operates in all material respects within its specifications consistent with and subject to all documentation provided with such Software, without material error or defect other than those errors or defects that are at a level or of a type that are normally found or contained in similar or competitive Software available generally in the marketplace;
- 3.25.2.8 none of the Software owned by, licensed to or used by the Business contains any open source, copyleft or community source code;
- 3.25.2.9 all Employees and David have entered into employment agreements with confidentiality provisions; and
- 3.25.2.10 the Internet website of the Corporation is hosted on servers owned or under the control of the Corporation’s supplier and is validly leased by the Business. Such web site contains all legal disclaimers and privacy policies that, in accordance with industry practice, are customarily contained on similar Web sites.

3.26 Computer Systems.

- 3.26.1.1 The Computer Systems adequately meet the data processing and other computing needs of the Business as presently conducted. The Computer Systems function, operate, process and compute

in accordance with all applicable Laws, and in all material respects within its specifications consistent with and subject to all documentation provided with such Computer Systems, without material error or defect other than those errors or defects that are at a level or of a type that are normally found or contained in similar or competitive computer systems available generally in the marketplace.

3.26.1.2 The Business has and maintains measures in place, to a commercially reasonable standard in the Ordinary Course, to ensure that the Computer Systems contain appropriate virus protection and security measures to safeguard against the unauthorized use, copying, disclosure, modification, theft or destruction of and access to, system programs and data files comprised by the Computer Systems. The Business has and maintains an accurate and confidential listing of all applicable accounts, passwords, encryption algorithms and programs or other access keys required to ensure secure and proper access by the Business and the Employees and David to the system programs and data files comprised by the Computer Systems. The data processing and data storage facilities used by the Business in connection with the operation of the Business are adequately and properly protected to a commercially reasonable standard in the Ordinary Course.

- 3.27 **Accounts Receivable.** All accounts receivable of the Business, including the Closing Receivables, were created in the Ordinary Course, are reflected properly in its Books and Records, and the Closing Receivables are valid receivables subject to no setoffs or counterclaims, are current and, to the Knowledge of the Vendors, collectible as per their respective terms.
- 3.28 **Inventories.** The inventory has been accumulated by the Business solely for use or sale in the Ordinary Course. The level of such inventory is consistent with the level of inventory that have been maintained by the Business before the Closing Date in the Ordinary Course in light of seasonal adjustments, market fluctuations and the requirements of customers of the Business.
- 3.29 **Banking Information.** **Schedule 3.29** hereto sets forth the name and location (including municipal address) of each bank, trust company or other institution in which the Business has an account, money on deposit or a safety deposit box and the name of each Person authorized to draw thereon or to have access thereto and the name of each Person holding a power of attorney from the Business and a summary of the terms thereof.

3.30 **Material Contracts.**

3.30.1 **Schedule 3.30** hereto contains a list of all Material Contracts of the Business.

3.30.2 For the purposes hereof, the “**Material Contracts**” of the Business include all Contracts to which the Business is a party or by which it is otherwise bound and that have (or their amendment, termination, cancellation or renewal may have) a material effect on the Business or the Business’ affairs, results of operations, assets, rights, properties, capital, condition (financial or otherwise), liabilities, obligations (whether absolute, accrued, conditional or otherwise), prospects or privileges, whether contractual or otherwise, or that could be expected to have such a material effect, including, without limitation, the Intellectual Property Contracts.

3.30.3 Each Material Contract is valid and binding on the Business and, to the Knowledge of the Vendors, on the other parties thereto, and is in full force and effect.

3.30.4 The Business is not in material breach of, or material default under, any Material Contract, and (i) to the Knowledge of the Vendors, the Business is entitled to all benefits under each Material Contract and there exists no state of facts which, after notice or lapse of time or both, would constitute such a default or breach, (ii) the Business has received no notice of termination of any Material Contract, and (iii) to the Knowledge of the Vendors, no other party to any Material Contract is in material breach thereof or material default thereunder.

3.31 **Suppliers and Customers.** The Business has relationships with various suppliers or other providers as set out in **Schedule 3.31** hereto. The Business has received no written indication and, to the Knowledge of the Vendors, there exists no other fact or circumstance that could lead to expect any of the customers or suppliers of the Business not to continue their current relationships with the Business following the Closing Date on terms and conditions substantially the same as those applicable prior to the Closing Date, or to terminate, reduce or otherwise detrimentally affect said relationship.

3.32 **Service Warranty and Liability.** The services provided by the Business are in material conformity with all applicable contractual commitments and all express and implied warranties, and the Business has no liability (nor, to the Knowledge of the Vendors, is there any basis for any present or future Claim giving rise to any liability) for such services rendered by the Business, except as disclosed in **Section 3.40** hereto.

3.33 **Compliance with Laws.** The Business is conducted in material compliance with all applicable Laws.

3.34 **Compliance with Authorizations.** The Business has all Authorizations required to enable the Business to carry on as currently conducted and to enable the Business to own, lease and operate its assets and rights as the Business is now being conducted or the assets owned or leased by it makes such Authorizations necessary. The Authorizations held by the Business are valid, subsisting, in full force and effect and unamended, and the Business is not in default or breach of any of its Authorizations; no proceedings are pending or, to the Knowledge of the Vendors, threatened to revoke or limit any Authorization of the Business, and the completion of the transactions contemplated by this Agreement will not result in the revocation of any such Authorization or the breach of any term, provision, condition or limitation affecting the ongoing validity thereof.

3.35 **Employees.**

3.35.1 **Schedule 3.35.1** hereto contains a list of all Employees of the Business as of the Closing Date and the position, status, date of hire, regular location of work, compensation and benefits of each Employee. Except as set out in such list, no Employee is on long-term disability leave, extended absence or receiving benefits pursuant to any Law pertaining to industrial accidents or occupational diseases.

3.35.2 All Employees are actively involved in the conduct of the Business, and no Employee receives any compensation or benefits from the Business for services other than those related his or her assigned functions within the Business.

3.35.3 Except as referenced in **Schedule 3.35.1** hereto, the Business is not a party to or bound by any Contract in respect of any Employee, including any Contract for the employment or statutorily required re-employment of any Employee and termination or severance Contracts with Employees. True and complete copies of any written employment or services Contracts binding the Business with Employees have been provided to the Purchaser.

3.35.4 No current or prior Employee holds any option or other right to purchase Securities of the Corporation or the Business.

3.35.5 There are no employment Law related Claims or outstanding orders, awards or rulings with, against or relating to the Business, pending or, to the Knowledge of the Vendors, threatened. To the Knowledge of the Vendors, there exists no factual or legal basis on which any such Claims might be commenced.

3.35.6 The Business has never engaged in any unfair labour practice nor are there any pending or threatened complaints regarding any alleged unfair labour practice or other legal proceeding relating to Employees.

3.35.7 There is no strike, labour dispute, work slowdown, interruption or stoppage pending or, to the Knowledge of the Vendors, threatened against Business

nor has there been any such strike, labour dispute, work slowdown, interruption or stoppage within the last three (3) years.

3.35.8 The Business has not paid nor will it be required to pay any bonus, fee, distribution, remuneration or other compensation to any Person (other than salaries, wages or bonuses paid or payable to employees in the Ordinary Course in accordance with current compensation levels and practices as set out in **Schedule 3.35.1** hereto) as a result of the transactions contemplated by this Agreement or otherwise, other than the stock option agreements for certain employees as set out in Section 5.2 hereof.

3.35.9 None of the Employees has submitted to the Business, or the Vendors his or her resignation as a result or in anticipation of the transactions contemplated by this Agreement or otherwise.

3.35.10 The Business is in compliance with all applicable Laws relating to Employee matters, including without limitation, calculation and payment of wages, hours of work, equal employment opportunity, pay equity, human rights and other hiring practices, occupational health and safety, workers' compensation, language in the workplace, privacy and protection of personal information, unemployment, and payroll Taxes. There are no outstanding decisions, orders, settlements or pending settlements under employment or labour, human rights, pay equity, occupational health and safety, workers' compensation, language or any similar Laws of any jurisdiction, which place any obligation upon the Business to do or refrain from doing any act in relation to the Employees, and to the Knowledge of the Vendors, no Claim has been filed, made or commenced, against the Business under such Laws. In particular, the Business is in material compliance with all Laws regarding occupational health and safety and is not subject to outstanding inspection orders or assessments thereunder.

3.35.11 To the Knowledge of the Vendors, none of the Employees is in violation of any non-competition, non-solicitation, non-disclosure or any similar agreement with the Business or any third party.

3.36 Unions

3.36.1 The Business is not engaged in negotiations for or a party to or bound by, either directly or by operation of applicable Laws, any collective bargaining agreement, labour contract, letter of understanding, letter of intent, voluntary recognition agreement, certification or legally binding commitment or written communication (a "**Collective Agreement**") with or to any labour union, trade union or employee organization or group which may qualify as a trade union in respect of or affecting Employees, and no trade union, association, council of trade unions, employee bargaining agency or affiliated bargaining agent:

- 3.36.1.1 holds bargaining rights with respect to any of the Employees by way of certification, interim certification, voluntary recognition, designation or successor rights;
- 3.36.1.2 has, to the Knowledge of the Vendors, applied to be certified or requested to be voluntarily recognized as the bargaining agent of any of the Employees; or
- 3.36.1.3 has, to the Knowledge of the Vendors, filed a complaint or charge under applicable provincial labour or employment legislation.

3.36.2 There are no other apparent or, to the Knowledge of the Vendors, threatened union organizing activities involving Employees.

3.37 Employee Plans

3.37.1 **Schedule 3.37.1** hereto lists all Employee Plans.

3.37.2 The Vendors have made available to the Purchaser all Employee Plans as of the Closing Date, together with all related material documentation which accurately describe the benefits provided under each such Employee Plan referred to therein.

3.37.3 All Employee Plans have been established, registered, qualified and administered in all material respects in accordance with their terms and all applicable Laws and in accordance with all understandings, written or oral, between the Business and the Employees. None of the Employee Plans enjoys any special tax status under applicable Laws, nor have any advance tax rulings been sought or received in respect of Employee Plans.

3.37.4 No Employee Plan constitutes a “registered pension plan” as that term is defined in the ITA or other applicable Laws.

3.37.5 None of the Employee Plans provides post-retirement benefits to or in respect of Employees or to or in respect of their beneficiaries.

3.37.6 The Business may unilaterally amend, modify, vary, revise, revoke, or terminate, in whole or in part, each Employee Plan as it deems appropriate at any given time.

3.37.7 All contributions or premiums required to be made by the Business under the terms of each Employee Plan or pursuant to applicable Laws have been made in a timely fashion in accordance with applicable Laws and the terms of the Employee Plans, and the Business does not have, and as of the Closing Date will not have, any actual or potential unfunded liabilities (other than liabilities accruing after the Closing Date) with respect to any of the Employee Plans. All liabilities of the Business (whether known or

unknown, accrued presently or in the future, actual or contingent, absolute, current, long-term or otherwise) related to all Employee Plans have been fully and accurately accounted for and disclosed in the Financial Statements.

3.37.8 All obligations regarding the Employee Plans have been satisfied, there are no outstanding defaults or violations by the Business or any other party to an Employee Plan and no Taxes, penalties or fees are owing or due under or in respect of any such Employee Plans.

3.37.9 No Employee Plan is subject to any pending or, to the Knowledge of the Vendors, threatened or anticipated Claim or other legal proceeding, initiated by any Governmental Authority or other Person (other than routine claims for benefits), and, to the Knowledge of the Vendors, there exists no state of facts which after notice or lapse of time or both could reasonably be expected to give rise to any such Claim or other legal proceeding.

3.37.10 No insurance policy or other contract or agreement affecting any Employee Plan requires or permits a retroactive increase in premiums or payments due thereunder.

3.37.11 No amendments have been made to any Employee Plan and no commitments to improve or otherwise amend any Employee Plan have been made or will be made until the Closing Date except as required by applicable Law.

3.37.12 None of the Employee Plans is a multi-employer plan.

3.37.13 No Employee Plan exists that could require as a result of the transactions contemplated herein (i) the payment to any Person of any money, benefit or other property, (ii) accelerated or increased funding requirements for any Employee Plan, or (iii) the acceleration or provision of any other increased rights or benefits to any such Person.

3.38 **Insurance.**

3.38.1 The Vendors have made available to the Purchaser all insurance policies of the Business as of the Closing Date, together with all related material documentation which accurately describe the coverage provided under each such insurance policy.

3.38.2 All premiums due in respect of the insurance policies covering the Business and its assets and liabilities for at least the past three (3) years have been paid in full in a timely fashion.

3.38.3 There is no claim outstanding under any such insurance policies and, to the Knowledge of the Vendors, (i) there are no existing circumstances likely to give rise to a claim under any such insurance policies, and (ii) the Business

has not done or omitted to do anything which could make such policies void or voidable, or cause a significant increase in the cost for maintaining comparable insurance coverage following the Closing Date.

3.39 Litigation.

3.39.1 Except as outlined in **Schedule 3.39** hereto, there are no Claims, whether judicial, arbitral or administrative, and whether or not purportedly on behalf of or against the Business, pending, commenced, or, to the Knowledge of the Vendors, threatened, nor is there, to the Knowledge of the Vendors, any reason to believe that any such Claim may be brought or threatened against the Business.

3.39.2 There is no outstanding judgment, decree, order, ruling or injunction involving the Business or relating in any way to the Business or, to the Knowledge of the Vendors, the transactions contemplated by this Agreement.

3.40 Stand Alone. Except for Contracts entered into by the Business in the Ordinary Course, no part of the Business is conducted through any Person other than the Business or the Corporation. The Vendors and their affiliates and family members other than the Corporation do not have, and none of the Corporation's directors, officers or Employees has, any interest in any property, asset or right used in or pertaining to the Business.

3.41 Full Disclosure.

3.41.1 The Vendors have made due inquiry among the Business' legal counsel and independent auditors with respect to (i) each of the Vendors' covenants, agreements, obligations, representations and warranties contained in this Agreement and its Schedules, and (ii) any other agreement or document delivered pursuant to this Agreement, and none of the aforesaid covenants, agreements, obligations, representations, warranties, Schedules, or documents contains any untrue statement of a material fact or omits to state a material fact necessary to make such representation, warranty, Schedule, or other document not materially misleading.

3.41.2 More particularly, in connection with the representations and warranties set forth herein that are qualified by the Knowledge of the Vendors, the Vendors have conducted a commercially reasonable detailed inquiry about the underlying facts or circumstances as a reasonable person would under such circumstances.

4. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Vendors that each and all of the following statements are true and correct as at the Closing Date, and acknowledges that the Vendors

are relying upon such representations and warranties in connection with the sale of the Purchased Shares:

- 4.1 **Capacity to Enter Agreement.** The Purchaser has all necessary authority and capacity to enter into and perform its obligations under this Agreement.
- 4.2 **Binding Obligation.** This Agreement has been duly executed and delivered by the Purchaser and constitutes valid and binding obligations of the Purchaser, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that equitable remedies, including specific performance, are discretionary and may not be ordered in respect of certain defaults.
- 4.3 **Corporate Existence.** The Purchaser has been duly incorporated and organized, is validly existing and in good standing under the *Business Corporations Act* (Ontario). The Purchaser is not insolvent within the meaning of the *Bankruptcy and Insolvency Act* (Canada) nor has it made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof nor had any petition for a receiving order presented in respect thereof. The Purchaser has not initiated proceedings with respect to a compromise or arrangement with its creditors. No receiver has been appointed in respect of the Purchaser or any of its property, assets or rights and no execution or distress has been levied upon any of its property, assets or rights. No act or proceeding has been taken or authorized by or against the Purchaser with respect to any amalgamation, merger, consolidation, arrangement or reorganization of, or relating to, the Purchaser, nor have any such proceedings been authorized by any Person.
- 4.4 **Litigation.** There are no Claims, whether judicial, arbitral or administrative, or whether or not purportedly on behalf of or against the Purchaser, pending, commenced or to the knowledge of the Purchaser, threatened, that may affect the ability of the Purchaser to comply in a timely fashion with its obligations hereunder nor is there, to the knowledge of the Purchaser, any reason to believe that any such Claim may be brought or threatened against the Purchaser. There is no outstanding judgement, decree, order, ruling or injunction involving the Purchaser that may affect the transactions contemplated by this Agreement.
- 4.5 **Absence of Conflicts.** None of the execution and delivery of this Agreement, the performance of the Purchaser's obligations hereunder, or the completion of the transactions contemplated by this Agreement will result in or constitute a breach of (1) any Laws or (2) any term or provision of, or constitute a default under the Purchaser's constating documents or any Contract to which the Purchaser is a party or by which any assets or rights of the Purchaser are bound.
- 4.6 **Bankruptcy.** The Purchaser is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) nor has it made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof nor

had any petition for a receiving order presented in respect of the Purchaser. The Purchaser has not initiated proceedings with respect to a compromise or arrangement with its creditors. No receiver has been appointed in respect of the Purchaser or any of its property, assets or rights and no execution or distress has been levied upon any of its property, assets or rights. No act or proceeding has been taken or authorized by or against the Purchaser with respect to any amalgamation, merger, consolidation, arrangement or reorganization of, or relating to, the Purchaser, nor have any such proceedings been authorized by any Person.

- 4.7 **Absence of Changes.** Since October 31, 2021, the Purchaser has carried on in all material respects in the Ordinary Course, and without limiting the foregoing, there has not been any material adverse change in the financial condition, operations, or results of operations of the Purchaser, nor has there been any occurrence or circumstances which, with the passage of time, might reasonably be expected to have such a material adverse effect.

5. CLOSING

- 5.1 **Vendors' Deliveries.** At Closing, the Vendors shall deliver to the Purchaser the following in form and substance satisfactory to the Purchaser:

- 5.1.1 the original share certificates representing the Purchased Shares in fully transferable form, duly endorsed for transfer or accompanied by executed stock powers of attorney, together with certified copies of resolutions of the Corporation's and Holdco's board of directors and, if applicable, shareholders authorizing the transfer of the Purchased Shares to the Purchaser;
- 5.1.2 satisfactory evidence that all Encumbrances affecting the Purchased Shares or the assets and rights of the Corporation have been irrevocably and unconditionally released and discharged;
- 5.1.3 all third party consents referenced in **Schedule 3.8** hereof;
- 5.1.4 duly executed resignations effective as at the Closing Date of each director and officer of the Corporation and Holdco;
- 5.1.5 executed employment agreements with all Employees of the Business who will remain employed by the Business following the Closing Date on substantially the same terms as the Employee's current terms of employment;
- 5.1.6 the duly executed mutual release attached hereto as **Schedule 5.1.6**;
- 5.1.7 the agreed employment agreement and incentive plan for 2022 with David attached hereto as **Schedule 5.1.6**

5.1.8 all bank cards, credit cards account numbers and related information related to the Corporation's banking information as outlined in **Schedule 3.30** hereto; and

5.1.9 all Books and Records.

5.2 **Purchaser Deliveries.** At Closing, the Purchaser shall deliver to the Vendors or its counsel, as applicable, the Purchase Price in accordance with **Section 2.2.1** hereof, the stock option agreements with respect to the 250,000 stock options granted to employees of the Corporation designated by David, the escrow agreement with respect to the Earn-Out Shares together with the documents listed in **Section 5.1** above required to be signed or delivered by the Purchaser.

6. POST-CLOSING

6.1 **Financial Statements.** The Purchaser shall, together with the Vendors, cause the Business to prepare and file on a timely basis audited financial statements for the Corporation for the years ended December 31, 2021, 2020 and 2019 and reviewed interim financial statements for the 9 months ended September 30, 2021, prepared in accordance with IFRS.

6.2 **Adverse Results.** Should the Corporation's gross profit calculated in accordance with IFRS fall by ten percent or more when compared to the financial year of the Corporation ending on December 31, 2021, the Purchaser reserves the right to implement modifications and adjustments to the Corporation to address such reduction in gross profit and its impact on profitability. The Purchaser will work with the Corporation's management to ensure the required changes are implemented.

7. NON-COMPETITION AND CONFIDENTIALITY

7.1 For the purposes of **Sections 7.2** and **7.3** hereof, the "**Restrictive Period**" shall mean the period commencing on the Closing Date and ending five years thereafter and shall not concern any business activities concerning the Corporation.

7.2 During the Restrictive Period, the Vendors shall not, on their own behalf or on behalf of or in conjunction with or through any other Person, directly or indirectly, in any capacity whatsoever, carry on, be engaged in, have any financial or other interest in or be otherwise commercially involved in any activity, business or other endeavour which competes directly with all or any substantial part of the Business (each, a "**Competitive Activity**") in any province or territory in which the Corporation or its successors or assigns have significant operations related to the Business (the "**Territory**").

7.3 During the Restrictive Period, the Vendors shall not, on their own behalf or on behalf of or in conjunction with or through any other Person, directly or indirectly, in any capacity whatsoever:

- 7.3.1 solicit or employ, engage, offer employment or engagement to, or otherwise entice away from the Corporation or its successors or assigns, any employees, contractors or other representatives of the Corporation or its successors or assigns; or
 - 7.3.2 solicit or accept, or procure or assist the soliciting or acceptance, of the business of any customer of the Business with respect to a Competitive Activity.
- 7.4 The Vendors shall not be in breach under **Section 7.2** or **7.3** hereof solely by virtue of their holding as passive investors of no more than 5% (including shares held by any affiliates or other Persons acting jointly or in concert therewith) of the issued and outstanding shares of any class of any Person listed on a recognized stock exchange, the business of which is a Competitive Activity, in whole or in part.
- 7.5 The Vendors shall (and shall cause their directors, officers, agents and other representatives to) maintain the confidentiality of all confidential information relating to or concerning the Corporation or the Business to which they may have had access directly or indirectly until the Closing Date as shareholders, directors, officers, Employees or otherwise, at all times hereafter. For the purposes hereof, confidential information specifically excludes any information acquired through legitimate sources outside of the Business, as well as any information which is or becomes part of the public domain through legitimate sources, or that is required to be disclosed by a Vendors under any Law or legal process. Notwithstanding the foregoing, the Vendors may confidentially disclose any such confidential information (including copies of any Books and Records) to their professional advisors in connection with any Claims made against the Vendors by any taxation authority or other Governmental Authority in any jurisdiction. To the extent necessary to legitimately assist the Vendors to respond to any inquiry and/or Claim from any Governmental Authority, the Purchaser shall provide the Vendors and their advisors with reasonable and timely access to the Books and Records solely for purposes of responding to such inquiry or Claim.
- 7.6 The Vendors expressly acknowledge that the covenants contained in this **Section 7.6** are necessary for the Purchaser to fully benefit from the goodwill of the Business and that this **Section 7.6** is reasonable and valid in all respects, and the Vendors both irrevocably waive (and irrevocably agree not to raise as a defense) any issue of reasonableness (including the reasonableness of the Territory or the duration and scope of this **Section 7.6**) in any proceeding to enforce any provision hereof.
- 7.7 In the event of a violation, contravention, breach or threatened breach of this **Section 7.7** by the Vendors, the Purchaser or its successors or assigns shall be entitled to seek both temporary and permanent injunctive relief. The right of the Purchaser or its successors or assigns to seek injunctive relief shall be in addition to any and all other remedies available to them and shall not be construed to prevent them from pursuing, either consecutively or concurrently, any and all other legal or

equitable remedies available to it including the recovery of monetary damages, it being acknowledged by the Vendors that any such claim for monetary amount shall strictly cover the damages effectively suffered consequently to the corresponding breach, and that a recourse in injunction or other mandatory recourse shall rather cover the protection of the Purchaser or its successors or assigns from any such breach in the future.

- 7.8 Each Vendor, the Corporation and the Purchaser agree that the non-competition covenants in this **Article 7** (collectively, the “**Covenants**”) provided by each of the Vendors in favor of the Purchaser are integral to the Agreement and the Covenants are granted to preserve the fair market value of the goodwill of the Purchased Shares and the Business purchased by the Purchaser from the Vendors hereunder.

8. SURVIVAL

- 8.1 **Covenants and Agreements.** All covenants and agreements of the Parties set forth in this Agreement shall survive the Closing Date and remain in full force and effect indefinitely until fully performed.

8.2 Representations and Warranties.

8.2.1 Subject to the remaining provisions of this **Section 8.2**, the representations and warranties of the Vendors contained in this Agreement will survive the Closing Date for a period of two years thereafter.

8.2.2 The representations and warranties of the Vendors contained in **Sections 3.17** and **3.33** hereof will continue in full force and effect for the benefit of the Purchaser until 45 calendar days after the expiration of the applicable statutes of limitations for underlying Claims by the relevant Governmental Authorities. Where a notice of any Claim is given, in writing, in respect of a representation or warranty of the Vendors relating to the matters governed by **Section 3.17** or **3.33** hereof within the foregoing survival period, the representation, warranty or obligation will survive in respect of the Claim until the final determination or settlement of the Claim.

8.2.3 The representations and warranties of the Vendors contained in **Sections 3.4, 3.10, 3.13** and **3.14**, and the representations and warranties of the Purchaser contained in **Section 4.3** hereof, as well as any fraudulent or wilful misrepresentations of the Vendors or the Purchaser hereunder, will survive the Closing Date and continue in full force and effect for the benefit of the Purchaser or the Vendors, as applicable, without limit as to time.

9. INDEMNIFICATION

- 9.1 Subject to the provisions of **Article 8** above, the Vendors shall jointly and severally indemnify and hold the Purchaser and the Corporation and their respective affiliates, successors and assigns (each, an “**Indemnified Party**”) harmless from and against any Claims and resulting Losses which may be made against the

Indemnified Parties or which any of them may suffer or incur as a result of, arising out of or relating to:

9.1.1 any violation, contravention or breach of any covenant, agreement or obligation of the Vendors under or pursuant to this Agreement; or

9.1.2 for Claims submitted within two (2) years from the date hereof with respect to Claims related to events that occurred prior to Closing, any incorrectness in, or breach of, any representation or warranty made by the Vendors pursuant hereto, whether or not the Indemnified Parties relied thereon or had knowledge thereof.

9.2 **Additional Indemnities.** In addition to and without limiting the generality of **Section 9.1** hereof, each of the Vendors shall jointly and severally indemnify the Indemnified Parties and save them fully harmless from and against any Claims and resulting Losses which may be suffered or incurred by the Indemnified Parties as a result of, or arising out of or in connection with:

9.2.1 any liabilities or obligations of the Corporation or the Business owed to Employees who cease to be employed by the Business prior to the Closing Date, including without limitation any claims for wages, benefits, vacation pay, severance payments, wrongful dismissal, constructive dismissal or related civil liability claims;

9.2.2 any statutory severance payments, benefits, vacation pay or compensation in connection with constructive dismissal payable by the Corporation or the Business to Employees who cease to be employed by the Business prior to the Closing Date with the amounts to be paid to be determined in accordance with applicable Laws;

9.2.3 any liabilities or obligations of the Corporation or the Business for Taxes due and any other Claims made by a government authority, together with any penalties or interest, in connection only with any period ending prior to the Closing Date without time limitation; and

9.2.4 any liabilities or obligations of the Indemnified Parties arising from accounts payable that were incurred prior to the Closing Date.

9.3 Subject to the provisions of **Article 8** above, the Purchaser shall indemnify and hold the Vendors harmless from and against any Claims and resulting Losses which may be made against the Vendors or which any of them may suffer or incur as a result of, arising out of or relating to:

9.3.1 any violation, contravention or breach of any covenant, agreement or obligation of the Purchaser under or pursuant to this Agreement; or

9.3.2 any incorrectness in, or breach of, any representation or warranty made by the Purchaser pursuant hereto, whether or not the Vendors relied thereon or had knowledge thereof.

9.4 **Indemnity Limit; Exclusive Remedies; No Set-Off Rights.**

9.4.1 The Purchaser shall have no right to recover any amounts pursuant to any Claims and resulting Losses until the total amount of all Claims which may be asserted for Losses incurred by the Indemnified Party in the aggregate, exceeds \$75,000 (the “Deductible”), after which the Indemnified Party will be entitled to recover Losses for the entire amount of such Claims including the first \$1.00, subject to the other limitations in this Article 9.

9.4.2 The indemnification obligations of the Vendors and the Purchaser pursuant hereto are limited in the aggregate to the Purchase Price; provided that such limitation shall not apply to Claims based on fraud, negligence or wilful misconduct of the indemnifying Parties or made pursuant to **Section 9.2**, if applicable, or **Section 10.5** hereof. Save and except with respect to the reduction of any portion of the Purchase Price (as may be adjusted in accordance with the provisions hereof) or any injunctive remedies, the provisions of this **Article 9** shall constitute the sole remedy to the Vendors and the Purchaser against the other Parties to this Agreement with respect to any and all breaches of any agreement, covenant, representation or warranty made by such Parties in this Agreement.

9.4.3 Neither Party shall have any right of set-off or other similar rights with respect to (a) any amounts received pursuant to this Agreement or any ancillary agreement related hereto; or (b) any other amounts claimed to be owed to the other Party out of this Agreement or any ancillary agreement.

9.5 **Notification.** Upon obtaining knowledge thereof, the Indemnified Parties shall diligently notify the Vendors of any cause that the Indemnified Parties have determined has given or could give rise to indemnification under this **Article 9**. The omission so to notify the Vendors shall not relieve them from any duty to indemnify and hold harmless which otherwise might exist with respect to such cause unless (and only to that extent) the omission to notify materially prejudices the ability of the Vendors to exercise their right to defend provided in this **Article 9**.

9.6 **Defense of Third Party Claims.**

9.6.1 If any legal proceeding shall be instituted or any claim or demand shall be asserted by a third party against an Indemnified Party (including, in the case of the Purchaser, the Corporation) (each a “**Third Party Claim**”), then the Vendors shall have the right, after receipt of the Indemnified Party’s notice hereunder and upon giving notice to the Indemnified Party within ten (10) calendar days of such receipt, to defend the Third Party Claim at their own cost and expense with counsel of their own selection, provided that:

- 9.6.1.1 the Indemnified Party shall at all times have the right to fully participate in the defense at its own expense;
- 9.6.1.2 the Third Party Claim seeks only monetary damages and does not seek any injunctive or other relief against the Indemnified Party;
- 9.6.1.3 the Vendors unconditionally acknowledge in writing their joint and several obligation to indemnify and hold the Indemnified Party harmless with respect to the Third Party Claim; and
- 9.6.1.4 legal counsel chosen by the Vendors is satisfactory to the Indemnified Party, acting reasonably.

9.6.2 Amounts payable by the Vendors pursuant to a Third Party Claim shall be paid in accordance with the terms of the settlement or, the judgement, as applicable, but in any event prior to the expiry of any delay for a judgement to become executory.

9.7 Defense of Direct Claims

9.7.1 Any claim by an Indemnified Party on account of Losses that do not result from a Third Party Claim (a "Direct Claim") will be asserted by giving the Indemnifying Party reasonably prompt written notice thereof. Such notice by the Indemnified Party will describe the Direct Claim in reasonable detail, will include copies of all available material written evidence thereof, and will indicate the estimated amount, if reasonably practicable, of Losses that have been or may be sustained by the Indemnified Party. A failure to give timely notice or to include any specified information in any notice will not affect the rights or obligations of any Party, except and only to the extent that, as a result of such failure, any Party that was entitled to receive such notice was deprived of its right to recover any payment under its applicable insurance coverage or was otherwise materially prejudiced as a result of such failure. Following receipt of notice of a Direct Claim, the Indemnifying Party has 60 days to investigate the Direct Claim and respond in writing. For purposes of the investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Direct Claim together with, at the Indemnifying Party's reasonable expense, such other information as the Indemnifying Party may reasonably request.

9.7.2 If the Indemnifying Party disputes the validity or amount of the Direct Claim, the Indemnifying Party shall provide written notice of the dispute to the Indemnified Party within the 60 day period set out in Section 9.7.1 hereof. The dispute notice must describe in reasonable detail the nature of the Indemnifying Party's dispute. During the 30 day period immediately following receipt of a dispute notice by the Indemnified Party, the

Indemnifying Party and the Indemnified Party shall attempt in good faith to resolve the dispute. If the Indemnifying Party and the Indemnified Party fail to resolve the dispute within that 30 day time period, the matter in dispute will be resolved by binding arbitration in accordance with the *Arbitration Act, 1991* (Ontario). If the Indemnifying Party fails to respond in writing to the Direct Claim within the 60 day period specified in Section 9.7.1 hereof, the Indemnifying Party is deemed to have agreed to the validity and amount of the Direct Claim.

9.8 **No Compromise.** The Vendors shall not be permitted to compromise and settle or to cause a compromise and settlement of any Third Party Claim, without the prior written consent of the Indemnified Party, unless:

9.8.1 the terms of the compromise and settlement require only the payment of money and do not require the Indemnified Party or the Corporation to admit any wrongdoing or take or refrain from taking any action; and

9.8.2 the Indemnified Party receives, as part of the compromise and settlement, a legally binding and enforceable unconditional satisfaction or release, which is in form and substance satisfactory to the Indemnified Party, acting reasonably, from any and all obligations or liabilities it may have with respect to the Third Party Claim.

9.9 **Failure to Defend.** If the Vendors fail within thirty (30) calendar days from receipt of the notice of a Third Party Claim to give notice of their intention to defend the Third Party Claim in accordance herewith, or to comply at any time with any of the corresponding provisions hereof, then the Vendors shall be deemed to have waived their right to defend the Third Party Claim and the Indemnified Party shall have the right (but not the obligation) to undertake or to cause the Corporation to undertake the defense of the Third Party Claim and compromise and settle the Third Party Claim on behalf, for the account and at the risk and expense of the Vendors.

10. MISCELLANEOUS

10.1 **Costs and Expenses.** Except as otherwise specified in this Agreement, all costs and expenses, including the fees and disbursements of accountants, legal counsel, appraisers and other professional advisers incurred in connection with this Agreement and the completion of the transactions contemplated by this Agreement are to be paid by the Party incurring those costs and expenses. For greater clarity, all such costs and expenses incurred by the Corporation prior and up to the Closing Date in connection with its incorporation and the sale of the Purchased Shares by the Vendors hereunder shall be deemed to be costs and expenses incurred by the Vendors.

10.2 **Notices.** Any notice, consent, authorisation, direction or other communication required or permitted to be given hereunder shall be in writing and shall be delivered by any means providing proof of receipt, to the addresses indicated

below, or to such other address as any Party may give to the other Party by way of notice delivered as aforesaid.

Purchaser:

Ciscom Corp.
20 Bay Street, Suite 1110
Toronto, Ontario, M5J 2N8

Attention: Drew Reid
E-mail: dreid@ciscomcorp.com

Vendors, Holdco or the Corporation:

David Mathews
19 Langmuir Crescent
Toronto, ON M6S 2A8

E-mail: Drave65@gmail.com
E-mail: dmathews@prospectmedia.com

- 10.3 **Further Assurances.** Each Party will execute and deliver any further agreements and documents and provide any further assurances as may be reasonably required by the other Party to give effect to this Agreement.
- 10.4 **Payment and Currency.** Any money to be paid or tendered by one Party to another pursuant to this Agreement must be paid by bank draft, certified cheque or wire transfer of immediately available funds payable to the Person to whom the amount is due. Unless otherwise specified, the word “dollar” and the “\$” sign refer to Canadian currency, and all amounts to be advanced, paid or calculated under this Agreement are to be advanced, paid or calculated in Canadian currency.
- 10.5 **No Broker.** Each Party represents and warrants to the other Party that all negotiations relating to this Agreement and the transactions contemplated by this Agreement have been carried on without the assistance of any other Person on behalf of any Party in such manner as to give rise to any valid claim against the other Party (or in the case of the Purchaser, the Corporation) for a brokerage commission, finder’s fee or other similar payment.
- 10.6 **Public Announcements.** Any press release, public announcement or publicity with respect to the transaction contemplated in this Agreement shall be made only with the prior written consent of the Parties unless such release, announcement or publicity is required by Law, in which case the Party required to make such release, announcement or publicity shall use its best efforts to obtain approval of the other Parties as to the form, nature and extent of such disclosure, which approval shall not be unreasonably withheld.

- 10.7 **Amendments and Waivers.** No supplement, modification, amendment, waiver, discharge or termination of this Agreement shall be binding unless it is executed in writing by the Parties to be bound. No waiver of, failure to exercise or delay in exercising, any provision of this Agreement shall constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise expressly provided; nor shall any single or partial exercise of any such provision shall preclude any other or further exercise of such provision or the exercise of any other provision.
- 10.8 **Assignment and Enurement.** Neither this Agreement nor any right or obligation under this Agreement may be assigned by any Party without the prior consent of the other Parties, which consent may be withheld without justification. Notwithstanding the foregoing, the Purchaser may freely amalgamate with the Corporation, or, with the prior written consent of the Vendors, which consent shall not be unreasonably or arbitrarily withheld, assign any or all of its rights and/or obligations hereunder to the Corporation (or *vice versa*) or to any acquirer of the Business, as the case may be. This Agreement enures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.
- 10.9 **Joint and Several Obligations.** The liabilities and obligations of the Vendors are joint and several. Both Vendors shall for all purposes hereof be regarded as in the same position as a principal debtor.
- 10.10 **Severability.** Each provision of this Agreement is distinct and severable. If any provision of this Agreement, in whole or in part, is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect the legality, validity or enforceability of the remaining provisions of this Agreement, or the legality, validity or enforceability of that provision in any other jurisdiction.
- 10.11 **Counterparts.** This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which when so executed and delivered will be an original, and those counterparts will together constitute one and the same instrument.
- 10.12 **Electronic Delivery.** Delivery of this Agreement by facsimile, e-mail or functionally equivalent electronic PDF transmission constitutes valid and effective delivery.
- 10.13 **Authority.** Each signatory hereof acting on behalf of a Party certifies by his or her signature hereunto that he or she is duly authorized to execute this Agreement for and on behalf of said Party and to bind said Party in accordance with the provisions hereof.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the Closing Date.

CISCOM CORP.

**PROSPECT MEDIA GROUP,
LTD.**

Per: "Drew Reid"
Name: Drew Reid
Title: Executive Chairman & CEO

Per: "David Mathews"
Name: David Mathews
Title: President

CISCOM CORP.

1883713 ONTARIO INC.

Per: "Michel Pepin"
Name: Michel Pepin
Title: President & CFO

Per: "David Mathews"
Name: David Mathews
Title: President

"David Mathews"
DAVID MATHEWS

"Nashly Mathews"
NASHLY MATHEWS

SCHEDULE "A"
EARN-OUT PAYMENTS

The Earn-Out Payments for each of the financial years ended on December 31, 2022 and December 31, 2023 will be calculated as follows:

Table 1

For the financial year from January 1, 2022 to December 31, 2022

growth target over	Gross Profit growth		% payout for E-O	Base E-O payout	\$ payout for E-O
	%	\$			
A	B	C = A * B	D	E	F = D * E
275,000	75.0%	206,250	45.0%	500,000	225,000
275,000	80.0%	220,000	50.0%	500,000	250,000
275,000	85.0%	233,750	62.5%	500,000	312,500
275,000	90.0%	247,500	75.0%	500,000	375,000
275,000	95.0%	261,250	87.5%	500,000	437,500
275,000	100.0%	275,000	100.0%	500,000	500,000
275,000	105.0%	288,750	105.0%	500,000	525,000
275,000	110.0%	302,500	110.0%	500,000	550,000
275,000	115.0%	316,250	115.0%	500,000	575,000
275,000	120.0%	330,000	120.0%	500,000	600,000

Table 2

For the financial year from January 1, 2023 to December 31, 2023

growth target over	Gross Profit growth		% payout for E-O	Base E-O payout	\$ payout for E-O
	%	\$			
A	B	C = A * B	D	E	F = D * E
500,000	75.0%	375,000	45.0%	750,000	337,500
500,000	80.0%	400,000	50.0%	750,000	375,000
500,000	85.0%	425,000	62.5%	750,000	468,750
500,000	90.0%	450,000	75.0%	750,000	562,500
500,000	95.0%	475,000	87.5%	750,000	656,250
500,000	100.0%	500,000	100.0%	750,000	750,000
500,000	105.0%	525,000	105.0%	750,000	787,500
500,000	110.0%	550,000	110.0%	750,000	825,000
500,000	115.0%	575,000	115.0%	750,000	862,500
500,000	120.0%	600,000	120.0%	750,000	900,000

SCHEDULE 1.1.233

AUDITED FINANCIAL STATEMENTS

1. Unaudited draft Financial Statements for the Corporation as at December 31, 2021 are currently attached. Vendor and Purchaser acknowledge and agree that this schedule is incomplete and will be completed when the review engagement financial statements of the Corporation as at December 31, 2021 and the audited financial statements of the Corporation as at December 31, 2021 are finalized, approved by Vendor and Purchaser and attached.

SCHEDULE 1.1.23
AUDITED FINANCIAL STATEMENTS (continued)



Prospect Media Group Ltd.

Statement of Earnings and Retained Earnings - (Unaudited)

As of December 31, 2021

	<u>Current</u> <u>Year-to-Date</u>	<u>% of</u> <u>Sales</u>	<u>Last Year's</u> <u>Year-to-Date</u>	<u>% of</u> <u>Sales</u>	<u>Variance</u>	<u>% of</u> <u>Change</u>
Sales	26,733,158	100.0%	21,279,383	100.0%	5,453,775	25.6%
Cost of Goods Sold	21,376,655	80.0%	17,031,229	80.0%	(4,345,426)	-25.5%
Gross Profit	5,356,503	20.0%	4,248,154	20.0%	1,108,349	26.1%
<u>Expenses</u>						
Wages	2,062,632	7.7%	2,134,449	10.0%	71,817	3.4%
Wage Subsidy	(137,190)	-0.5%	(408,156)	-1.9%	(270,966)	66.4%
Contract Labour	-	0.0%	81,055	0.4%	81,055	100.0%
Commissions	310,678	1.2%	271,869	1.3%	(38,809)	-14.3%
Admin Bonus	475,500	1.8%	169,950	0.8%	(305,550)	-179.8%
Rent	4,511	0.0%	318,635	1.5%	314,125	98.6%
Advertising & Promotion	27,614	0.1%	26,691	0.1%	(923)	-3.5%
Office	66,838	0.3%	83,663	0.4%	16,826	20.1%
Depreciation	27,521	0.1%	37,640	0.2%	10,119	26.9%
Analytics	264,491	1.0%	272,646	1.3%	8,155	3.0%
Insurance	87,580	0.3%	99,793	0.5%	12,213	12.2%
Travel	16,740	0.1%	10,531	0.0%	(6,210)	-59.0%
Legal & Audit	78,161	0.3%	15,671	0.1%	(62,490)	-398.8%
Phone	11,441	0.0%	27,225	0.1%	15,785	58.0%
Membership & Subscriptions	18,574	0.1%	23,139	0.1%	4,565	19.7%
Bank Charges	14,058	0.1%	14,016	0.1%	(43)	-0.3%
Car Lease	9,459	0.0%	9,377	0.0%	(82)	-0.9%
Repairs	-	0.0%	1,671	0.0%	1,671	100.0%
Invest/Foreign Exchange Loss	-	0.0%	13,568	0.1%	13,568	100.0%
	3,338,608	12.5%	3,203,433	15.1%	(135,175)	-4.2%
Net Earnings before Tax	2,017,895	7.5%	1,044,721	4.9%	973,174	93.2%
Provision for Corporate Taxes	(474,890)	-1.8%	(215,818)	-1.0%	(259,072)	120.0%
Net Income	1,543,005	5.8%	828,903	3.9%	714,102	86.2%
<u>Retained Earnings</u>						
Retained Earnings, Opening	1,328,697		704,033			
Net Income	1,543,005		828,903			
Dividends Paid	(1,035,350)		(204,239)			
Retained Earnings, Closing	1,836,352		1,328,697			

SCHEDULE 1.1.23
AUDITED FINANCIAL STATEMENTS (continued)



Prospect Media Group Ltd.
Balance Sheet - (Unaudited)
As of December 31, 2021

<u>Assets</u>			<u>Current</u>	<u>Last Year</u>
<u>Current</u>				
Cash			1,724,545	1,470,194
Securities			-	800,000
Accounts Receivable			4,566,151	2,382,455
Prepays			334,888	119,155
Income Tax Receivable			-	-
			<u>6,625,583</u>	<u>4,771,804</u>
<u>Fixed Assets</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>		
Furniture	-	-	-	-
Computer System	396,678	353,010	43,667	56,206
			<u>43,667</u>	<u>56,206</u>
Total Assets			<u><u>6,669,250</u></u>	<u><u>4,828,010</u></u>
<u>Liabilities and Shareholders' Equity</u>				
<u>Current</u>				
Accounts Payable			4,359,114	3,469,042
Sales Tax Payable			(7,217)	(78,588)
Deferred Revenue			221,870	12,980
Income Tax Payable			259,070	95,818
			<u>4,832,837</u>	<u>3,499,252</u>
Bank Indebtedness			-	-
			<u>4,832,837</u>	<u>3,499,252</u>
Provision for Corporate Tax			-	215,818
			-	<u>215,818</u>
<u>Shareholders' Equity</u>				
Share Capital			61	61
Retained Earnings			1,836,352	1,328,697
			<u>1,836,413</u>	<u>1,328,758</u>
Total Liabilities and Shareholders' Equity			<u><u>6,669,250</u></u>	<u><u>5,043,828</u></u>

SCHEDULE 1.1.39
WORKING CAPITAL METHODOLOGY AND CALCULATIONS

The numbers in this Schedule 1.1.39 are meant to illustrate the Working Capital methodology and calculations. Actual numbers on the Closing Date are to be used in the Working Capital methodology and calculation.

PROSPECT MEDIA GROUP LTD.			
WORKING CAPITAL CALCULATION			
BASED ON INTERNAL FINANCIALS - DECEMBER 31, 2021			
<u>CURRENT ASSETS</u>			
CASH	1,724,606		
RECEIVABLES	4,503,646		
PREPAIDS	334,888		
	6,563,140		
<u>CURRENT LIABILITIES</u>			
ACCOUNTS PAYABLE	4,398,758		
SALES TAX	3,093		
DEFERRED REVENUE	221,870		
CORP TAX	238,060		
	4,861,781		
NET WORKING CAPITAL	1,701,359		
LESS AGREED THRESHOLD	(300,000)		
EXCESS WORKING CAPITAL	\$ 1,401,359		

In relation with the deposit of \$250,000 that the Corporation must maintain with Canada Post, the Vendors agree to leave an additional amount of \$250,000 in Holdco or the Corporation for a period of up to 120 days after the Closing Date. The amount of \$250,000 will then be paid by the Purchaser to the Vendors within 5 Business days thereafter..

SCHEDULE 1.1.40
Normalized EBITDA

The following calculation are based on the internal financial statements as at December 31, 2021 presented in Schedule 1.1.23. Final calculations will be based on the audited Financial Statements as at December 31, 2021.

	\$
Net income	1,543,005
Plus	
Special bonuses	225,000
Depreciation	27,521
Excess professional fees	55,000
Cancelled keyman policies	25,000
Income taxes	474,890
Minus	
CEWS elimination	-137,190
Salary run-rate adjustment	-100,000
Rent adjustment	-200,000
Travel adjustment	-30,000
Normalized EBITDA	1,883,226

SCHEDULE 3.8

CONSENTS

1. None

SCHEDULE 3.23

LEASE FOR BUSINESS

1. No current lease for premises. All employees of the Corporation are working from home. [Lease among 1315994 Ontario Limited and Norseman Apartments Limited (collectively the “Landlord”) and Prospect Media Group Inc. dated July 30, 2009 for the premises known as Suite 300, 129 Spadina Avenue, Toronto, Ontario, as extended and amended in the lease extension agreement dated January 7, 2015 between the Landlord and Prospect Media Group Ltd. expired on November 30, 2020
2. Consent to Sub-lease dated August 1, 2016 among Prospect Media Group Ltd. (Tenant), S.O. Asher Consultants Ltd. (Subtenant) and 1315994 Ontario Limited and Norseman Apartments Limited (collectively the “Landlord”) for the sub-leased premises known as Suite 301 129 Spadina Avenue, Toronto, Ontario, which expired on November 30, 2020.
3. SmartStop Self Storage lease dated November 6, 2020 with respect to leased space # 1083 located at 2055 Cornwall Road, Oakville, Ontario. This is a month-to-month lease. The lease is in the name of Frank Linhart - Director of Finance for the Corporation.
4. Equipment lease between the Corporation and Pitney Bowes of Canada Ltd. regarding the lease of a mail machine dated April 26, 2018
5. Equipment lease between the Corporation and Sharp Electronics of Canada Ltd. dated November 30, 2016 for the lease of Copier Equipment.
6. Vehicle Lease between the Corporation and Lexus Financial dated March 5, 2019 for the lease of a 2018 Lexus GS350 with VIN JTHCZ1BL7JA008879.—David is in the process of buying out this car lease before Closing, which has been approved by the Purchaser.

SCHEDULE 3.25.1

INTELLECTUAL PROPERTY

1. The Corporation is the owner of the following registered Canadian trade-marks:

None

2. The Corporation owns and uses the unregistered business trade names and unregistered trade-marks (and associated logo, design and artwork):

‘Prospect Media’ business name and logo/artwork below. Business name is not registered.



3. The Corporation owns and uses the websites (and all related content and coding) located at the URL: <https://prospectmedia.com/>. See list of all applicable domains owned and utilized by Prospect Media:

PMG Domains (currently owned and in use):

Prospectmedia.ca

Prospectmedia.com

Prospectmediagroup.com

Stratafly.com

Stratafly.ca

Lennox-cap.com (client domain – exclusive use for Lennox only)

4. The Corporation uses the following third-party licensed software solutions:

Sage Accounting Software

Microsoft Office

Alteryx

Environics

Pelmorex

ESRI (ArcGIS Mapping)

Salesforce (Datorama)

ActivTrak

LinkedIn Sales Navigator

5. The Corporation is the owner of the following registered Canadian patents:

None

6. Section 3.26.2.9—Please note that one employee of the Corporation has not signed the Corporation's updated employment agreement, but is party to an employment agreement which contains confidentiality provisions with a predecessor of the Corporation (Stratafly). The Purchaser has previously been advised of this.

SCHEDULE 3.30
BANKING INFORMATION

[Redacted as contains confidential banking information]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

SCHEDULE 3.30
MATERIAL CONTRACTS

The following are the Corporation's Material Contracts (as provided to Ciscom for Due Diligence):

CLIENT AGREEMENTS:

1. Agreement (signed document) between the Corporation and goeasy Ltd. dated January 1, 2020 for the provision of analytic services and flyer management.
2. Statement of Work/Agreement (not a signed document) between the Corporation and Ikea Canada Limited Partnership commencing January 2019 with respect to analytic services, flyer management and mobile location data.
3. Agreement (not currently a signed document) between the Corporation and Save-On-Foods Limited Partnership dated August 1, 2020 for the provision of analytic services to inform flyer optimization and print-digital integration services.
4. Agreement between the Corporation and Peavey Industries Ltd. dated September 1, 2018 with respect to analytic services, flyer management and digital media buying. Plus, Agreement between the Corporation and Peavey Industries Ltd. dated October 1, 2019 with respect to mobile location data. Plus, Statement of Work between the Corporation and Peavey Industries Ltd. (for Ace Hardware) effective June 1, 2020 with respect to analytic services, flyer management and mobile location data. None of the above agreements are currently signed.
5. Agreement between the Corporation and The Brick Warehouse L.P. dated January 1, 2020 with respect to custom analytics, print media management and integrated media strategy. Plus, Agreement between the Corporation and The Brick Warehouse L.P. dated January 1, 2020 with respect to mobile location data. None of the above agreements are currently signed.
6. Agreement (signed document) between the Corporation and Giant Tiger Stores Limited dated October 1, 2019 for the provision of analytic services and flyer management.
7. Agreement (signed document) between the Corporation and Leon's Furniture Limited dated January 1, 2020 for the provision of analytic services and flyer management.
8. Agreement (signed document) between the Corporation and Toys "R" Us (Canada) Ltd. effective as of March 1, 2020 with respect to analytic services, flyer management and mobile location data.
9. Agreement (signed document) between the Corporation and Ren's Pets dated March 1, 2021 with respect to analytics services and media buying services.

10. Participation Agreement (signed document) between the Corporation and Pet Retail Brands, Inc. dated January 7, 2021 with respect to GO analytic and media buying services.

11. Participation Agreement between the Corporation and PJ West Advertising Inc. (Papa John's) dated August 18th, 2020 with respect to Paper Order Commitment.

12. Agreement between the Corporation and Recipe Unlimited Corporation dated January 1, 2019 with respect to direct mail analytics. No document signed for current 2021 term.

13. Media Purchase Authorization Form between the Corporation and Carter's dated March 16, 2021 regarding Digital Media Buying.

14. Media Purchase Authorization Form between the Corporation and Lennox dated December 23, 2020 regarding Digital Media Buying.

VENDOR AGREEMENTS

15. License Agreement for use of Canada Post Householder Elite data between the Corporation and Canada Post Corporation dated May 1, 2010, as amended on August 20, 2021.

16. Transaction Mail and Smartmail Marketing Agreement Supplement between the Corporation and Canada Post Corporation dated effective December 1, 2019, as amended on October 1, 2020 and December 1, 2021.

17. Deposit Agreement supplement between the Corporation and Canada Post Corporation dated September 3, 2021.

18. Letter of Agreement dated October 16, 2020, as amended on November 3, 2021 between the Corporation and Postmedia Network Inc.

19. Trial Date Services Agreement between the Corporation and Pelmorex Data Solutions Inc. dated January 8th, 2019, as renewed on January 1, 2021, with a further Amendment date January 1, 2022.

20. Consulting Agreement between the Corporation and Sheri Rogers operating as Tribe Consulting dated December 16, 2019. Expired December 18th, 2020.

21. Subscription agreement between the Corporation and Birch Grove Software, Inc. (dba ActivTrak) date June 14, 2021.

22. Subscription agreement between the Corporation and Alteryx, Inc., commencing May, 2020.

23. Subscription agreement between the Corporation and Salesforce.com Canada Corporation (dba Datorama) date June 11, 2020.

24. License Agreement for use of Environics Analytics data between the Corporation and Environics Analytics Group Ltd. commencing April 23, 2019.

25. License Agreement for use of ESRI ArcGIS mapping software data between the Corporation and ESRI Canada.

26. Agreement dated September 1, 2020, between the Corporation and Network for IT services.

27. License Agreement for use of Sage Accounting software platform between the Corporation and Sage Software Canada Ltd., invoiced August 30, 2021.

SCHEDULE 3.32

SUPPLIERS OF THE BUSINESS

The following are the top suppliers of the Business:

[Redacted as contains confidential contact information]

[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

SCHEDULE 3.35.1

EMPLOYEES

[Redacted as contains confidential personal information on employees]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

SCHEDULE 3.37.1
EMPLOYEE PLANS

[Redacted as contains confidential information concerning employee benefit plans]

[Redacted]

[Redacted]

[Redacted]

SCHEDULE 3.40

LITIGATION

None

SCHEDULE 5.1.66

MUTUAL RELEASE

RESIGNATION AND MUTUAL RELEASE

Reference is hereby made to the sale of all the shares in the capital of Prospect Media Group Ltd. (the “**Corporation**”) held by Nashly Mathews and David Mathews (together, the “**Vendors**”) to be purchased by Ciscom Corp. (the “**Purchaser**”) pursuant to a share purchase agreement between the Corporation, the Purchaser, the Vendors and 1883713 Ontario Inc. dated _____, 2022 (the “**Share Purchase Agreement**”).

For good and valuable consideration, including, without limitation, the payment of the purchase price under the Share Purchase Agreement, the completion of the various conditions to closing as outlined in the Share Purchase Agreement and the sale of the common shares noted above, the receipt and sufficiency of which are hereby acknowledged:

- (i) _____ hereby resigns as [**Insert position**] of the Corporation, effective as of the date hereof;
- (ii) the Vendors, on their own behalf and on behalf of their respective successors, assigns and other representatives and their respective heirs, executors, administrators and personal legal representatives (collectively, the “**Vendor Group**”) hereby remise, release, acquit and forever discharge the Corporation and the Purchaser and their respective predecessors, successors, assigns, affiliates, subsidiaries, officers, directors, shareholders, agents, employees and other representatives and their respective heirs, executors, administrators and personal legal representatives (collectively, the “**Corporation Group**”) of and from all actions, causes of action, suits, damages, debts, dues, accounts, bonds, covenants, contracts, claims, counterclaims, sums of money and demands whatsoever at law or in equity which any member of the Vendor Group ever had, now has or may hereafter have, whether it be as a shareholder, director, officer, employee or consultant of the Corporation, against any member of the Corporation Group by reason of any matter, cause, situation or fact whatsoever existing up to the date of execution of this Mutual Release by the Vendor Group, whether or not then known by the Vendor Group or the Corporation Group with the exception of any claim arising out of the obligations under the Share Purchase Agreement and any documents delivered in connection therewith, for which no release is granted hereunder; and
- (iii) the Corporation Group hereby remises, releases, acquits and forever discharges the Vendor Group of and from all actions, causes of action, suits, damages, debts, dues,

accounts, bonds, covenants, contracts, claims, counterclaims, sums of money and demands whatsoever at law or in equity which any member of the Corporation Group ever had, now has or may hereafter have against any member of the Vendor Group by reason of any matter, cause, situation or fact whatsoever existing up to the date of execution of this Mutual Release by the Corporation Group, whether or not then known by the Corporation Group or the Vendor Group, with the exception of (i) any fraudulent act or omission of any member of the Vendor Group as a director, officer, employee, consultant or other representative of the Corporation, if any, and (ii) any claim arising out of the obligations under the Share Purchase Agreement and any documents delivered in connection therewith, for which no release is granted hereunder

And for the said consideration, each of the Vendor Group and the Corporation Group (each a “**Releasor**”) agrees not to make any claim or counterclaim or commence or maintain any action or proceeding against any person, firm, corporation or other entity in which any claim could arise against a member of the Corporation Group or the Vendor Group that is being released by the Releasor hereunder (each a “**Releasee**”) for contribution or indemnity pursuant to the provisions of the *Negligence Act* (Ontario) or otherwise. The Releasors agree that should any of them commence or continue any such proceedings, this Mutual Release may be raised as a complete bar to such proceedings and the Releasees shall be entitled to raise this Mutual Release in support of an order dismissing such proceedings in any applicable jurisdiction.

And it is acknowledged that each of the Releasors has had an adequate opportunity to review this Mutual Release, to obtain independent legal advice with respect thereto, and to obtain any such other advice in regard to this Mutual Release as he or it may have considered advisable.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF the parties hereto have executed this Mutual Release effective as of _____, 2022.

PROSPECT MEDIA GROUP LTD.

Per: _____

Name:

Title:

DAVID MATHEWS

Signed: _____

NASHLY MATHEWS

Signed: _____

[INSERT NAME]

Signed: _____

SCHEDULE 5.1.6.A

DAVID EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this “**Agreement**”) is entered into as of [REDACTED], 2022 (the “**Effective Date**”) between David Mathews (“**Executive**”) and Prospect Media Group Inc., a corporation organized under the laws of Ontario (the “**Company**”).

In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

SECTION 1 – EMPLOYMENT

1.1 Employment. The Company hereby employs Executive, and Executive accepts such employment by the Company for the period and upon the terms and conditions contained in this Agreement. This Employment Agreement supersedes and replaces any other agreement related to the Executive’s employment by the Company

1.2 Position and Duties. Executive shall serve the Company as its President and Managing Director. Executive shall have all of the powers and duties in such capacity that are customary to the powers and duties ordinarily expected of those executive positions in companies within the industry in which the Company operates, and those powers and duties as may from time to time be assigned by the Company’s Board of Directors (the “**Board**”). Executive shall report directly to the chairman of the Board. Executive shall devote his primary attention and diligence and vigor and good faith efforts to the affairs of the Company. Please refer to Schedule A – Governance Matrix defining scope of authority.

The Executive will be able to work from various locations, such as home, in office or from outside the office, including from Florida for limited time periods as long as the Company’s performance is not negatively affected.

The Executive recognizes that business travel is inherent to the position and required for the Company to achieve its objectives. The Executive will be re-imbursed for business expenses including travel as per the Company’s policies.

Within a short period of time, the Executive responsibilities will include the general management of Market Focus Direct Inc.

1.3 Effective Date; Indefinite Term. This Agreement and Executive’s employment under this Agreement shall commence on [REDACTED], 2022 and shall continue for an indefinite term, unless terminated in accordance with Section 3 below. Certain provisions under this Agreement, however, as more fully set forth in Sections 4, 5 and 6 below, shall continue in effect beyond the Termination Date.

SECTION 2 – COMPENSATION AND BENEFITS

2.1 Compensation.

(a) Base Salary. While in the employment of the Company, the Company shall pay to Executive an annual base salary at the rate of \$275,000, which base salary will be reviewed on January 1, 2024, and each calendar year (“**Base Salary**”) thereafter, payable in substantially equal semi-monthly amounts, in accordance with the Company’s payroll and withholding practices from time to time in effect for its Canadian employees. During the term of employment hereunder, Executive’s Base Salary shall be reviewed by the Board from time to time (but no less than annually) to determine whether an increase in Executive’s Base Salary is appropriate.

(b) Annual Bonus. During employment, Executive shall be eligible to receive an annual bonus (“**Annual Bonus**”) under the Company’s incentive award plan for management and executives as from time to time adopted by the Board (the “**Incentive Plan**”) in accordance with the terms and conditions of the Incentive Plan. Such Annual Bonus shall be determined based on a target bonus equal to 81.818% of Base Salary (an amount of \$225,000 on an annual base salary of 275,000) prorated for partial years. The Annual Bonus payments shall be based upon percentage achievement of certain Company-wide and individual performance goals or milestones for each respective calendar year (or any portion thereof) set forth in the Incentive Plan. The Incentive Plan is defined yearly in a separate document.

2.2 Benefits.

(a) Generally. Executive shall be eligible to participate, to the extent it is legal and permitted by the applicable benefits plans, policies or contracts, in all employee benefits programs that the Company may adopt for its Canadian employees generally providing for sick or other leave, group health, disability and life insurance benefits. Some benefit plans may include compulsory employee participation and employee contributions at levels determined by the Company. The Company regularly reviews the benefit plans, as well as its insurance carriers, and accordingly, reserves the right to amend or discontinue benefit plans and change insurance carriers where deemed appropriate and without further notice to Executive.

(b) Executive. Executive shall be eligible to participate, to the extent it is legal and permitted by the applicable plans, policies or contracts, in all benefits or fringe benefits which are in effect generally for the Company’s executive personnel from time to time.

(c) Vacation. Executive’s annual vacation entitlement will be twenty-five (25) days. Payment of all vacation pay will be at Base Salary. Executive is required to arrange vacation time to suit essential business needs of the Company. Vacation yearly carryover accruals is limited to ten (10) days.

(d) Vehicle Reimbursement. The Executive will benefit from the automobile being leased by the Company until the lease ends on June 4, 2022. Thereafter, the Executive shall be entitled to receive a monthly vehicle re-imbusement of \$800 per month (the “**Vehicle Reimbursement**”). The Vehicle Reimbursement is intended to cover the costs of purchasing or leasing a vehicle and all related expenses (maintenance, service,

insurance, gasoline, etc.). No additional monies will be provided by the Company with respect to vehicle costs.

2.3 Equity Participation. Executive will be entitled to participate in the Ciscom Corp. Executive Stock Option Plan (“**ESOP**”). Executive’s grants under the ESOP will be determined by the Ciscom Corp. board of directors.

SECTION 3 – TERMINATION

3.1 By the Company:

(a) For Cause. The Company shall have the right at any time to terminate this Agreement and the Executive’s employment for Cause without notice or pay in lieu of notice whether under contract, statute, common law or otherwise. A termination for “**Cause**” under this Agreement shall mean any grounds at common law for which an employer is entitled to dismiss an employee summarily and includes, without limitation, the following:

- (i) the willful misconduct, disobedience or willful neglect of duty that is not trivial and has not been condoned by the Company;
- (ii) the conviction of Executive for a criminal offence involving fraud or dishonesty, or which otherwise adversely impacts the Company’s reputation;
- (iii) a willful act by Executive as a result of which Executive receives a material and improper personal benefit at the expense of the Company, or accidental act by Executive resulting in such a benefit which Executive does not promptly report to the Company and redress; or
- (iv) any act of fraud or dishonesty that is material committed by Executive against the Company.

For purposes of the definition of “Cause”, “Company” shall include any particular subsidiary, business unit or affiliate of the Company with respect to which Executive performs Executive’s duties.

(b) Death and Disability. This Agreement and Executive’s employment may be terminated without the Company being obligated to provide Executive with advance notice of termination or pay in lieu of such notice, whether under contract, statute (unless otherwise required by statute), common law or otherwise if Executive dies or if Executive is unable to perform substantially all of Executive’s employment-related duties provided that termination in the case of Disability may not occur until the qualification period for Long term Disability benefits has elapsed. Any question as to the existence of a Disability upon which Executive and the Company cannot agree shall be determined by a qualified independent physician selected by Executive (or, if Executive is unable to make such selection, a selection shall be made by Executive’s spouse, if available, or if such spouse is unavailable due to death or incapacity, any other adult member of Executive’s immediate family), with the consent of the Company, which consent shall not be unreasonably withheld. The determination of such physician made in writing to the Company and Executive shall be final and conclusive for all purposes of determining Disability under this Agreement.

(c) Without Cause. The Company may terminate this Agreement and Executive's employment under this Agreement at any time Without Cause and without prior notice, by providing Executive with a separation package (the "**Separation Package**") set out in Section 3.5 below. A termination "**Without Cause**" shall mean termination of Executive's employment by the Company other than for Cause under Section 3.1(a) above, and other than due to Death or Disability under Section 3.1(b) above.

3.2 By the Executive:

(a) Without Good Reason. Executive may resign or terminate Executive's employment and this Agreement at any time Without Good Reason by providing the Company with thirty (30) days advance written notice. A resignation or termination by Executive "**Without Good Reason**" shall mean termination of Executive's employment by Executive other than a Resignation for Good Reason under Section 3.2(b) below.

(b) Resignation for Good Reason. Executive shall have the right at any time to resign or terminate Executive's employment and this Agreement for Good Reason by giving the Company thirty (30) days' written notice setting out in reasonable detail the basis upon which Executive is claiming Good Reason. If Executive has Good Reason and the Company fails to rectify the Good Reason within thirty (30) days of receipt of Executive's notice, the Company shall comply with Sections 3.4 and 3.5 of this Agreement.

"**Good Reason**" shall mean a material breach of this Agreement by the Company which is not cured or a material diminution in Executive's responsibilities; provided, however that a sale of all or any portion of, or the diminution of, the business or assets of the Company or its subsidiaries (including, for clarity, the Coupon and/or Real Estate entities, or the Company if Executive is reassigned to one of those entities) shall not, in and of itself, constitute a "diminution of Executive's responsibilities."

3.3 Termination Date. The term "**Termination Date**" as used in this Agreement shall mean the date of termination of Executive's employment, or the date of Executive's death.

3.4 Compensation Upon Termination. Upon termination of Executive's employment with the Company for any reason, the Company's obligation to pay compensation and benefits under Section 2 hereof shall terminate, except that the Company shall pay to Executive and, if applicable, Executive's heirs, all earned but unpaid Base Salary under Section 2.1(a) and accrued and unpaid vacation pay under Section 2.2, in each case, up to and including the Termination Date plus any amounts defined under the *Ontario Employment Standards Act, 2000*. If the Company terminates Executive's employment Without Cause or if Executive resigns or terminates his employment for Good Reason in accordance with Section 3.2(b), then, in addition, to the foregoing compensation, upon execution and delivery by Executive of the Waiver and Release described in Section 6.11 (below), the Company shall pay separation benefits under Section 3.5 below. No other payments or compensation of any kind shall be paid in respect of Executive's employment with or termination from the Company, and bonuses, other than those payable with a Separation Package, requiring employment on the date of award shall not be paid. The Executive will retain all rights in equity participation that have not vested under the terms of the plan.

3.5 Separation Package. Subject to the terms and conditions of eligibility for Executive's receipt of the Separation Package under this Agreement, including the execution and delivery by Executive of the Waiver and Release described in Section 6.11 (below), and on a termination Without Cause or for Good Reason, the Company shall provide Executive a Separation Package equal to twelve (12) months Base Salary (the "**Continuance Period**"). During the Continuance Period, health and welfare benefits provided to Executive shall remain in effect to the extent plans allow for post-termination benefits. The Separation Package shall also include the annual incentive bonus at the lesser of 100% achievement and the level of achievement in the prior year, prorated for a partial year. The Separation Package under this Section 3.5 shall be paid to Executive in accordance with the Company's normal payroll practices from the Termination Date until expiry of the Continuance Period on the Company's regular payroll schedule. For greater certainty, the Separation Package does not include equity participation rights. In no event shall the Separation Package provide less than what Executive would be entitled to under applicable *Ontario Employment Standards Act, 2000*.

3.6 Separation Package Deemed Reasonable and Sufficient.

(a) Executive acknowledges that the Separation Package provided pursuant to this Agreement supersedes and replaces any and all rights to reasonable notice of termination that Executive might otherwise be entitled to at common law. Executive agrees that the payments include all amounts owing for termination and/or severance pay under any contract, statute, and common law or otherwise.

(b) Executive agrees not to disclose the terms or the nature of the Separation Package, save and except to Executive's spouse (if applicable), legal and financial advisors, and as may be required by law.

(c) Except as set out above, Executive will not be entitled to any other salary or benefits of employment during the Continuance Period, including without limitation, Car Allowance, vacation pay (other than as required under applicable employment standards legislation), Bonus, Pension Plan or the issuance or vesting of stock appreciation rights.

3.7 Actions Required Upon and Following Termination.

(a) In the event Executive's employment is terminated for any reason, Executive agrees to resign effective the same date from any office or directorship held with the Company or any subsidiary, business unit or affiliate of the Company. All equipment, documents or any other materials of any kind created or used by Executive in the course of employment, or otherwise furnished by the Company or its customers, suppliers, distributors, employees, consultants or any subsidiary, business unit or affiliate of the Company and in Executive's possession or control, shall be surrendered to the Company, in good condition, promptly upon Executive's termination of employment, irrespective of the time, manner or cause of termination.

(b) In consideration of your receipt of the Separation Package, you agree to inform the Company while receiving the Separation Package of the date you obtain alternate employment. In the event that you obtain alternate employment prior to the date that is 6 months from the termination date, the Company shall pay you only 75% of the

remaining balance of payments computed based on Base Salary owing under Section 3.5, and the Company will have the right to discontinue provision of health and welfare benefits. In the event the operation of this provision causes the Separation Package to provide less than what Executive would be entitled to under applicable employment standards legislation, the Company shall remain obligated for the differential.

SECTION 4 – CERTAIN AGREEMENTS

4.1 Confidentiality. Executive acknowledges that during his/her employment or engagement with the Company, he/she will have access to proprietary and confidential information related to the business, customers or clients of the Company, including but not limited to trade secrets, financial information, product plans, customer lists, marketing plans, business plans, systems, manuals, training materials, forecasts, inventions, improvements, prototypes, ideas, know-how, technical data, records, reports, and other intellectual property, whether they be in written, graphic or oral form, that are now or hereafter owned, licensed or otherwise acquired by the Company, its customers, its suppliers and others (“**Confidential Information**”). Executive shall, at all times, both during employment by the Company and thereafter, keep all Confidential Information in confidence and trust and shall not use or disclose any Confidential Information without the written consent of the Company, except as necessary in the ordinary course of Executive’s duties. Executive may, however, use or disclose Confidential Information that: (i) is or becomes public, other than through a breach of this Agreement; (ii) is known to Executive prior to employment or engagement by the Company and with respect to which Executive does not have any obligation of confidentiality; or (iii) is required to be disclosed by law. Executive shall keep the terms of this Agreement in confidence and trust and shall not disclose such terms, except to Executive’s family, accountants, or attorneys, or as otherwise authorized or required by law.

4.2 Company Property. Executive recognizes that all Confidential Information, however stored or memorialized, and all identification cards, keys, access codes, marketing materials, documents, records and other equipment or property which the Company provides are the sole property of the Company. Upon termination of employment, Executive shall (i) refrain from taking any such property from the Company’s premises, and (ii) return any such property in Executive’s possession.

4.3 Assignment of Inventions to the Company. Executive acknowledges that he/she may make, conceive, develop or reduce to practice, either alone or jointly with others, in the course of employment or engagement with the Company, tangible and intangible property, including without limitation, improvements, inventions, formulas, ideas, know-how, works of authorship, designs, processes, techniques, computer programs, hardware, whether or not patentable, regardless of the form or media in or on which it is stored, some or all of which property may be protected by patents, copyrights, trade secrets, trade-marks or industrial designs (collectively, “**Inventions**”). Executive shall promptly disclose to the Company each such Invention, properly document each such Invention, and provide written documentation describing such Invention to the Company, promptly after its creation. All Inventions, and all intellectual property rights therein, shall be the sole property of the Company and Executive has no rights in any such Inventions. Executive

hereby assigns to the Company all right, title and interest (including without limitation any intellectual property rights) Executive may have or acquire in all Inventions and agrees to perform, during and after employment with the Company, at the Company's expense including reasonable compensation to Executive, all acts reasonably necessary by the Company in obtaining and enforcing intellectual property rights with respect to such Inventions anywhere in the world. Executive hereby irrevocably appoints the Company and its officers and agents as Executive's attorney-in-fact to act for and in Executive's name and stead with respect to such Inventions. If, during and in the course of employment or engagement with the Company, Executive develops any work that is protected by copyright, Executive hereby waives unconditionally any "moral rights" Executive may have in such work.

SECTION 5 – NON-COMPETITION COVENANTS

5.1 Non-Competition Covenant. During Executive's employment and for a period equal to the Continuance Period, Executive shall not, either directly or indirectly, without the prior written consent of the Company, (i) engage in; (ii) own or control any interest in (except as a passive investor of less than five percent (5%) of the capital stock or publicly traded notes or debentures of a publicly held company); (iii) act as an officer, director, partner, member, or joint venturer of; (iv) lend credit or money for the purpose of establishing or operating; or (v) allow such entity's name or reputation to be used by any firm, corporation, partnership, limited liability company, trust or business enterprise (a "**Competitor**") that is engaged in, directly or through an affiliate in the provision of services competitive with Company's service suite during the time of employment and as of the Termination Date. This restriction applies to the Provinces of Ontario.

5.2 Non-Solicitation of Employees or Customer. During Executive's employment and for a period of eighteen (18) months from the Termination Date, Executive shall not, either directly or indirectly: (i) encourage, solicit, induce, or attempt to encourage, solicit or induce any employee or any independent contractor of the Company or its subsidiaries to leave his/her employment (or terminate his/her relationship or devote less than full time efforts) with the Company or its subsidiaries for any reason, and Executive shall not hire or attempt to hire, for any position with any other business, any person who is an employee or independent contractor of the Company or its subsidiaries at the Termination Date or who was an employee or independent contractor at any time within six months preceding the Termination Date, or (ii) solicit, induce or entice, or seek to solicit, induce or entice, or otherwise interfere with the Company's business relationship with, any customer of the Company or its subsidiaries.

5.3 Reasonableness of Restrictions. Each of the Company and Executive recognizes that the covenants and restrictions set forth in Sections 4.1, 5.1 and 5.2 are reasonable, valid, not burdensome and are properly required by applicable law for the adequate protection of the Company and that they are vital consideration for the purposes of the Company entering into this Agreement. In the event that the covenants and restrictions in Sections 4.1, 5.1 and 5.2 are found to be unreasonable by a court of competent jurisdiction adjudicating upon the validity of those sections, then the Company

and Executive agree to submit to a modification or reduction of such limitations as such court shall deem reasonable.

5.4 Injunctive Relief. Executive acknowledges and agrees that a breach by Executive of the covenants contained in Section 4 or in this Section 5 cannot be reasonably or adequately compensated in damages in an action at law and that such breach will cause the Company irreparable injury and damage. Executive further acknowledges and agrees that he possesses unique skills, knowledge and ability and that competition in violation of this Section 5 would be extremely detrimental to the Company. By reason thereof, the Executive agrees that the Company shall be entitled, in addition to any other remedies it may have under this Agreement or otherwise, to temporary, preliminary and/or permanent injunctive and other equitable relief to prevent or curtail any breach of Section 4 or this Section 5, without proof of actual damages that have been or may be caused to the Company by such breach or threatened breach, and waives to the fullest extent permitted by law the posting or securing of any bond by the other party in connection with such remedies.

SECTION 6 – MISCELLANEOUS

6.1 Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by certified or registered mail, postage prepaid, with return receipt requested, telecopy (with hard copy delivered by overnight courier service), or delivered by hand, messenger or overnight courier service, and shall be deemed given when received at the addresses of the parties set forth below, or at such other address furnished in writing to the other parties hereto:

To the Company: Ciscom Corp.
20 Bay Street, Suite 1110
Toronto, ON, M5J 2N8
Attention: Legal Department

To Executive: David Mathews
19 Langmuir Crescent
Toronto, ON M6S 2A8
Drave65@gmail.com
Dmathews@prospectmedia.com

6.2 Severability. The parties agree that it is not their intention to violate any public policy or statutory or common law. If any provision of this Agreement, or the application of any such provision to any person or circumstance, shall be judicially declared to be invalid, unenforceable, void or voidable, such decision shall not have the effect of invalidating, voiding or rendering voidable the remainder of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction, or without affecting its application to other parties or circumstances.

6.3 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the Province of Ontario and the federal laws of

Canada applicable in the Province of Ontario without regard to its principles of conflicts of laws.

6.4 Survival. The covenants and agreements of the parties set forth in Sections 4, 5 and 6 are of a continuing nature and shall survive the expiration, termination or cancellation of this Agreement, irrespective of the reason therefore.

6.5 Entire Agreement. This Agreement contains the entire understanding between the parties hereto with respect to the terms of employment, compensation, benefits, and covenants of Executive, and supersedes and replaces all other prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written, between Executive and the Company relating to the subject matter of the Agreement, which such other prior and contemporaneous agreements and understandings, inducements or conditions shall be deemed terminated effective immediately.

6.7 Binding Effect, Etc. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and the Company's successors and assigns, including any direct or indirect successor by purchase, merger, consolidation, reorganization, liquidation, dissolution, winding up or otherwise with respect to all or substantially all of the business or assets of the Company, and the Executive's spouse, heirs, and personal and legal representatives.

6.8 Counterparts; Amendment. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be amended or modified only by written instrument duly executed by the Company and Executive.

6.9 Voluntary Agreement. Executive has read this Agreement carefully and understands and accepts the obligations that it imposes upon Executive without reservation. No other promises or representations have been made to Executive to induce Executive to sign this Agreement. Executive is signing this Agreement voluntarily and freely.

6.10 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns (including any direct or indirect successor, spouses, heirs and personal and legal representatives. Any such successor or assign of the Company shall be included in the term "Company" as used in this Agreement.

6.11 Release of Claims. In consideration for the compensation and other benefits provided pursuant to this Agreement, Executive agrees to execute the Company's customary "Waiver and Release" form upon termination of employment. Except to the extent prohibited by law, the Company's obligation to pay the Separation Package pursuant to Section 3.5 are expressly conditioned on Executive's execution and delivery of such Waiver and Release, and Executive's failure to execute and deliver such Waiver and Release will void the Company's remaining obligations under this Agreement.

6.12 Legal Advice. Executive acknowledges that Executive has read and understands the terms and conditions contained in this Agreement, and that the Company has provided a reasonable opportunity for Executive to seek independent legal advice prior to executing this Agreement.

6.13 Currency. All dollar amounts set forth or referred to in this Agreement refer to Canadian currency.

6.14 Withholding. All payments made by the Company to the Executive or for the benefit of the Executive shall be less applicable withholdings and deductions.

[signatures on following page]

In witness whereof, the parties have executed this Agreement as of the date first written above.

COMPANY: Prospect Media Group Inc.

EXECUTIVE: David Mathews

By: _____

By: _____

Name: Drew Reid

Name: David Mathews

Dated: _____

Dated: _____

Schedule 5.1.7A

Governance Matrix

This Governance Matrix provides authorization limits for key important legal, financial and contractual obligations of the Company. Levels are established based on what is most appropriate today and will be reviewed periodically to ensure threshold are appropriate.

Item	Ciscom Corp. approval	Company Board approval	Comments
Governance and Administration			
Strategic plan	No	Yes	
Annual goals and objective	No	Yes	
Annual operating and capital budget	No	Yes	
General business expenses, contracts and leases			
<i>Ordinary course and in approved budget</i>			
Purchases < \$25,000	No	No	
Purchases > \$25,000	Yes	No	Excludes Cost of sales expenses related to clients' deliverables
<i>Non-Ordinary course and one-time expenses</i>			
Purchases/contracts < \$10,000	No	No	
Purchases/contracts > \$10,000	Yes	No	
All leases	Yes	No	
Legal, audit and insurance			
Auditor appointment	Yes	No	
Appointment of legal firm(s) and fees	Yes	No	
Settlement of legal claims	Yes	Yes	
Material changes to insurance policies	No	Yes	
Notification of any non-compliance with regulation and law	No	Yes	
Licensing or royalty deals	Yes	No	
Business Acquisitions (M&A)	Yes	Yes	
Trademark and Copyright filings	Yes	Yes	
Domain name transfers	Yes	Yes	
Confidentiality/NDA agreements	Yes	Yes	

Item	Ciscom Corp. approval	Company Board approval	Comments
Any indemnification involving a potential exposure > \$5,000	No	Yes	
Charitable donations			
Gifts < \$5,000	No	No	Max aggregate of \$15,000 per year
Gifts > \$5,000	Yes	No	
Any political donation	No	Yes	
Budgeted Capital expenditures			
Capital items < \$20,000	No	No	
Capital items > \$20,000	Yes	No	
Non-Budgeted Capital expenditures			
Capital items < \$5,000	No	No	
Capital items > \$10,000	Yes	No	
Human Capital			
Budgeted or replacement offer letters < \$125,000 pa (total comp)	No	No	
Non-Budgeted offer letters > \$75k and < \$125k pa (total comp)	Yes	No	
Budgeted and Non-Budgeted offer letters > \$125k pa (total comp)	Yes	No	
Salary increases over 10%	No	Yes	
Any bonuses	No	Yes	
Severances > \$20,000	Yes	No	
Material changes to benefit plans	No	Yes	
ESOP and equity participation	Yes	No	
Capital transactions			
Promise of issuance of equity	Yes	No	
Sale of stock or material assets	Yes	No	
All banking and debt facility	Yes	No	
Guarantee of any kind	Yes	No	
Other			
Related party transactions	No	Yes	
Loans to employees > \$2,000	No	Yes	

SCHEDULE 5.1.6.B

MANAGEMENT INCENTIVE PLAN FOR F2022

**Prospect Media Group (“PMG”)
Management Incentive Plan
Fiscal year 2022**

1) Participant(s):

David Mathews (“Dave”), President and Managing Director

2) Bonus Structure:

Financial Objectives	Target	Weight
EBITDA	\$2,066,000	40%
Gross Profit	\$5,700,000	30%
Working Capital ratio Current assets over current liabilities	Over 1.2x	10%

Business Objectives (MBOs)	Weight
Successful assumption of Market Focus Direct management	10%
Participate in the overall growth of Ciscom Corp.	10%

Financial Target Definitions:

EBITDA is defined as net income plus depreciation & amortization expense, interest expense and associated lending facility fees, unrealized foreign exchange losses, income and corporate taxes and any non-recurring expenses (costs not expected to recur routinely i.e., acquisition expenses, corporate litigation expenses, capital raise fees); less interest income unrealized foreign exchange gains and less any non-recurring gains.

Gross Profit is defined as Sales less Cost of Sales as normally accounted for in prior years.

The Working Capital/Cash Flow target is defined as current assets less current liabilities.

Achievement and pay-out of bonus:

Objective's Achievement	Pay-out Level
Under 70%	0%
70%	25%
80%	50%
80% to 100%	50% plus 2.5% per for every 1% over 80% achievement up to 100%
Over 100%	100% plus 1% for every 1% over 100% achievement, maximum 200%

3) General Terms and Conditions

The following general terms and conditions apply to this Incentive Plan:

- Incentive compensation is computed at year end using the actual base salary earned from [REDACTED], 2022 to December 31, 2022.
- If the individual is employed in the senior management position in 2022 for less than the full year, then the incentive potential will be prorated to the date of employment in the senior management position.
- The individual must be an employee of the Company or one of its affiliates or successors on the date of payout to be eligible for receipt of any portion of the incentive.
- The incentive compensation will be calculated and paid at the end of the calendar month during which the audit of the Company's consolidated financial statements are complete and final audited financial statements are available.

4) Market Focus Direct ("MFD") Bonus

For every dollar of incremental Gross Profit of MFD in F2022 when compared to F2021, Dave will be paid 7.5% of the increment. This incentive is only applicable for F2022.

The Board reserves the right to make appropriate discretionary adjustments (upward or downward) to the Financial and Management Objective targets in order to fairly compensate for factors occurring during the year that would result in distortions to the Objectives.

[REDACTED], 2022

End of document