

**STICKIT LTD.**

**and**

**AQUAZOOM HYDROPOWER SOLUTIONS INC.**

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**BUSINESS COMBINATION AGREEMENT**

**September 13, 2022**

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## BUSINESS COMBINATION AGREEMENT

THIS AGREEMENT is made as of September 6, 2022

BETWEEN:

**STICKIT LTD.,**

a company incorporated under the laws of the State of Israel, privately held limited liability company number 516091360

("Stickit")

-and-

**AQUAZOOM HYDROPOWER SOLUTIONS INC.,**

a corporation incorporated under the laws of the Province of British Columbia

("AQZ")

-and-

WHEREAS AQZ is a company listed on the Canadian Securities Exchange (the "CSE");

AND WHEREAS Stickit and AQZ intend to enter into this business combination agreement on the date hereof (the "**Business Combination Agreement**") to combine the business and assets of Stickit with those of AQZ and upon completion of such business combination, AQZ will become the Resulting Issuer (as defined below) with the name "Stick-it, Inc." or such other similar name as may be accepted by the relevant regulatory authorities;

AND WHEREAS the Parties agreed to carry out the proposed business combination by way of a triangular Merger (as defined below) between AQZ, Subco and Stickit pursuant to the applicable laws of the State of Israel, including Sections 314 through 327 of the Israeli Companies Law 5759-1999 together with the rules and regulations promulgated thereunder (collectively, the "**Companies Law**") and other related transaction steps, pursuant to which: (i) Subco (as defined herein) will amalgamate with Stickit (as defined herein) pursuant to the terms of the Merger, (ii) the security holders of Stickit will receive securities of the Resulting Issuer (as defined herein) in exchange for their securities of Stickit, and (iii) the transactions will result in a "reverse take-over" of AQZ in accordance with the policies of the CSE, all in the manner contemplated by and pursuant to the terms and conditions of this Agreement;

AND WHEREAS the board of directors of Stickit has: (i) determined that this Agreement, the Merger and the other transactions contemplated by this Agreement are fair to, and in the best interests of, Stickit and its shareholders and that, considering the financial position of the merging companies, no reasonable concern exists that the Surviving Company will be unable to fulfill the obligations of Stickit to its creditors; (ii) approved this Agreement, the Merger and the other transactions contemplated hereby; and (iii) determined to recommend that the shareholders of Stickit approve this Agreement, the Merger and the other transactions contemplated hereby;

AND WHEREAS the boards of directors of AQZ has approved this Agreement, the Merger and the other transactions contemplated hereby, and AQZ expects to cause the board of directors of Subco to: (i) determine that this Agreement, the Merger and the other transactions contemplated by this Agreement are fair to, and in the best interests of, Subco and its sole shareholder and that, considering the financial position of the merging companies, no reasonable concern exists that the Surviving Company will be unable to fulfill the obligations of Subco to its creditors, to the extent such exist; and (ii) determine to recommend that the sole shareholder of Subco approve this Agreement, the Merger and the other transactions contemplated hereby;

**AND WHEREAS** subsequent to entering into the Business Combination Agreement, Stickit and AQZ intend to complete a private placement of subscription receipts to raise capital for the operational expansion, business development and working capital needs of the Resulting Issuer;

**NOW THEREFORE** in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties covenant and agree as follows:

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the following meanings, respectively:

“**Affiliate**” has the meaning ascribed thereto in the BCBCA;

“**Agreement**”, “**this Agreement**”, “**herein**”, “**hereto**”, and “**hereof**” and similar expressions refer to this business combination agreement, including the schedules attached hereto, as the same may be amended or supplemented from time to time;

“**AQZ**” means Aquazoom Hydropower Solutions Inc., as it exists prior to the completion of the Business Combination;

“**AQZ Financial Statements**” has the meaning ascribed thereto in Section 4.2(n) hereof;

“**AQZ Meeting**” means a special meeting of the shareholders of AQZ to be held in order to seek shareholder approval for the Business Combination, the Resulting Issuer Director Appointments and the AQZ Name Change;

“**AQZ Name Change**” means, subject to the completion of the Merger, a change in the name of AQZ to “Stick-it Inc.” or such other similar name as may be accepted by the relevant regulatory authorities and approved by the board of directors of the Resulting Issuer;

“**AQZ Options**” means options to purchase common shares of AQZ of which, as of the date of this Agreement, there are no AQZ Options issued and outstanding to purchase AQZ Shares;

“**AQZ Shareholder**” means a registered holder of AQZ Shares, from time to time;

“**AQZ Shares**” means the common shares in the capital of AQZ;

“**AQZ Subsidiaries**” means the direct and indirect Subsidiaries of AQZ which, for greater certainty, include Subco;

“**BCBCA**” means the *Business Corporations Act* (British Columbia) as the same has been and may hereafter from time to time be amended;

“**Business Day**” means any day, excluding Saturday or Sunday, on which banking institutions are open for business in Vancouver, British Columbia, Canada and Tel-Aviv, Israel;

“**Business Combination**” means the series of transactions, as detailed in this Agreement, through which the businesses of Stickit and AQZ will be combined, including the Financing, the Merger, the Stickit Director Appointments and the AQZ Name Change;

**“Business Combination Agreement”** has the meaning set forth in the recitals of this Agreement;

**“Certificate of Merger”** means the certificate in respect of the Merger issued by the Israeli Registrar of Companies;

**“Companies Law”** has the meaning ascribed thereto in the recitals of this Agreement;

**“Completion Deadline”** means January 31, 2023 or such later date as may be mutually agreed between the Parties in writing;

**“Debt Instrument”** has the meaning ascribed thereto in Section 4.1(x) hereof;

**“Depository”** means such Person as AQZ may appoint to act as depository in relation to the Business Combination, with the approval of Stickit, acting reasonably;

**“Disclosure Letter”** means the disclosure letter executed by Stickit and attached as Schedule “A” to this Agreement;

**“Documents”** means this Agreement, the Merger Proposal;

**“DRS Statement”** means a statement evidencing a shareholding position under the Direct Registration System;

**“Effective Date”** means 5 days after the approval of the Business Combination, or such other date as the parties hereto may agree as to the date upon which the closing shall take place;

**“Environmental Laws”** has the meaning ascribed thereto in Section 4.1(t) hereof;

**“Information Circular”** means a joint information circular to be prepared jointly by AQZ and Stickit in respect of the Business Combination in accordance with applicable laws;

**“Financing”** means the private placement of Subscription Receipts to be completed by Stickit and AQZ prior to the Effective Date;

**“Going Public Transaction”** means (i) the initial public offering of any class of securities of Stickit or a direct listing application of Stickit whereby any class of securities of Stickit becomes listed or quoted on a recognized Canadian stock exchange, or (ii) a reverse takeover, amalgamation, merger, statutory arrangement, share exchange or similar transaction involving Stickit and a reporting issuer in a province of Canada and which results in the securities of the resulting issuer from such transaction becoming listed or quoted on a recognized Canadian stock exchange;

**“Governing Documents”** means, in respect of each Party, as applicable, its certificate, its notice of articles and articles as amended, its articles of incorporation/association, as amended, and its by-laws, as amended;

**“Government Authority”** means any applicable foreign, national, provincial, local or state government, any political subdivision or any governmental, judicial, public or statutory instrumentality, court, tribunal, agency (including those pertaining to health, safety or the environment), authority, body or entity, or other regulatory bureau, authority, body or entity having legal jurisdiction over the activity or Person in question and, for greater certainty, includes the CSE;

**“IFRS”** means International Financial Reporting Standards applicable as at the relevant date;

**“Intellectual Property”** means: (i) trade marks, design marks, logos, service marks, certification marks, official marks, trade names, business names, corporate names, trade dress, slogans, and other characters, brand elements or other distinguishing features used in association with services, whether or not registered or the subject of an

application for registration and whether or not registrable, and the goodwill associated therewith, (ii) inventions, software, arts, processes, machines, articles of manufacture, compositions of matter, business methods, developments and improvements, whether or not patented or the subject of an application for patent and whether or not patentable, (iii) pictorial works, graphic works, audio visual works, performances, sound recordings and signals and any compilations of any of the foregoing, whether or not registered or the subject of an application for registration and whether or not registrable, (iv) domain names, whether registered primary domain names or secondary or other higher level domain names, (v) industrial designs, whether or not registered or the subject of an application for registration and whether or not registrable, and (vi) all other intellectual and industrial property, including confidential and proprietary information and trade secrets, whether or not registered or the subject of an application for registration and whether or not registrable;

“**in writing**” means written information including documents, files, software, records and books made available, delivered or produced to one Party by or on behalf of the other Party;

“**Israeli Registrar of Companies**” means the Government Authority in the State of Israel responsible for the supervision, registration and enforcement over corporations in Israel;

“**Israeli Trustee**” means an Israeli trustee mutually appointed by AQZ and Stickit in respect of the Resulting Issuer Shares and Resulting Issuer Convertible Securities to be issued to Stickit Holders resident in the State of Israel;

“**ITA**” means the Israeli Tax Authority.

“**Laws**” means all laws, statutes, codes, ordinances, decrees, rules, regulations, by laws, statutory rules, principles of law, published policies and guidelines, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, including general principles of common and civil law, and terms and conditions of any grant of approval, permission, authority or license of any Government Authority, statutory body or self-regulatory authority, and the term “applicable” with respect to such Laws and in the context that refers to one or more Persons, means that such Laws apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Government Authority (or any other Person) having jurisdiction over the aforesaid Person or Persons or its or their business, undertaking, property or securities;

“**Letter of Transmittal**” means a letter of transmittal to be sent to holders of Stickit Shares and Stickit Convertible Securities for use in connection with the Business Combination and in order to deliver to the Israeli Trustee the Resulting Issuer Shares and Resulting Issuer Convertible Securities to which they are entitled after giving effect to the Merger;

“**Material Adverse Effect**” means any event, change or effect that is or would reasonably be expected to be materially adverse to the financial condition, operations, assets, liabilities, or business of a Party and its Subsidiaries, considered as a whole, provided, however, that a Material Adverse Effect shall not include an adverse effect resulting from a change: (a) which arises out of or in connection with a matter that has been publicly disclosed or otherwise disclosed in writing by such Party to the other Parties prior to the date of this Agreement; (b) resulting from conditions affecting the medical marijuana industry generally in Canada, Israel and the United States including changes in laws, government policies or programs or taxes; or (c) resulting from general economic, financial, currency exchange, securities or commodity market conditions in Canada, the United States or Israel;

“**material fact**” has the meaning ascribed thereto in the *Securities Act* (British Columbia) as the same has been and may hereafter from time to time be modified;

“**Merger**” means the merger of Subco with and into Stickit pursuant to the laws of the State of Israel in accordance with the terms of this Agreement;

**“Merger Exchange Ratio”** has the meaning given to such term in Section 2.1(g)(ii)(B) hereof;

**“Merger Proposal”** means the proposal to be prepared in the Hebrew Language to be executed and submitted to the Israeli Registrar of Companies in accordance with Section 316 of the Companies Law by Stickit and Subco in respect of the Merger;

**“Misrepresentation”** includes any untrue statement of a material fact, any omission to state a material fact that is reasonably required to be stated and any omission to state a material fact that is reasonably necessary to be stated in order for a statement not to be misleading;

**“Party”** means each of Stickit, AQZ and Subco individually, and collectively, the **“Parties”**;

**“Person”** includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Government Authority, syndicate or other entity, whether or not having legal status;

**“Plan”** means the stock compensation plan to be approved by AQZ shareholders, subject to completion of the Merger and Business Combination.

**“Regulatory Approval”** means any approval, consent, waiver, permit, order or exemption from any Government Authority having jurisdiction or authority over any Party or the Subsidiary of any Party which is required or advisable to be obtained in order to permit the Business Combination to be effected and **“Regulatory Approvals”** means all such approvals, consents, waivers, permits, orders or exemptions;

**“Reporting Jurisdictions”** has the meaning ascribed thereto in Section 4.2(d) hereof;

**“Resulting Issuer”** means AQZ after giving effect to the Business Combination as described in this Agreement and renamed “Stick-it Inc.” or such other similar name as may be accepted by the relevant regulatory authorities and approved by its board of directors;

**“Resulting Issuer Agent Warrants”** means the compensation options to purchase Resulting Issuer securities to be issued to holders of AQZ Agent Warrants on a 1:1 basis;

**“Resulting Issuer Convertible Securities”** means, collectively, the Resulting Issuer Options, the Resulting Issuer Warrants and the Resulting Issuer Agent Warrants;

**“Resulting Issuer Options”** means stock options to purchase Resulting Issuer Shares to be issued to the Israeli Trustee who holds the Stickit Options in exchange for their Stickit Options in accordance with the Merger Exchange Ratio;

**“Resulting Issuer Share”** has the meaning ascribed thereto in Section 2.1(g)(ii)(B) hereof;

**“Resulting Issuer Warrants”** means common share purchase warrants to purchase Resulting Issuer Shares to be issued to: (i) the holders of the Stickit Warrants in exchange for their Stickit Warrants in accordance with the Merger Exchange Ratio; and (ii) the holders of AQZ Warrants on a 1:1 basis;

**“Securities Authorities”** means the applicable securities commissions or similar securities regulatory authorities in each of the Reporting Jurisdictions, and the CSE;

**“Stickit”** means Stickit Ltd., limited liability company number 516091360, a company existing under the laws of the State of Israel;



**“Stickit Convertible Securities”** means, collectively, the Stickit Options, the Stickit Warrants and the Stickit Agent Warrants;

**“Stickit Director Appointments”** means, subject to the completion of the Merger, the reconstitution of the board of directors of AQZ to consist of five (5) directors, as more particularly set out in Section 2.1(i);

**“Stickit Financial Statements”** means (i) on the execution of this Agreement reviewed but unaudited consolidated financial statements of Stickit for the two years ended December 31, 2021 and 2020 recently completed financial years and the notes thereto, which will be audited within 90 days from the execution date of this Agreement; (ii) the unaudited interim financial statements of Stickit for the six month period ended June 30, 2022; and (iii) the *pro forma* financial statements of Stickit as at June 30, 2022 after giving effect to the Business Combination;

**“Stickit Holder”** has the meaning given to such term in Section 2.1(l) and **“Stickit Holders”** means all such holders;

**“Stickit Meeting”** means a special meeting of the shareholders of Stickit to be held in order to seek shareholder approval for the Merger;

**“Stickit Options”** means the stock options to purchase Stickit Shares granted to Stickit’s directors, officers, employees, contractors and other eligible persons, of which, as of the date of this Agreement, there are 150,000 Stickit Options issued and outstanding, all of which are held by the Israeli Trustee, including as required under section 102 to Tax Ordinance and under the Plan;

**“Stickit Shareholder”** means a registered holder of Stickit Shares, from time to time, and **“Stickit Shareholders”** means all such holders;

**“Stickit Shares”** means the ordinary shares in the capital of Stickit;

**“Stickit Subsidiaries”** means Stickit Labs, S.L., Registration No. 21097518, incorporated under the laws of Spain;

**“Stickit Warrants”** means the common share purchase warrants of Stickit of which, as of the date of this Agreement, there are 68,813 Stickit Warrants issued and outstanding;

**“Surviving Company”** means the corporation resulting and continuing from the Merger;

**“Surviving Company Shares”** means the ordinary shares in the share capital of the Surviving Company;

**“Subco”** means a corporation incorporated under the laws of the State of Israel as a wholly-owned Subsidiary of AQZ for the sole purpose of effecting the Merger;

**“Subco Meeting”** means a special meeting of the Subco Shareholder to be held in order to seek shareholder approval for the Merger;

**“Subco Shares”** means the ordinary shares in the capital of Subco;

**“Subco Shareholder”** means a registered holder of Subco Shares, from time to time, and **“Subco Shareholders”** means all such holders;

**“Subscription Receipts”** has the meaning ascribed to such term in Section 2.1(d);

**“Subsidiary”** has the meaning ascribed thereto in the BCBCA;

“**Taxes**” has the meaning ascribed thereto in Section 4.1(p) hereof;

“**Tax Ordinance**” means the Israeli Income Tax Ordinance [New-Version] – 1961, as amended, and the rules and regulations promulgated thereunder;

“**CSE**” means Canadian Securities Exchange;

“**U.S. Accredited Investor**” means an accredited investor as defined in Rule 501(a) under the U.S. Securities Act;

“**U.S. Person**” has the meaning ascribed to such term in Rule 902(k) of Regulation S under the U.S. Securities Act;

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder; and

“**United States**” means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia.

## **1.2 Amendment and Restatement**

This Agreement amends and restates the Business Combination Agreement in its entirety effective as of the date hereof.

## **1.3 Singular, Plural, etc.**

Words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

## **1.4 Deemed Currency**

In the absence of a specific designation of any currency any undesignated dollar amount herein shall be deemed to refer to Canadian dollars.

## **1.5 Headings, etc.**

The division of this Agreement into Articles and Sections, the provision of a table of contents hereto and the insertion of the recitals and headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this Agreement to Articles and Sections refer to Articles and Sections of and to this Agreement in which such reference is made.

## **1.6 Date for any Action**

In the event that any date on which any action is required to be taken hereunder by any of the Parties hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

## **1.7 Governing Law**

This Agreement shall be governed by and interpreted in accordance with the Laws of the Province of British Columbia and the Laws of Canada applicable therein. Each Party hereby irrevocably attorns to the jurisdiction of the Courts of the Province of British Columbia sitting in and for the judicial district of Vancouver in respect of all matters arising under or in relation to this Agreement. Notwithstanding the foregoing, the Merger and the Merger Proposal will be governed by the laws of the State of Israel.

## 1.8 Attornment

The Parties hereby irrevocably and unconditionally consent to and submit to the courts of the Province of British Columbia for any actions, suits or proceedings arising out of or relating to this Agreement or the matters contemplated hereby (and agree not to commence any action, suit or proceeding relating thereto except in such courts) and further agree that service of any process, summons, notice or document by single registered mail to the addresses of the Parties set forth in this Agreement shall be effective service of process for any action, suit or proceeding brought against either Party in such court. The Parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of the Province of British Columbia and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

## 1.9 Schedules and Exhibits

Schedule A – Disclosure Letter  
Schedule 4.1(d) - Stickit Capitalization;  
Schedule 4.1(o)(i) - Stickit Intellectual Property;  
Schedule 4.1(s) - Stickit Material Agreements;  
Schedule 4.1(x) - Stickit Undisclosed Liabilities; and  
Schedule 4.1(dd) - Stickit Real Property and Leases,  
Schedule B - AQZ Capitalization on a fully diluted basis

form an integral part of this Agreement.

## ARTICLE 2 THE BUSINESS COMBINATION

### 2.1 Business Combination Steps

Subject to the terms and conditions hereof and in reliance on the representations, warranties, and covenants set forth or referred to herein, at the Closing Time, Stickit and AQZ agree to effect the combination of their respective businesses and assets by way of a series of steps or transactions including the Financing, , the Merger, the Stickit Director Appointments and the AQZ Name Change. Each Party hereby agrees that as soon as reasonably practicable after the date hereof or at such other time as is specifically indicated below in this Section 2.1, and subject to the terms and conditions of this Agreement, it shall take the following steps indicated for it:

- (a) **Stickit Meeting.** Stickit shall duly call and convene the Stickit Meeting (or in the alternative, Stickit may obtain approval of the Stickit Shareholders by consent resolution) at which the Stickit Shareholders will be asked to approve the Merger described in this Agreement and the Merger Proposal and Stickit shall use all commercially reasonable efforts to obtain the approval of the Stickit Shareholders for the foregoing matters.
- (b) **AQZ Meeting.** If required under applicable Law, AQZ shall duly call and convene the AQZ Meeting in order to received requisite AQZ Shareholder approval, including Disinterest Shareholder Approval where required to approve, among other things, the the Business Combination, the Stickit Director Appointments and the AQZ Name Change.
- (c) **Subco Meeting.** AQZ shall cause Subco to duly call and convene the Subco Meeting (or in the alternative, Subco may obtain approval of the Subco Shareholder by consent resolution) at which the Subco Shareholder will be asked to approve the Merger described in this Agreement

and the Merger Proposal, and Subco shall use all commercially reasonable efforts to obtain the approval of the Subco Shareholder for the foregoing matters.

- (d) **Financing of Resulting Issuer.** Prior to the Effective Date, certain investors will invest cash for subscription receipts (the "**Subscription Receipts**") of AQZ or Stickit, as applicable, with each Subscription Receipt representing the right of the holder thereof to receive, in certain circumstances set forth in the terms attached to the Subscription Receipts, one AQZ Share and one (1) AQZ Warrant, without any further act and for no additional consideration.
- (e) **Valuation of AQZ and Stickit.** The Parties have agreed that the valuation of Stickit is set at \$50,000,000 or \$0.1389 per Stickit Share (the "**Stickit Valuation**").
- (f) The Parties have agreed on the Merger Exchange Ratio, being 252.0695 AQZ Shares for each Stick Share.
- (g) **Israeli Merger.** At the Effective Date and immediately prior to the exchange of the Subscription Receipts for the Resulting Issuer Shares:
  - (i) Stickit and Subco shall merge by way of a merger under the Companies Law in accordance with Article 3 hereof whereby the separate corporate existence of Subco (as the target company, or *Chevrat ha'Ya'ad*) shall cease and Stickit (as the absorbing company or *HaChevra Ha'Koletet*) shall continue as the Surviving Company.
  - (ii) As a result of the Merger:
    - (A) Stickit shall continue to be governed by the laws of the State of Israel and have a registered office in the State of Israel;
    - (B) the Israeli Trustee shall receive, on behalf of the holders of outstanding Stickit Shares, 252.0695 (two hundred fifty two and six hundred ninety five thousands) AQZ Shares for each Stickit Share held (such ratio being the "**Merger Exchange Ratio**"), and each such AQZ Share, after giving effect to the Business Combination, is herein referred to as a "**Resulting Issuer Share**"; no fractional Resulting Issuer Shares shall be issued to holders of Stickit Shares or the Israeli Trustee; in the event of any fractional entitlement, the number of Resulting Issuer Shares issued to each former holder of Stickit Shares shall be rounded down to the next lesser whole number of Resulting Issuer Shares without any payment in respect of such fractional Resulting Issuer Share;
    - (C) Resulting Issuer Options, Resulting Issuer Warrants and Resulting Issuer Agent Warrants shall be issued to the Israeli Trustee on behalf of the holders of the Stickit Options, Stickit Warrants and Stickit Agent Warrants respectively, in exchange and replacement for, on an equivalent basis and giving effect to the Merger Exchange Ratio, such Stickit Options, Stickit Warrants and Stickit Agent Warrants, which shall thereby be cancelled;
    - (D) as consideration for the issuance of the AQZ Shares to the Israeli Trustee to hold such shares on behalf of the holders of Stickit Shares to effect the Merger, the Stickit Shares held by such holders will be transferred and conveyed to AQZ;
    - (E) Stickit shall succeed to and assume all of the rights, properties and obligations of Subco in accordance with the Companies Law;

- (F) For greater certainty all of the AQZ Options and AQZ Warrants issued and outstanding immediately prior to the Effective Date shall remain outstanding and become options and warrants, as the case may be, of the Resulting Issuer; and
- (G) the Surviving Company will be a wholly-owned Subsidiary of AQZ.
- (h) **Exchange of Subscription Receipts.** The Subscription Receipts will automatically be exchanged for Resulting Issuer Shares and Resulting Issuer Warrants pursuant to the terms and conditions of the Subscription Receipts and the Subscription Receipt Agreement.
- (i) **Reconstitution of Board and Name Change.** Immediately following the receipt of the Certificate of Merger, AQZ will: (i) reconstitute its board of directors to give effect to the Stickit Director Appointments, and (ii) effect the AQZ Name Change.
- (j) **CSE Listing and Escrow.** The Resulting Issuer Shares will become listed on the CSE. The Parties acknowledge that all or a portion of the Resulting Issuer Shares, including, without limitation, 100% of the AQZ Shares (and securities convertible into AQZ Shares) to be issued to those persons who will be "Principals" (as such term is defined in the CSE policies) of the Resulting Issuer shall be subject to escrow provisions which shall be imposed pursuant to the restrictions as may and may be subject to such other trading restrictions as may be imposed by the CSE or under applicable securities Laws. The Parties further acknowledge and agree that the CSE may impose escrow and other trading restrictions on the AQZ Shares issued to non and ,and Stickit AQZ or otherwise and 8 licyPo CSE Principals" as provided for in"agree to comply and agree to use as applicable, their reasonable efforts to cause their respective shareholders to comply with all such escrow requirements of the CSE, provided that all Parties agree to use their reasonable commercial efforts to obtain the most advantageous escrow terms for holders of the Resulting Issuer Shares.
- (k) The Parties acknowledge that the CSE will require some or all of the Resulting Issuer Shares issued pursuant to the Business Combination to be held in escrow and Stickit and AQZ, as applicable, agree to comply and use its reasonable efforts to cause its shareholders to comply with all such escrow requirements of the CSE, provided that all Parties agree to use their reasonable commercial efforts to obtain the most advantageous escrow terms for holders of Stickit Shares.
- (l) **Tax Liability.** Each Stickit Holder (as defined below) will bear the full responsibility for all of his, her or its respective tax, financial, legal and other advice and actions relating to the receipt of the Resulting Issuer Securities in consideration for the Stickit Securities pursuant to the Business Combination, including, without limitation, all filing, elections and other matters required or advisable to ensure that the Business Combination is effected as a tax deferred merge or share-for-share exchange with respect to such Stickit Holder. AQZ and Stickit will not assume and shall not be liable for any Taxes which may become payable by any Stickit Holder or losses suffered or incurred by any Stickit Holder, AQZ or Stickit as a result of or arising directly or indirectly out of or in connection with any Stickit Holder's failure to comply with applicable Tax laws in Israel, Canada, and any other jurisdiction applicable to the any Stickit Holder.
- (m) **Trustee for Shares.** Without derogating from the foregoing, with respect to Israeli tax, all securities issued to the Stickit Shareholders and Stickit Convertible Securities holders (collectively, the "Stickit Holders") shall be retained by the Israeli Trustee for a period of up to one hundred and eighty (180) days from the Effective Date with respect of each applicable portion of each Stickit Holder's consideration or as otherwise required by the ITA (the

**“Withholding Deadline”**) (during which time neither AQZ nor the Trustee shall withhold any Israeli tax on such consideration unless explicitly required to do so by the ITA and except as provided below), and during which time each such Stickit Holder (acting for itself or through an agent) may obtain a certification or ruling (a **“Withholding Certificate”**) issued by the ITA, in form and substance reasonably acceptable to AQZ and the Israeli Trustee (A) exempting AQZ and the Israeli Trustee from the duty to withhold Israeli taxes with respect to the applicable consideration of such Stickit Holder, (B) determining the applicable rate of Israeli tax to be imposed on the applicable consideration of such Stickit Holder, or (C) providing any other instructions regarding the payment or withholding with respect to the applicable consideration of such Stickit Holder. In the event that prior to the Withholding Deadline, a Stickit Holder (or an agent acting on its behalf) submits to the Israeli Trustee a Withholding Certificate, in form and substance reasonably acceptable to AQZ, the Israeli Trustee shall act in accordance with the provisions of such Withholding Certificate.

- (n) **Tax Pre-ruling.** The Stickit Holders and/or Stickit should receive a favorable Israeli tax pre-ruling to their full satisfaction providing that the consummation of the Financing and Merger contemplated hereunder shall constitute a deferred tax event for Stickit and Stickit Holders and shall not obligate them to pay any tax amounts prior to receiving actual funds resulting from the sale of AQZ Shares received by them in exchange for their Stickit Shares and Stickit Convertible Securities holders (the **“Ruling”**).
- (o) **Withholding.** If any Stickit Holder entitled to payment hereunder (A) does not provide the Israeli Trustee with a Withholding Certificate, prior to the Withholding Deadline, or (B) submits a written request to the Israeli Trustee to release his, her or its portion of the applicable consideration prior to the Withholding Deadline and fails to submit a Withholding Certificate, at or prior to such time, then the amount to be withheld from such Stickit Holder’s portion of the applicable consideration shall be calculated according to the applicable withholding rate as determined in good faith by the Israeli Trustee according to the Tax Ordinance.
- (p) **Cooperation.** AQZ shall cooperate with Stickit and Stickit Holders and their counsel with respect to the preparation and filing of any applicable tax ruling(s), including interim rulings, issued by the ITA and in the preparation of any written or oral submissions that may be necessary, proper or advisable to obtain such ruling(s). Subject to the terms and conditions hereof, the parties shall use reasonable efforts to promptly take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable law to obtain any such rulings, as promptly as practicable. Notwithstanding the provisions of Section 2.1(l) above, if such applicable tax rulings shall be received and delivered to the Israeli Trustee prior to the Withholding Deadline, then the provisions of such rulings shall apply and all applicable withholding and reporting procedures shall be made in accordance with the provisions of such rulings and the relevant sections of the Tax Ordinance according to which such rulings were issued. Stickit will inform AQZ in advance of meetings and discussions with the ITA with respect to the Ruling (as defined below) and allow, if deemed necessary by Stickit, AQZ’s counsel to attend such meetings and participate in such discussions. The counsel of Stickit shall provide AQZ’s counsel with an update of meetings and discussions held with the ITA with respect to the Ruling, within reasonable time and to the extent deemed necessary by Stickit’s counsel. Furthermore, Stickit shall allow AQZ to review and comment on any application or submission made to the ITA with regard to the Rulings and Stickit shall adequately address such comments and revise the language if deemed necessary.
- (q) **Other Actions, etc.** The Parties shall take any other action and do anything, including the execution of any other agreements, documents or instruments that are necessary or useful to give effect to the Business Combination.

## 2.2 Implementation Covenants

- (a) **Information Circular and Other Disclosure Documents.** Stickit and AQZ shall use commercially reasonable efforts to jointly prepare the Information Circular and Listing Statement together with any other documents required by applicable Laws in connection with the Business Combination and shall jointly file the final Information Circular and Listing Statement required by applicable Laws as soon as reasonably practicable and shall use all commercially reasonable efforts to file the final Information Circular and Listing Statement prior to the Completion Deadline.
- (b) **Preparation of Stickit Meeting Documentation.** Stickit shall duly prepare documentation required in connection with the Stickit Meeting, and deliver such documentation to Stickit Shareholders.
- (c) **Preparation of AQZ Meeting Documentation.** AQZ shall duly prepare documentation required in connection with the AQZ Meeting, and deliver such documentation to AQZ Shareholders.
- (d) **Resolution in Lieu of Subco Shareholder Meeting.** AQZ, as sole shareholder of Subco, shall waive notice of and its attendance at a meeting of the shareholders of Subco to approve the Merger and shall sign a resolution in writing as the sole shareholder of Subco approving the Merger.
- (e) **Listing.** AQZ shall use commercially reasonable efforts to have the Resulting Issuer Shares listed on the CSE.
- (f) **Preparation of Filings.** Stickit and AQZ shall cooperate in the preparation of any documents and taking of all actions reasonably deemed by Stickit or AQZ to be necessary to discharge their respective obligations under applicable Laws in connection with the Business Combination and all other matters contemplated in the Documents, and in connection therewith:
  - (i) each of Stickit and AQZ shall furnish to the other all such information concerning it and its shareholders as may be required to effect the actions described in this Article 2, and each covenants that no information furnished by it in connection with such actions or otherwise in connection with the consummation of the Business Combination will contain any untrue statement of a material fact or omit to state a material fact required to be stated in any such document or necessary in order to make any information so furnished for use in any such document not misleading in the light of the circumstances in which it is furnished or to be used;
  - (ii) Stickit and AQZ shall each promptly notify the other if at any time before the Effective Date it becomes aware that the Information Circular, Listing Statement or any other disclosure document contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Information Circular or another disclosure document. In any such event, Stickit and AQZ shall cooperate in the preparation of a supplement or amendment to the Information Circular, Listing Statement or any other disclosure document, as required and as the case may be, and, if required, shall cause the same to be filed with the applicable Securities Authorities; and
  - (iii) each of Stickit and AQZ shall ensure that the Information Circular, Listing Statement and all other disclosure documents comply with all applicable Laws and, without

limiting the generality of the foregoing, that the Information Circular, Listing Statement and all other disclosure documents do not contain any untrue statement of a material fact or omit to state a material fact with respect to itself required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made.

### 2.3 Board of Directors and Senior Officers

Each of the Parties hereby agrees that upon completion of the Business Combination and giving effect to the Stickit Director Appointments, and subject to approval by the CSE, the board of directors and senior officers of the Resulting Issuer shall consist of the following, subject to such additions or replacements as Stickit may determine:

Name	Title
Asher Holzer	Director, Executive Chairman
Eli Ben Haroosh	Director, Chief Executive Officer
TBD	Director, Chief Financial Officer
Shawn Ripley	Director
TBD	Director

### 2.4 Accredited Investor Status of U.S. Holders

Each holder of Stickit Shares, Stickit Warrants, Stickit Options or Stickit Agent Warrants who is resident in the United States or otherwise a "U.S. Person", as defined in Regulation S under the U.S. Securities Act, is in the United States, or consents to the Business Combination from within the United States, will, as a condition of receiving Resulting Issuer Shares or Resulting Issuer Convertible Securities, as applicable, upon completion of the Business Combination, be required to deliver a certificate in a form satisfactory to AQZ and Stickit as to their status as a U.S. Accredited Investor, together with any supporting information as reasonably requested by AQZ or Stickit in order to confirm their status or information regarding the availability of an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws for the issuance of such securities of the Resulting Issuer to such holder and any certificate representing such securities delivered to such holder shall bear a U.S. legend substantially in the following form:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THESE SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH CANADIAN LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH (I) RULE 144A OF THE U.S. SECURITIES ACT, IF APPLICABLE, TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE OFFER, SALE OR TRANSFER IS BEING MADE IN RELIANCE OF RULE 144A, OR (II) RULE 144 OF THE U.S. SECURITIES ACT, IF APPLICABLE, AND, IN EACH CASE, IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE



SECURITIES LAWS, AND, IN THE CASE OF (C)(II) AND (D), THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

In addition, all Resulting Issuer Convertible Securities will also bear the following legend:

"THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES DELIVERABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THIS SECURITY MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF A U.S. PERSON OR PERSON IN THE UNITED STATES UNLESS THE SHARES ISSUABLE UPON EXERCISE OF THIS SECURITY HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS ARE AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATIONS UNDER THE U.S. SECURITIES ACT."

Notwithstanding anything to the contrary in this Agreement, no Resulting Issuer Shares shall be issued or delivered to any person in the United States if the Resulting Issuer determines, in its sole discretion, that doing so may result in any contravention of the U.S. securities laws and the Resulting Issuer may instead, in the case of the Resulting Issuer Shares, appoint an agent to sell the Resulting Issuer Shares of such person on behalf of that person and deliver an amount of cash representing the proceeds of the sale of such Resulting Issuer Shares, net of expenses of sale.

### **ARTICLE 3 ISRAELI MERGER**

#### **3.1 Merger Proposal and Stickit Meeting**

- (a) As promptly as practicable after the execution and delivery of this Agreement:
  - (i) Stickit and Subco shall complete and execute the Merger Proposal in the form reasonably acceptable to AQZ;
  - (ii) Stickit and Subco shall cause the Merger Proposal to be executed in accordance with Section 316 of the Companies Law;
  - (iii) Stickit shall call the Stickit Meeting; and
  - (iv) each of Stickit and Subco shall deliver the Merger Proposal to the Israeli Registrar of Companies within three days from the calling of the Stickit Meeting in accordance with Section 317(a) of the Companies Law.

#### **3.2 Notice to Creditors**

- (a) Stickit and Subco shall cause a copy of the Merger Proposal to be delivered to each of their respective secured creditors, if any, no later than three days after the date on which the Merger Proposal is delivered to the Israeli Registrar of Companies, and each of their respective material creditors, if any, no later than three days after the date on which the Merger Proposal is delivered to the Israeli Registrar of Companies, and shall promptly inform their respective non-

secured creditors of the Merger Proposal and its contents in accordance with Section 318 of the Companies Law and the regulations promulgated thereunder.

- (b) In addition to the foregoing, Stickit and, if applicable, Subco, shall:
- (i) publish a notice to its creditors, stating that a Merger Proposal was submitted to the Israeli Registrar of Companies and that the creditors may review the Merger Proposal at the office of the Israeli Registrar of Companies, Stickit's registered offices or Subco's registered offices, as applicable, and at such other locations as Stickit or Subco, as applicable, may determine, in (i) two daily Hebrew newspapers and a newspaper in such other locations as required by the Companies Law, on the day that the Merger Proposal is submitted to the Israeli Registrar of Companies, and (ii) if required, in such other manner as may be required by any applicable law and regulations;
  - (ii) within four business days from the date of submitting the Merger Proposal to the Israeli Registrar of Companies, send a notice by registered mail to all of the "Substantial Creditors" (as such term is defined in the regulations promulgated under the Companies Law) that Stickit or Subco, as applicable, is aware of, in which it shall state that a Merger Proposal was submitted to the Israeli Registrar of Companies and that the creditors may review the Merger Proposal at such additional locations, if such locations were determined in the notice referred to in paragraph (A) above;
  - (iii) display in a prominent place at Stickit's premises a copy of the notice published in a daily Hebrew newspaper, no later than three business days following the day on which the Merger Proposal was submitted to the Israeli Registrar of Companies;
  - (iv) after having complied with the foregoing, Stickit and Subco shall promptly inform the Israeli Registrar of Companies, but in any event no later than three days following the date on which such notices were sent to the creditors and/or published, applicable, in accordance with Section 317(b) of the Companies Law, that notice was given to their respective creditors under Section 318 of the Companies Law and the regulations promulgated thereunder; and
  - (v) for the purposes of this Article 3 only, the term "business day" shall have the meaning set forth in the Israeli Merger Regulations 5760-2000 promulgated under the Companies Law.

### 3.3 Certificate of Merger

- (a) In accordance with customary practice with the Israeli Registrar of Companies, Subco and Stickit shall request that the Israeli Registrar of Companies declare the Merger effective on the Effective Date and issue the Certificate of Merger upon such date.
- (b) For the avoidance of doubt, the completion of the statutory merger process and the request for issuance of a Certificate of Merger from the Israeli Registrar of Companies shall be subject to coordination by the Parties and fulfillment or waiver of all of the conditions set forth in Article 6 below.
- (c) For the further avoidance of doubt, and notwithstanding any provision of this Agreement to the contrary, it is the intention of the parties that the Merger shall be declared effective and the Certificate of Merger shall be issued on the Effective Date.

### 3.4 Share Exchange under the Merger

- (a) Upon the issuance of the Certificate of Merger: (i) the Israeli Trustee shall be deemed to be the registered holder of the Resulting Issuer Shares, on behalf of the Stickit Shareholders which are entitled to such Resulting Issuer Shares hereunder; (ii) the Resulting Issuer shall deposit such Resulting Issuer Shares with the Depository and/or the electronic positions representing such Resulting Issuer Shares with CDS, as applicable, to satisfy the consideration issuable to such Stickit Shareholders; and (iii) certificates formerly representing Stickit Shares which are held by such Stickit Shareholders shall cease to represent any claim upon or interest in Stickit other than the right of the registered holder to receive the number of Resulting Issuer Shares to which it is entitled hereunder, all in accordance with the provisions of the Merger Proposal.
- (b) As soon as reasonably practicable after the Effective Date, the Depository will forward to, or hold for pick-up by, each former Stickit Shareholder that submitted a duly completed Letter of Transmittal, a DRS Statement or other evidence of entitlement to the Depository, together with the certificate (if any) representing the Stickit Shares held by such Stickit Shareholder or such other evidence of ownership of such Stickit Shares as is satisfactory to the Depository, acting reasonably, (i) the certificates or DRS Statements representing the Resulting Issuer Shares to which such Stickit Shareholder is entitled, in accordance with its Letter of Transmittal, or (ii) confirmation of a non-certificated electronic position transfer in CDS representing the Resulting Issuer Shares to which such Stickit Shareholder is entitled, in accordance with its Letter of Transmittal, all in accordance with the provisions of the Merger Proposal.
- (c) The Resulting Issuer, as the registered holder of the Subco Shares, shall be deemed to be the beneficiary of the Surviving Company Shares to which it is entitled hereunder, which shall be held by the Israeli Trustee for its benefit, and the Israeli Trustee shall be entitled to receive, on behalf of the Resulting Issuer, a share certificate representing the number of Surviving Company Shares to which the Resulting Issuer is entitled hereunder. Until delivery of such certificate, the share certificate or certificates representing the Subco Shares held by the Resulting Issuer will be evidence of the Resulting Issuer's right to be registered as a shareholder of the Surviving Company. Share certificates evidencing Subco Shares shall cease to represent any claim upon or interest in Subco other than the right of the registered holder to receive the number Surviving Company Shares to which it is entitled pursuant to the terms hereof and the Merger.

## ARTICLE 4 REPRESENTATIONS AND WARRANTIES

### 4.1 Representations and Warranties of Stickit

In order to induce AQZ to enter into this Agreement and to consummate the Business Combination, Stickit hereby represents and warrants to AQZ, and acknowledges that AQZ is relying upon such representations and warranties in connection with the entering into of this Agreement, as follows, except as set forth in the Disclosure Letter, regardless of whether or not the Disclosure Letter is referenced below with respect to any particular representation or warranty:

- (a) *Stickit Valid Existence:* Stickit has been duly incorporated and is validly existing under the laws of the State of Israel and is current and up-to-date with all filings required to be made by it in such jurisdiction and
- (b) *Stickit Subsidiaries Valid Existence:* each of the Stickit Subsidiaries has been duly incorporated and is validly existing under the laws of its jurisdiction of formation and is current and up-to-date with all filings required to be made by it in such jurisdiction, and all of the issued shares in the capital of each of the Stickit Subsidiaries are owned directly or indirectly by Stickit, free and

clear of any pledge, lien, security interest, charge, claim or encumbrance or in relation to inter-corporate security;

- (c) *Corporate Power:* Stickit has full corporate power, capacity and authority to undertake all steps of the Business Combination contemplated in the Documents and to carry out its obligations under this Agreement;
- (d) *Capitalization:* the authorized capital of Stickit is 10,000,0000 ordinary shares (NIS 100,000), of which, at the date hereof, there are 879,992 Stickit Shares issued and outstanding. The Stickit Shares and Stickit Convertible Securities that are issued and outstanding as of the date hereof, together with the names of the registered owners and the respective number of securities held by each such Person, are set forth in Section 4.1(d) of the Disclosure Letter. The Stickit Shares that are issued and outstanding at the Closing Time have been, or will at the Closing Time be, duly authorized and validly issued and outstanding as fully paid and non-assessable shares. Except as disclosed in Section 4.1(d) of the Disclosure Letter, and other than the securities to be issued in connection with the Business Combination, including pursuant to the Financing, there are no rights, subscriptions, warrants, options, conversion rights, calls, commitments or plans or agreements of any kind outstanding which would enable any Person to purchase or otherwise acquire any shares or other securities of Stickit or Stickit Subsidiaries;
- (e) *Shareholder Agreements and No Agreement to Purchase:* neither Stickit nor any one of the Stickit Subsidiaries is a party to any shareholders', partnership or similar agreements governing the affairs of Stickit or the relationship, rights and duties of its shareholders or any voting trusts, pooling arrangements or other similar agreements with respect to the ownership, control or voting of any shares of Stickit or Stickit Subsidiaries, including, without limitation, has not granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any Stickit Shares or any shares of any one of the Stickit Subsidiaries, or securities convertible into or exchangeable for Stickit Shares or shares of any Stickit Subsidiary other than under the terms of the Stickit Convertible Securities;
- (f) *Private Issuer:* Stickit is not a reporting issuer nor an associate of any reporting issuer (as defined in the *Securities Act* (British Columbia) or the *Securities Act* of any other province of Canada) and the Stickit Shares do not trade on any exchange, including, without limitation, the Tel Aviv Stock Exchange;
- (g) *Corporate Power and Authority:* Stickit and each of the Stickit Subsidiaries has all requisite corporate capacity, power and authority, and possesses all certificates, authority, permits and licenses issued by the appropriate state, provincial, municipal or federal regulatory agencies or bodies necessary to conduct the business as now conducted by Stickit on a consolidated basis, and to own its assets, and is in compliance in all material respects with such certificates, authorities, permits or licenses. Neither Stickit nor any one of the Stickit Subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate, authority, permit or license which, singly or in the aggregate, if the subject of an unfavourable decision, order, finding or ruling, would adversely affect the conduct of the business, operations, financial condition, income or future prospects of Stickit on a consolidated basis. Neither Stickit nor any one of the Stickit Subsidiaries has any responsibility or obligation to pay any commission, royalty, license or similar payment to any person (other than mandatory payments to the appropriate state, provincial, municipal or federal regulatory agencies and applicable laws of Israel) with respect thereto;
- (h) *Title to Assets:* Stickit and each of the Stickit Subsidiaries is the absolute legal and beneficial owner of, and has good and marketable title to, all of the material property or assets thereof free

of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever;

- (i) *Authority; Execution and Enforceability:* Each of the Documents has been or at the Effective Date will be, duly authorized, and with respect to this Agreement, executed and delivered by Stickit and constitutes a valid and binding obligation of Stickit enforceable in accordance with its terms (subject to such limitations and prohibitions as may exist or may be enacted in applicable laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally) and no other corporate proceeding on the part of Stickit, other than the submission of the Merger to the Stickit Shareholders and as specified in this Agreement, is necessary to authorize this Agreement and the transactions contemplated hereby;
- (j) *No Violation:* Except as listed in Section 4.1(j) of the Disclosure Letter, the entering into and the performance by Stickit of the Business Combination contemplated in the Documents: (a) do not require any consent, approval, authorization or order of any court or governmental agency, body or Government Authority, except that which may be required under this Agreement, applicable corporate and securities legislation and the policies of the CSE and as specified in this Agreement; (b) will not violate or contravene any statute or regulation of any Government Authority which is binding on Stickit or any of the Stickit Subsidiaries where such contravention would have a Material Adverse Effect; and (c) will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the constating documents, by-laws or resolutions of Stickit or any of the Stickit Subsidiaries or any mortgage, note, indenture, contract or agreement instrument, lease or other document to which Stickit or any of the Stickit Subsidiaries is a party, or any judgment, decree or order or any term or provision thereof, which breach, conflict or default would have a Material Adverse Effect;
- (k) *Legal Proceedings:* There are no legal, regulatory, governmental or similar proceedings pending or, to the knowledge of Stickit, contemplated or threatened, to which Stickit or any one of the Stickit Subsidiaries is a party or to which the property of Stickit or any of the Stickit Subsidiaries is subject;
- (l) *Insurances:* Stickit and each of the Stickit Subsidiaries maintains insurance against loss or damage in respect of its assets, business and operations, with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses;
- (m) *Qualification to do Business.* Stickit and Stickit Subsidiaries are registered, licensed or otherwise qualified to do business in each jurisdiction in which it operates where such qualification is required to comply with applicable Law, except where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect in respect of Stickit or Stickit Subsidiaries, as applicable. Stickit and Stickit Subsidiaries have all necessary corporate power, authority, and capacity to carry on its business and to own or lease and operate its property and assets as now carried on and owned or leased and operated. Stickit is not aware of any legislation, which it anticipates will materially and adversely affect the business, affairs, operations, assets, liabilities (contingent or otherwise) or prospects of Stickit or the Stickit Subsidiaries;
- (n) *Non-statutory Limitations:* other than the requirements under the applicable laws of Israel, neither Stickit nor any one of the Stickit Subsidiaries is party to or bound or affected by any commitments, agreement or document containing any covenant which expressly limits the freedom of Stickit and the Stickit Subsidiaries to compete in any line of business or with any

person, other than for certain exclusive distribution arrangements in particular territories as disclosed in the Disclosure Letter, or to transfer or move any of its assets or operations;

(o) *Intellectual Property:*

- (i) other than the Intellectual Property listed in Section 4.1(o)(i) of the Disclosure Letter (the “**Registered Intellectual Property**”), neither Stickit nor Stickit Subsidiaries own any registered Intellectual Property, nor does it have any pending applications for any such registered Intellectual Property. The Registered Intellectual Property is valid and fully enforceable by Stickit and Stickit Subsidiaries, as applicable;
- (ii) Stickit (i) owns all of the right, title and interest in and to all of the material Intellectual Property that is owned by or registered to Stickit and that is used in the business of Stickit and Stickit Subsidiaries as presently conducted, excluding licensed Intellectual Property (“**Owned Intellectual Property**”); and (ii) is licensed to use, or otherwise has the right to use, the material Intellectual Property that is licensed to Stickit and used in the business of Stickit and Stickit Subsidiaries as presently conducted;
- (iii) to the knowledge of Stickit, the conduct of the Stickit business does not infringe upon the industrial or intellectual property rights, domestic or foreign, of any other Person. Neither Stickit nor Stickit Subsidiaries are aware of a claim of any infringement or breach of any industrial or intellectual property rights of any other person, nor has Stickit or Stickit Subsidiaries received any notice that the conduct of the Stickit’s business, including the use of the Stickit Intellectual Property, infringes upon or breaches any industrial or intellectual property rights of any other person, and neither Stickit nor Stickit Subsidiaries have any knowledge of any infringement or violation of any of its rights in the Stickit Intellectual Property;
- (iv) Stickit has taken actions that it considers reasonable to protect the Owned Intellectual Property to the extent necessary to protect its interest therein. Stickit has taken reasonable steps to protect and preserve the secrecy, confidentiality and value of all of its material trade secrets used in the conduct of its business and, to the knowledge of Stickit and Stickit Subsidiaries, there are no unauthorized uses, disclosures or misappropriations of any such trade secret;
- (v) the entire right, title and interest of any and all Owned Intellectual Property conceived, created, invented, authored or developed or caused to be reduced to practice by any employee of Stickit or Stickit Subsidiaries during the term of, and that relates to, current or past employees’ employment with Stickit or Stickit Subsidiaries is and will exclusively vest in Stickit or Stickit Subsidiaries, and no employee is or will be entitled to any royalties or other form of compensation relating to the creation of such Owned Intellectual Property. No Owned Intellectual Property necessary to enable the activities of the business of Stickit or Stickit Subsidiaries as now being conducted is held by any current or past consultant, employee, director or shareholder of Stickit or Stickit Subsidiaries;
- (vi) except as set out in Section 4.1(o)(i) of the Disclosure Letter, neither Stickit nor Stickit Subsidiaries are currently obligated or under any contractual liability whatsoever to make any payments by way of royalties, fees or otherwise to any owner, author or licensee of, or other claimant to, any Owned Intellectual Property, with respect to the use thereof or in connection with the conduct of its business or otherwise;

- (p) *Taxes*: all taxes (including income taxes, capital tax, payroll taxes, employer health taxes, workers' compensation payments, property taxes, sales, use, goods and services taxes, value-added taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "Taxes") due and payable by Stickit and the Stickit Subsidiaries have been paid or a provision made therefor except where the failure to pay such Taxes would not result in a Material Adverse Effect for Stickit. All tax returns, declarations, remittances and filings required to be filed by Stickit and the Stickit Subsidiaries have been filed with all appropriate Government Authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the knowledge of Stickit, no examination of any tax return of Stickit or any one of the Stickit Subsidiaries is currently in progress and there are no issues or disputes outstanding with any Government Authority respecting any Taxes that have been paid, or may be payable, by Stickit and the Stickit Subsidiaries. There are no agreements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to Stickit or any of the Stickit Subsidiaries;
- (q) *Finder's Fees*: other than in connection with the Financing and as set forth in Section 4.1(q) of the Disclosure Schedule, there is no person, firm or company acting or purporting to act at the request of Stickit who is or will be entitled to any brokerage or finder's fee in connection with the transactions contemplated herein;
- (r) *Compliance with Applicable Laws*: Stickit and each of the Stickit Subsidiaries has conducted and is conducting its business in compliance in all material respects with all applicable Laws of each jurisdiction in which it carries on business and with all Laws material to its operation, and neither Stickit nor any one of the Stickit Subsidiaries has received any notice of the revocation or cancellation of, or any intention to revoke or cancel, any of the licenses, leases or other instruments conferring rights to Stickit or any one of the Stickit Subsidiaries for the conduct of their business;
- (s) *Material Agreements*:
- (i) other than as set out in Section 4.1(s)(i) of the Disclosure Letter, there are no other contracts to which Stickit or Stickit Subsidiaries are a party: (i) under which Stickit or Stickit Subsidiaries are obliged to make payments in excess of US\$50,000 per annum; (ii) which involve a joint venture, partnership or similar agreements and arrangements; (iii) relating to the licensing or sublicensing (either as licensor or licensee) or purchase or sale of any interest in Intellectual Property, other than non-exclusive software licenses granted in the ordinary course of business and open source software; (iv) with any director or officer of Stickit or Stickit Subsidiaries; or (v) the termination of which would result in a Material Adverse Effect on Stickit or any of Stickit Subsidiaries (each, an "Stickit Material Contract", and collectively, the "Stickit Material Contracts");
  - (ii) each Stickit Material Contract represents the entire agreement between the parties thereto on such matter thereof. A true and complete copy of each Stickit Material Contract has been made available to AQZ. Except as disclosed in Section 4.1(s)(ii) of the Disclosure Letter, neither Stickit nor any of Stickit Subsidiaries is in default, in any material respect, under any Stickit Material Contract to which it is a party, and, to the knowledge of Stickit, no other party is in default under any such Stickit Material Contract and there has not occurred any event which, with the lapse of time or giving of notice or both, would constitute a default, in any material respect, under any such Stickit Material Contract by Stickit or Stickit Subsidiaries or, to Stickit's or Stickit Subsidiaries' knowledge, any other party to such Stickit Material Contract;

- (iii) no Consent is required nor is any notice required to be given under any Stickit Material Contract in connection with the entering into of this Agreement and the completion of the Business Combination in order to maintain all rights of Stickit or Stickit Subsidiaries under such Stickit Material Contract at Closing.;
  
- (t) *Environmental Matters:* to the knowledge of Stickit, all the properties in which Stickit or the Stickit Subsidiaries have any freehold, leasehold, license or other interest are free and clear of any hazardous or toxic material, pollution, or other adverse environmental conditions which may give rise to any and all claims, actions, causes of action, damages, losses, liabilities, obligations, penalties, judgments, amounts paid in settlement, assessments, costs, disbursement or expenses (including, without limitation, attorneys' fees and costs, experts' fees and costs, and consultant's fees and costs) of any kind or of any nature whatsoever that are asserted against Stickit or any of the Stickit Subsidiaries, alleging liability (including, without limitation, liability for studies, testing or investigatory costs, cleanup costs, response costs, removal costs, remediation costs, contaminant costs, restoration costs, corrective action costs, closure costs, reclamation costs, natural resource damages, property damages, business losses, personal injuries, penalties or fines) arising out of, based on or resulting from (i) the presence, release, threatened release, discharge or emission into the environment of any hazardous materials or substances existing or arising on, beneath or above properties and/or emanating or migrating and/or threatening to emanate or migrate from such properties to off-site properties; (ii) physical disturbance of the environment; and (iii) the violation or alleged violation of all applicable Laws aimed at reclamation or restoration of such properties; abatement of pollution; protection of the environment, protection of wildlife, including endangered species; ensuring public safety from environmental hazards; protection of cultural and historic resources; management, storage or control of hazardous materials and substances; releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances as wastes into the environment, including without limitation, ambient air, surface water and groundwater; and all other applicable Laws relating to the manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes (collectively, "Environmental Laws"); and to the knowledge of Stickit, after due inquiry, all environmental approvals required pursuant to Environmental Laws with respect to activities carried out on any part of the lands covered by such properties, have been obtained, are valid and in full force and effect and have been complied with; and there are no proceedings commenced or threatened to revoke or amend any such environmental approvals;
  
- (u) *Non-Arm's Length's Indebtedness:* other than as set forth in Section 4.1(u) of the Disclosure Schedule, neither Stickit nor any one of the Stickit Subsidiaries has any loan or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at "arm's length" (as such term is defined in the *Income Tax Act* (Canada));
  
- (v) *Employees Matters:* Stickit and Stickit Subsidiaries have complied in all material respects with all applicable employment laws, policies, procedures and agreements relating to employment, terms and conditions of employment and to the proper withholding and remission to the proper tax and other authorities of all sums required to be withheld from employees under applicable laws respecting such withholding. Stickit and Stickit Subsidiaries has paid in full to all of its employees all wages, salaries, commissions, bonuses, benefits and other compensation due and payable to such employees on or prior to the date hereof. Neither stickit nor Stickit Subsidiaries are bound by or subject to and none of its assets or properties is bound by or subject to any written or oral, express or implied, contract, commitment or arrangement with any labor union except for those provisions of general agreements between the Histadrut and any Employers' Union or Organization which are applicable by an extension order to all the employees in Israel



or in a specific industry in Israel. To Stickit's knowledge, no employee has violated any material term of his or her employment agreement. To Stickit's knowledge, no current or past consultants or service providers of Stickit and Stickit Subsidiaries could be considered employees of Stickit or stickit Subsidiaries;

- (w) *Payment of Dividends:* there is not, in the constating documents or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which Stickit or any one of the Stickit Subsidiaries is a party, any restriction upon or impediment to the declaration or payment of dividends by the directors of Stickit or the Stickit Subsidiaries or the payment of dividends by Stickit or the Stickit Subsidiaries to the holders of their securities;
- (x) *Undisclosed Liabilities:* Neither Stickit nor Stickit Subsidiaries have any material liabilities or obligations of any nature (whether known or unknown, liquidated or unliquidated, due or to become due and whether absolute, accrued, contingent or otherwise), and is not a party to, or bound by, any material agreement of guarantee, indemnification, assumption or endorsement or any like commitment of the material liabilities or obligations of any other Person, except for: (i) liabilities or obligations disclosed or provided for in the most recent financial statements forming part of the Stickit Financial Statements; (ii) liabilities or obligations arising in the ordinary course of business, including indemnification or warranties provided to customers, vendors and suppliers not in aggregate excess of \$50,000; (iii) liabilities or obligations incurred or to be incurred in connection with the Business Combination; (iv) director and officer indemnification provided for under its constating documents or by applicable Law; or (iv) as otherwise set forth in Section 4.1(x) of the Disclosure Letter;
- (y) *Change in Law:* neither Stickit nor any one of the Stickit Subsidiaries is aware of any pending or contemplated change to any applicable Law or governmental position that would materially affect the business of Stickit or the Stickit Subsidiaries taken as a whole or the legal environments under which Stickit and the Stickit Subsidiaries operate;
- (z) *Untrue Statements:* no representation, warranty or statement of Stickit in this Agreement contains or will contain at the Effective Date any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which made, not misleading;
- (aa) *Bankruptcy, Insolvency and Reorganization:* neither Stickit nor any one of the Stickit Subsidiaries have made an assignment in favour of its creditors nor a proposal in bankruptcy to its creditors or any class thereof nor had any petition for a receiving order presented in respect of it. Neither Stickit nor any one of the Stickit Subsidiaries has initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution. No receiver has been appointed in respect of Stickit or Stickit Subsidiaries or any of its property or assets and no execution or distress has been levied upon any of its property or assets. No act or proceeding has been taken or authorized by or against Stickit or Stickit Subsidiaries with respect to any amalgamation, merger, consolidation, arrangement or reorganization of, or relating to, Stickit or Stickit Subsidiaries, nor have any such proceedings been authorized by any other Person;
- (bb) *Corporate Records:* the minute books, register of shareholders and register of directors of Stickit and Stickit Subsidiaries have been maintained in accordance with applicable Law and are complete and accurate in all material respects. There are no outstanding applications or filings which would alter in any way the constituent documents or corporate status of Stickit or Stickit Subsidiaries. No resolutions or by-laws have been passed, enacted, consented to or adopted by the directors or shareholders or shareholder of Stickit or Stickit Subsidiaries, except as are contained in the minute books of Stickit and Stickit Subsidiaries respectively;

- (cc) *Financial Statements:* true and complete copies of the Stickit Financial Statements have been made available to AQZ. Stickit Financial Statements have been prepared in accordance with IFRS consistently applied throughout the periods to which they relate, subject, in the case of the interim financial statements forming part of the Stickit Financial Statements, to usual year-end adjustments. The balance sheets contained in the Stickit Financial Statements fairly present the financial position of Stickit as of the dates thereof and the statements of comprehensive income contained in the Stickit Financial Statements fairly present the revenues, earnings and results of operations for the periods indicated, but remain subject to audit and related adjustments. The Stickit Financial Statements are accurate and complete in all material respects and are based upon, and are consistent with, Stickit's financial records, but remain subject to audit and related adjustments;
- (dd) *Real Property:* neither Stickit nor any one of the Stickit Subsidiaries own any real property. Section 4.1(dd) of the Disclosure Letter contains a list of all of the lease documents under which Stickit or any of Stickit Subsidiaries is the lessee of real property. Neither Stickit nor any one of the Stickit Subsidiaries has been given notice of any default under any lease and none of the parties to any such lease is in material default thereunder. There are no arrears of rent under any lease nor are there any disputes between the parties thereto. Stickit and Stickit Subsidiaries, as applicable, has full right and power to occupy or possess, as the case may be, all the property covered by each such lease;
- (ee) *Internal Controls.* Stickit and Stickit Subsidiaries have established proper and adequate internal accounting controls which provide assurance that (i) transactions are recorded as necessary to permit preparation of the financial statements of Stickit and to maintain accountability for the assets of Stickit and Stickit Subsidiaries; and (ii) accounts, notes and other receivables and inventory are recorded properly and adequate procedures are implemented to affect the collection thereof on a current and timely basis;
- (ff) *Anti-Money Laundering.* The operations of Stickit and Stickit Subsidiaries are and have been conducted, at all times, in material compliance with all applicable financial recordkeeping and reporting requirements of applicable anti-money laundering statutes of the jurisdictions in which Stickit and Stickit Subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the "Anti-Money Laundering Laws"), and no action, suit or proceeding by or before any court or Governmental Authority, authority or body or any arbitrator involving Stickit or Stickit Subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of Stickit or Stickit Subsidiaries, threatened;
- (gg) *Anti-Corruption;* To the knowledge of Stickit and Stickit Subsidiaries, Stickit and Stickit Subsidiaries have not, directly or indirectly: (A) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any Governmental Authority; or (B) made any contribution to any candidate for public office, in either case where either the payment or the purpose of such contribution, payment or gift was, is or would be prohibited under applicable Laws;
- (hh) *Privacy:* Neither Stickit nor Stickit Subsidiaries have collected, processed, transferred or stored any personally identifiable information or personal data of any third parties except in compliance with applicable law, including the Protection of Privacy Law, 1981 and the General Data Protection Regulation (EU) 2016/679. To Stickit's knowledge, Stickit and Stickit Subsidiaries have complied with applicable legal requirements relating to the use, processing, collection, storage, registration of databases, disclosure and transfer of any personally identifiable information or personal data collected by Stickit and Stickit Subsidiaries or, to

Stickit's knowledge, by third parties having authorized access to the records of Stickit or Stickit Subsidiaries;

- (ii) *Forward-Looking Information.* All forward-looking information and statements relating to Stickit and Stickit Subsidiaries that will be contained in the written investor presentation to be delivered by Stickit to investors under the Concurrent Financing (the "**Investor Presentation**"), if any, and that will be contained in the Information Circular, Listing Statement or any other disclosure document and the material assumptions underlying such information and statements, subject to any qualifications contained therein, are or will be reasonable in all material respects, in Stickit's judgement, in light of the circumstances under which made, as at the date on which such statements and assumptions were or are made;
- (jj) *Investor Presentation: To the Knowledge of Stickit,* the Investor Presentation, if any, will not, as at the date it will be delivered by Stickit or Stickit Subsidiaries to potential subscribers under the Concurrent Financing, contain any Misrepresentation with respect to Stickit or Stickit Subsidiaries under applicable Canadian securities laws;
- (kk) *Market Data:* Any market, industry and economic related data that may be included in the Investor Presentation, if any, and in the Information Circular, Listing Statement or any other disclosure documents in connection with the Business Combination is derived from sources which Stickit believes, without independent investigation, to be reasonable and reliable, and such data is or will be consistent in all material respects with the sources from which it was derived;
- (ll) *Disclosure:* No representation, warranty or statement of Stickit or Stickit Subsidiaries in this Agreement contains or will contain at the Closing, and no representation, warranty or statement of Stickit or Stickit Subsidiaries in the Information Circular, Listing Statement or any other disclosure document, will contain at the time of filing thereof, any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which made, not misleading.

The representations and warranties of Stickit and stickit Subsidiaries contained in this Agreement shall survive Closing and, notwithstanding Closing or any documents delivered or investigations made in connection therewith, shall continue in full force and effect for the benefit of AQZ for a period of two (2) years from the Closing Date, with the exception that any claim based upon intentional Misrepresentation, fraud or willful misconduct may be brought at any time.

#### **4.2 Representations and Warranties of AQZ**

AQZ hereby represents and warrants to Stickit, and acknowledges that Stickit is relying upon these representations and warranties in connection with the entering into of this Agreement, as follows:

- (a) AQZ has been duly incorporated and is validly existing under the laws of the Province of British Columbia and is current and up-to-date with all filings required to be made by it in such jurisdiction;
- (b) AQZ has full corporate power, capacity and authority to undertake all steps of the Business Combination contemplated in the Documents and to carry out its obligations under this Agreement;
- (c) the authorized capital of AQZ consists of an unlimited number of AQZ Shares, of which 14,403,698 AQZ Shares are currently issued and outstanding; except for such AQZ Shares, AQZ has no other securities outstanding nor is it a party to or has granted any agreement,

warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any AQZ Shares or securities convertible into or exchangeable for AQZ Shares;

- (d) on the Effective Date, the Resulting Issuer Shares will be duly and validly issued and outstanding as fully paid and non-assessable and the Resulting Issuer Convertible Securities will be duly and validly created and issued;
- (e) since its inception, and with the exception, the agreements to effect the Business Combination and the Financing and as disclosed in the public record of AQZ, AQZ has not entered into any contract in respect of its business or assets, other than in the ordinary course of business, and has continued to carry on its business and maintain its assets in the ordinary course of business, with the exception of reasonable costs incurred in connection with the Business Combination, and without limitation but subject to the above exceptions, has maintained payables and other liabilities at levels consistent with past practice, not engaged or committed to engage in any extraordinary material transactions and has not made or committed to make distributions, dividends or special bonuses;
- (f) The AQZ Shares are not currently listed and posted for trading on the CSE;
- (g) AQZ is a reporting issuer, or the equivalent thereof, in the provinces of British Columbia (the “Reporting Jurisdiction”) and is not currently in default of any requirement of the applicable laws of each of the Reporting Jurisdictions and other regulatory instruments of the Securities Authorities in such provinces, and no order ceasing, halting or suspending trading in securities of AQZ or prohibiting the distribution of such securities has been issued to and is outstanding against AQZ and no investigations or proceedings for such purposes are, to the knowledge of AQZ, pending or threatened;
- (h) AQZ is in compliance in all material respects with all its disclosure obligations under applicable Laws and all documents filed by AQZ pursuant to such obligations are in compliance in all material respects with applicable Laws and, other than in respect of documents that have been amended or refiled did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;
- (i) AQZ has no associates (as defined in the *Securities Act* (British Columbia)), other than the AQZ Subsidiaries, and is not a partner, co-tenant, joint venturer or otherwise a participant in any partnership, joint venture, co-tenancy or other similarly joint owned business;
- (j) AQZ has all requisite corporate capacity, power and authority, and possesses all material certificates, authority, permits and licenses issued by the appropriate state, provincial, municipal or federal regulatory agencies or bodies necessary to conduct the business as now conducted by it and to own its assets and is in compliance in all material respects with such certificates, authorities, permits or licenses. AQZ has not received any notice of proceedings relating to the revocation or modification of any such certificate, authority, permit or license which, singly or in the aggregate, if the subject of an unfavourable decision, order, finding or ruling, would materially and adversely affect the conduct of the business, operations, financial condition, income or future prospects of AQZ;
- (k) each of the Documents has been, or at the Effective Date will be, duly authorized and, with respect to this Agreement, executed and delivered by AQZ and constitutes a valid and binding obligation of AQZ enforceable in accordance with its terms (subject to such limitations and prohibitions as may exist or may be enacted in applicable laws relating to bankruptcy,

insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally) and no other corporate proceeding on the part of AQZ, other than the approval of the matters for which shareholder approval is to be sought at the AQZ Meeting in accordance with this Agreement, is necessary to authorize this Agreement and the transactions contemplated hereby;

- (l) the entering into and the performance by AQZ of the transactions contemplated in the Documents:
  - (i) do not require any consent, approval, authorization or order of any court or governmental agency or body, except that which may be required under applicable corporate and securities legislation and the policies of the CSE;
  - (ii) will not contravene any statute or regulation of any Government Authority which is binding on AQZ where such contravention would have a Material Adverse Effect; and
  - (iii) subject to AQZ public disclosure, will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the constating documents, by-laws or resolutions of AQZ or any mortgage, note, indenture, contract or agreement, instrument, lease or other document to which AQZ is or will be a party, or any judgment, decree or order or any term or provision thereof, which breach, conflict or default would have a Material Adverse Effect;
- (m) there are no actions, suits, proceedings, grievances, arbitrations, investigations, audits, or other alternative dispute resolution processes in progress, pending or, to the knowledge of AQZ, threatened, to which contemplated or AQZ is a party or to which the property of AQZ is subject, and, to the knowledge of AQZ, there is no basis for any such action, suit, claim, proceeding, grievance, arbitration, investigation, or audit. There is not currently outstanding against AQZ any judgment, injunction, rule, decree or order of any Government Authority;
- (n) the audited consolidated annual financial statements of AQZ for the year ended June 30, 2022 and the notes thereto (collectively, the "AQZ Financial Statements"), as filed on SEDAR, in each case, have been prepared in accordance with IFRS, present fairly, in all material respects, the financial position of AQZ as at such date, and do not omit to state any material fact that is required by IFRS or by applicable law to be stated or reflected therein or which is necessary to make the statements contained therein not misleading;
- (o) neither AQZ nor any one of the AQZ Subsidiaries has any outstanding material liability, whether direct, indirect, absolute or contingent or otherwise, which is not reflected in the AQZ Financial Statements;
- (p) except as disclosed to Stickit in AQR Disclosure Letter and as will be disclosed in the Information Circular, Listing Statement or another disclosure document, AQZ is not party to any material contract as of the date hereof;
- (q) From the date of the most recent AQZ Financial Statements to the date of this Agreement, there has not been any adoption or amendment in any material respect by AQZ of any bonus, pension, profit sharing, deferred compensation, incentive compensation, stock ownership, stock purchase, stock option, phantom stock, retirement, vacation, severance, disability, death benefit, hospitalization, medical or other plan, arrangement or understanding (whether or not legally binding) providing benefits to any current or former employee, officer or director of AQZ. As of

the date of this Agreement there are not any employment, consulting, indemnification, severance or termination agreements or arrangements between AQZ and any current or former employee, officer or director thereof, nor does AQZ have any general severance plan or policy.

- (r) except as disclosed in the AQZ Financial Statements, AQZ has not engaged in any transaction with any non-arm's length person since the beginning of the period covered by the AQZ Financial Statements;
- (s) all Taxes due and payable by AQZ have been paid or provision made therefor in the financial statements of AQZ except for where the failure to pay such Taxes would not result in a Material Adverse Effect for AQZ. All tax returns, declarations, remittances and filings required to be filed by AQZ have been filed with all appropriate Government Authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the knowledge of AQZ, no examination of any tax return of AQZ is currently in progress and there are no issues or disputes outstanding with any Government Authority respecting any Taxes that have been paid, or may be payable, by AQZ. There are no agreements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to AQZ;
- (t) there is no person, firm or company acting or purporting to act at the request of AQZ who is entitled to any brokerage or finder's fee in connection with the transactions contemplated in the Documents;
- (u) AQZ carries on no active business;
- (v) other than any non-compliance which would not result in a Material Adverse Effect in respect of AQZ, to the knowledge of AQZ, after due inquiry all activities of AQZ have been, up to and including the date hereof, conducted in compliance, in all material respects, with any and all applicable Laws;
- (w) AQZ is not bound by or a party to any employment contracts. No current or former director, officer, shareholder, employee or independent contractor of AQZ or any person not dealing at arm's length within the meaning of the *Income Tax Act* (Canada) with any such person is indebted to AQZ;
- (x) there is not, in the constating documents or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which AQZ is a party any restriction upon or impediment to, the declaration or payment of dividends by the directors of AQZ or the payment of dividends by AQZ to the holders of its securities;
- (y) AQZ is not a party to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument;
- (z) AQZ is not a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of AQZ to compete in any line of business, or to transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of AQZ or which would prohibit or restrict AQZ from entering into and completing the Business Combination;
- (aa) AQZ is not a party to any agreement nor is AQZ aware of any agreement, which in any manner affects the voting control of any of the securities of AQZ;

- (bb) AQZ is not aware of any pending or contemplated change to any applicable Law or governmental position that would materially affect the business of AQZ;
- (cc) the corporate records and minute books of AQZ contain, in all material respects, complete and accurate minutes of all meetings of the directors and shareholders since its date of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed;
- (dd) no representation, warranty or statement of AQZ or Subco in the Documents contains or will contain at the Effective Date any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which made, not misleading; and
- (ee) AQZ does not maintain any insurance.

The representations and warranties of AQZ contained in this Agreement shall survive Closing and, notwithstanding Closing or any documents delivered or investigations made in connection therewith, shall continue in full force and effect for the benefit of Stickit for a period of two (2) years from the Closing Date, with the exception that any claim based upon intentional Misrepresentation, fraud or willful misconduct may be brought at any time.

#### **4.3 Representations and Warranties of Subco;**

Immediately prior to completion of the Business Combination, AQZ shall cause Subco to represent and warrants to Stickit, and acknowledge that Stickit will be relying upon these representations and warranties in connection with the entering into of this Agreement, as follows:

- (a) Subco has been duly incorporated and is validly existing under the laws of the State of Israel and is current and up-to-date with all filings required to be made by it in such jurisdiction;
- (b) Subco has full corporate power, capacity and authority to undertake all steps of the Business Combination contemplated in the Documents and to carry out its obligations under this Agreement;
- (c) the authorized capital of Subco consists of 10,000,000 ordinary shares (each of NIS 0.01 par value), of which 100 ordinary shares will be issued and outstanding and held by AQZ; except for such ordinary shares, Subco will have no other securities outstanding nor is it a party to or has granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any ordinary shares of Subco or securities convertible into or exchangeable for ordinary shares of Subco;
- (d) each of the Documents has been, or at the Effective Date will be, duly authorized and, with respect to this Agreement, executed and delivered by Subco and constitutes a valid and binding obligation of Subco enforceable in accordance with its terms (subject to such limitations and prohibitions as may exist or may be enacted in applicable laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally) and no other corporate proceeding on the part of Subco, other than the approval of AQZ, as sole shareholder of Subco, is necessary to authorize this Agreement and the transactions contemplated hereby;
- (e) the entering into and the performance by Subco of the transactions contemplated in the Documents:

- (i) do not require any consent, approval, authorization or order of any court or governmental agency or body, except that which may be required under applicable corporate and securities legislation and the policies of the CSE;
  - (ii) will not contravene any statute or regulation of any Government Authority which is binding on Subco where such contravention would have a Material Adverse Effect; and
  - (iii) will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the constating documents, by-laws or resolutions of Subco or any mortgage, note, indenture, contract or agreement, instrument, lease or other document to which Subco is or will be a party, or any judgment, decree or order or any term or provision thereof, which breach, conflict or default would have a Material Adverse Effect.
- (f) Subco carries on no active business.

## **ARTICLE 5 COVENANTS**

### **5.1 Conduct of Business by the Parties**

Except as required by Law or is otherwise expressly permitted or specifically contemplated by this Agreement, each Party covenants and agrees that, during the period from the date of this Agreement until the earlier of either the Effective Date or the time that this Agreement is terminated by its terms, unless each of the other Parties shall otherwise agree in writing it shall, and shall cause its Subsidiaries to conduct business in, and not take any action except in, the usual and ordinary course of business, with the exception of reasonable costs incurred in connection with the Business Combination, and it shall and shall cause its Subsidiaries to use all commercially reasonable efforts to maintain and preserve its business organization, assets, employees and advantageous business relationships and it shall not, and shall cause its Subsidiaries to not, without the prior written consent of the other Parties, enter into any contract in respect of its business or assets, other than in the ordinary course of business, and without limitation but subject to the foregoing, shall maintain payables and other liabilities at levels consistent with past practice, shall not engage or commit to engage in any extraordinary material transactions and shall not make or commit to make distributions, dividends or special bonuses, without the prior written consent of the other Parties.

Any press release or other statement or public announcement with respect to this Agreement or the Business Combination shall be approved by AQZ and Stickit with respect to the content and the manner of that disclosure. If disclosure is required by law or the policies of the CSE, the disclosing Party shall attempt in good faith to obtain the other Party's prior approval to the content and the manner of that disclosure.

### **5.2 Representations and Warranties**

- (a) Stickit covenants and agrees that from the date hereof until the termination of this Agreement it shall not take any action, or fail to take any action, which would or may reasonably be expected to result in the representations and warranties set out in Section 4.1 being untrue in any material respect.
- (b) AQZ covenants and agrees that, from the date hereof until the termination of this Agreement it shall not take any action, or fail to take any action, which would or may reasonably be expected to result in the representations and warranties set out in Section 4.2 being untrue in any material respect.



- (c) AQZ covenants and agrees that, from the date of incorporation of Subco until the termination of this Agreement it shall not take any action, or fail to take any action, which would or may reasonably be expected to result in the representations and warranties set out in Section 4.3 being untrue in any material respect.

### **5.3 Notice of Material Change**

- (a) From the date hereof until the termination of this Agreement, each Party shall promptly notify the other Party in writing of:
  - (i) any material change (actual, anticipated, contemplated or, to the knowledge of such Party or any of its Subsidiaries, threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of such Party and its Subsidiaries, taken as whole;
  - (ii) any change in the facts relating to any representation or warranty set out in Sections 4.1, 4.2 or 4.3 hereof, as applicable, which change is or may be of such a nature as to render any such representation or warranty misleading or untrue in a material respect; or
  - (iii) any material fact which arises and which would have been required to be stated herein had the fact arisen on or prior to the date of this Agreement.
- (b) Each of the Parties shall in good faith discuss with the other any change in circumstances (actual, anticipated, contemplated or, to its knowledge of its or any of its Subsidiaries, threatened, financial or otherwise) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the other pursuant to this Section.

### **5.4 Non-Solicitation**

- (a) None of the Parties shall solicit any offers to purchase their respective shares or assets, or any portion above 5% thereof, and neither of AQZ nor Stickit will, directly or indirectly, initiate, enter into or encourage any discussions or negotiations with any third party with respect to such a transaction or amalgamation, merger, take-over, plan of arrangement or similar transaction or a Going Public Transaction other than for this Business Combination during the period commencing on the date hereof and ending on the termination of this Agreement. The Parties shall immediately cease and cause to be terminated any existing discussions or negotiations with any third party related to any of the foregoing. In the event any of the Parties is approached in respect of any such transaction, it shall immediately notify the other.
- (b) Notwithstanding this Section 5.4 and any other provision of this Agreement, any Stickit Shareholder shall, for greater certainty, have the right to sell, transfer and assign its Stickit Shares to any other Stickit Shareholder or to any officer and/or director of Stickit subject to any applicable Laws.

### **5.5 Negative Covenants**

Each Party agrees that, from the date hereof until the earlier of the termination of this Agreement and the completion of this Business Combination, it shall not directly or indirectly do or permit to occur any of the following:

- (a) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire

shares other than in connection with the (i) Financing, (ii) exercising the Stickit Convertible Securities, or (iii) upon notice to AQZ, grant of up to that number of Stickit Options under the Stickit Plan, which constitute the unallocated Stickit Option as shall be from time to time;

- (b) redeem, purchase or otherwise acquire any of its outstanding shares or other securities including, without limitation, under an issuer bid;
- (c) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of itself or any of its Subsidiaries, except as contemplated in this Agreement;
- (d) borrow any cash or incur any indebtedness, except as expressly contemplated by this Agreement or with the prior written consent of the other Parties and, in the case of Stickit, Stickit shall be permitted, without any prior consent of the other Parties, to: (A) incur trade payables in the ordinary course; and (B) borrow amounts not to exceed \$100,000 in the aggregate. In the event Stickit requires to borrow an amount in excess of \$100,000 (in the aggregate), Stickit shall obtain the prior written consent of the other Parties, which consent shall not be unreasonably withheld;
- (e) make loans, advances or other similar payments to any third party except as expressly contemplated by this Agreement and, in the case of Stickit, Stickit shall be permitted to (A) make routine advances to Stickit employees for expenses incurred in the ordinary course; or (B) as consented to by the other Parties, which consent shall not be unreasonably withheld;
- (f) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its shares owned by any Person other than inter-corporate loans and advances;
- (g) amend its Governing Documents or otherwise split, combine or reclassify any of its shares in any manner which may adversely affect the success of the Business Combination, except as required to give effect to the matters contemplated in this Agreement;
- (h) enter into any transaction or material contract, except in the ordinary course of business and engage in any business enterprise or activity different from that carried on as of the date hereof, without the prior written consent of the other Parties, which consent shall not be unreasonably withheld; and
- (i) in the case of AQZ and Subco, make any expenditures except those that are reasonably necessary to carry out the terms of this Agreement.

#### **5.6 Support of Business Combination**

- (a) Each Party covenants and agrees that it shall:
  - (i) use its reasonable commercial efforts to cause its shareholders to vote their respective shares in favour of the Business Combination and all of the matters contemplated thereunder, to take all reasonable actions to consummate the Business Combination and the transactions contemplated thereunder, subject only to the terms and conditions hereof and to not take any action contrary to or in opposition to the Business Combination, except as required by statutory law;
  - (ii) use all commercially reasonable efforts to obtain all appropriate Regulatory Approvals;

- (iii) not, other than in connection with the Business Combination, reorganize, amalgamate or merge with any other person, nor acquire by amalgamating, merging or consolidating with, purchasing a majority of the voting securities or substantially all of the assets of or otherwise, any business or Person which acquisition or other transaction would reasonably be expected to prevent or materially delay the Business Combination contemplated hereby; and
  - (iv) co-operate fully with the other Parties and to use all reasonable commercial efforts to otherwise complete the Business Combination, unless such cooperation and efforts would subject such Party to liability or would be in breach of applicable Laws.
- (b) Stickit covenants and agrees that it shall to use its reasonable commercial efforts to cause each director and officer of Stickit (subject to “**superior proposal**” carve outs), and each Stickit Shareholder holding 10% or more of all issued and outstanding Stickit Shares, to enter into a customary lock-up agreement in form and substance acceptable to AQZ (acting reasonably) pursuant to which such Person shall agree (i) to vote all Stickit Shares held by such Person in favour of the Business Combination and the Merger; (ii) to comply with any escrow provisions imposed by the CSE and in accordance with Section 2.1(j); and (iii) not to sell, offer to sell, secure, transfer or otherwise dispose of any Stickit Shares which such Person may hold until the earlier of (i) the completion of the Business Combination; and (ii) the termination of this Agreement.
- (c) AQZ covenants and agrees that it shall to use its reasonable commercial efforts to cause each director and officer of AQZ (subject to “**superior proposal**” carve outs), and each AQZ Shareholder holding 10% or more of all issued and outstanding Stickit Shares, to enter into a customary lock-up agreement in form and substance acceptable to AQZ (acting reasonably) pursuant to which such Person shall agree (i) to vote all AQZ Shares held by such Person in favour of the Business Combination and the Merger; (ii) to comply with any escrow provisions imposed by the CSE and in accordance with Section 2.1(j); and (iii) not to sell, offer to sell, secure, transfer or otherwise dispose of any AQZ Shares which such Person may hold until the earlier of (i) the completion of the Business Combination; and (ii) the termination of this Agreement.

## 5.7 Other Filings

AQZ and Stickit (each a “**Disclosing Party**”) will cooperate in the preparation and filing of any documents, filings and applications and taking of all actions reasonably deemed by either AQZ or Stickit to be necessary to discharge their respective obligations under applicable Laws in connection with the Business Combination and all other matters contemplated in this Agreement, and in connection therewith:

- (a) each Disclosing Party will furnish to the other Disclosing Party (the “**Receiving Party**”) all such information concerning the Disclosing Party and its securityholders as may be required to effect the actions described in this Section 5.7, and each Disclosing Party covenants that no information furnished by it in connection with such actions or otherwise in connection with the consummation of the Business Combination will, to its knowledge, contain any untrue statement of a material fact or omit to state a material fact required to be stated in any such document or necessary in order to make any information so furnished for use in any such document not misleading in the light of the circumstances in which it is furnished or to be used;
- (b) each Disclosing Party will promptly notify the Receiving Party if at any time before the Closing Time the Disclosing Party becomes aware that the Information Circular, Listing Statement or another disclosure document contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein

not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to such disclosure document. In any such event, AQZ and Stickit will cooperate in the preparation of a supplement or amendment to the Information Circular, Listing Statement or another disclosure document, as required and as the case may be, and, if required, will cause the same to be filed with the applicable Governmental Authorities;

- (c) each Disclosing Party will ensure that the Information Circular, Listing Statement and other disclosure documents comply with all applicable Laws and, without limiting the generality of the foregoing, that such disclosure documents do not contain any untrue statement of a material fact or omit to state a material fact with respect to itself required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made; and
- (d) each Disclosing Party will indemnify and save harmless the Receiving Party and its directors, officers and agents from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which the Receiving Party, or any director, officer or agent thereof, may be subject or which the Receiving Party, or any director, officer or agent thereof, may suffer or incur, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of any Misrepresentation or alleged Misrepresentation in information with respect to the Disclosing Party contained or incorporated by reference in the Information Circular, Listing Statement or other disclosure documents.

## 5.8 Additional Agreements

Subject to the terms and conditions of this Agreement and subject to fiduciary obligations under applicable Laws, each of the Parties hereto agrees to use all commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the Business Combination contemplated by this Agreement and to cooperate with each other in connection with the foregoing, including using commercially reasonable efforts:

- (a) to obtain all necessary waivers, consents and approvals from other Parties to material agreements, leases and other contracts or agreements;
- (b) to defend all lawsuits or other legal proceedings challenging this Agreement or the consummation of the Business Combination contemplated hereby;
- (c) to cause to be lifted or rescinded any injunction or restraining order or other order adversely affecting the ability of the Parties to consummate the Business Combination contemplated hereby;
- (d) to effect all necessary registrations and other filings and submissions of information requested by the CSE;
- (e) to effect all necessary registrations and other filings and submissions of information requested by Government Authorities; and
- (f) to fulfill all conditions and satisfy all provisions of this Agreement.

For purposes of the foregoing, the obligation to use “commercially reasonable efforts” to obtain waivers, consents and approvals to loan agreements, leases and other contracts shall not include any obligation to agree to a materially adverse modification of the terms of such documents or to prepay or incur additional material obligations to such other Parties.

## 5.9 Due Diligence

AQZ and Stickit shall be entitled from the date of execution of this Agreement until the Closing Date to carry out, at Stickit's expense, a complete inspection and review of the business, affairs, properties and records of the other party, and will provide to the other party and its representatives and advisors with full and complete access to all books, records, files, documents, properties and personnel of such party and its Subsidiaries along with its auditors, accountants, experts and advisors prior to the Closing Time as requested by AQZ or Stickit, as applicable, in order that such party may satisfy itself as to all matters relating to the business, assets, properties operations and liabilities of the other party and its Subsidiaries and to determine the accuracy of the matters set forth herein.

## ARTICLE 6 CONDITIONS AND CLOSING MATTERS

### 6.1 Mutual Conditions Precedent

The respective obligations of the Parties hereto to complete each step of the Business Combination contemplated by this Agreement shall be subject to the satisfaction, on or before the Effective Date, of the following conditions precedent, each of which may be waived only by the mutual consent of the Parties:

- (a) the Financing shall have been completed on terms and conditions acceptable to Stickit, acting reasonably;
- (b) all requisite shareholder approvals of each of Stickit, AQZ and Subco shall have been obtained;
- (c) Stickit and applicable Stickit Holders will have received an interim tax-ruling from the ITA, which is satisfactory in form and substance to AQZ, according to which the Merger shall be confirmed as a merger by way of share exchange in accordance with either the provisions of: (i) Section 103t of the Tax Ordinance, or, in the event that the 103t ruling is not practical, (ii) a Ruling issued in accordance with Section 104h of the Tax Ordinance. For the avoidance of doubt, in the event that a permanent Ruling is not provided within 180 days as of the Effective Date or as otherwise determined by the ITA, the Israeli Trustee shall be entitled to withhold taxes in accordance with the provisions of this Agreement. For the avoidance of doubt, the withholding shall be effected with regards to each Stickit Holder to whom such withholding is due, by the sale of the applicable portion of Resulting Issuer Shares held for the benefit of such Stickit Holder by the Israeli Trustee, in order to raise sufficient funds for the Israeli Trustee to pay the withholding tax to the ITA, as required under the Tax Ordinance, all unless such Stickit Holder pays the Israeli Trustee an amount sufficient for the Israeli Trustee to pay the respective withholding tax due (the "Withholding Payment Alternative"). For the avoidance of doubt, in the event that the Israeli Trustee is unable to sell the required amount of Resulting Issuer Shares in order to raise sufficient funds to pay withholding taxes concerning a given Stickit Holder, for any reason whatsoever, such Stickit Holder will be deemed to automatically choose the Withholding Payment Alternative, all subject to the trust agreement to be entered into with the Israeli Trustee. All Stickit Shares and Stickit Convertible Securities and/or, to the extent the Ruling shall require, any Resulting Issuer Shares and Resulting Issuer Convertible Securities attributable to Stickit Holders which are part of the applicable Ruling, shall be subject to the terms and conditions specified under such Ruling. Stickit will provide AQZ counsel the language of the Ruling, prior to their submission, for its review and comments and inform AQZ of progress made with respect to meetings and discussions with the ITA with respect to the Ruling. Furthermore, AQZ shall have the right to review and comment on the language of the Rulings and Stickit shall adequately address such comments and revise the language if deemed necessary and Stickit may allow, if deemed necessary by Stickit, AQZ's counsel to attend in meetings and participate in such discussions with the ITA. The counsel of Stickit shall provide

AQZ's counsel with an update of meetings and discussions held with the ITA with respect to the Ruling, within reasonable time and to the extent deemed necessary by Stickit's counsel;

- (d) All Stickit Shareholders who are not Israeli residents shall have received a Withholding Certificate and shall have presented it to the Israeli Trustee;
- (e) AQZ will have received an approval from the Israeli Securities Authority ("ISA") to issue and grant the Resulting Issuer Shares and Resulting Issuer Convertible Securities to the securities holders of Stickit not through publishing a prospectus in the State of Israel;
- (f) Stickit and Subco shall have executed and delivered the Merger Proposal to the Israeli Registrar of Companies and a Certificate of Merger shall have been issued by the Israeli Registrar of Companies in respect of the Merger;
- (g) Stickit and AQZ shall have received all respective regulatory, corporate, shareholder (including Disinterested Shareholder Approval) and third party approvals necessary to complete the Business Combination, including the Financings, provided that with respect to the approval of the CSE, it shall be sufficient if the CSE has delivered a conditional listing approval letter indicating that the listing of the Resulting Issuer Shares and the Resulting Issuer Shares issuable on conversion of Resulting Issuer Convertible Securities on the CSE following completion of the Transaction has been approved, subject only to satisfaction by AQZ of the CSE's listing requirements; and;
- (h) there shall have been no action taken under any applicable Law or by any Government Authority and there shall not be in force any order or decree restraining or enjoining the consummation of the Business Combination;
- (i) all corporate and Regulatory Approvals shall have been obtained including, without limitation, approval of the Israeli Registrar of Companies for the Merger;
- (j) such escrow agreements as may be required by the CSE pursuant to the Business Combination will have been entered into;
- (k) each Party shall have provided the other Party with such other customary certificates, legal opinions and other closing documents as may be required by the other Party, acting reasonably;
- (l) each Party shall have completed to its satisfaction the other Party's operational, title, legal, regulatory, financial, tax, accounting and other due diligence with respect to the other Party and its operations, finances, assets and liabilities;
- (m) each Party shall not have entered into any transaction or contract which would have a Material Adverse Effect on the financial and operational condition, or the assets of such Party, excluding those transactions or contracts undertaken in the ordinary course of business, without first discussing and obtaining the approval of the other Party;
- (n) the representations and warranties of Stickit in Section 4.1, those of AQZ in Section 4.2 and those of Subco in section 4.3 shall be true and correct in all material respects (except that those representations and warranties that are already qualified by a materiality qualifier or a dollar threshold shall be true and correct in all respects) as at the Closing Time as though made at the Closing Time (other than such representations and warranties that are expressly made as of an earlier date, in which case such representations and warranties shall have been true and correct as of such earlier date) and each Party shall have executed and delivered to other Parties an

officer's certificate to that effect with respect to the representations and warranties of such Parties; and

- (o) this Agreement shall not have been terminated pursuant to Article 7.

If any of the above conditions shall not have been complied with or waived by the Parties on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then a Party may terminate this Agreement in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by the Party terminating the Agreement. In the event that the failure to satisfy any one or more of the above conditions precedent results from a material default by a Party of its obligations under this Agreement and if such condition(s) precedent would have been satisfied but for such default, such defaulting Party shall not rely on such failure (to satisfy one or more of the above conditions) as a basis for its own non-compliance with its obligations under this Agreement.

## **6.2 Additional Conditions Precedent to the Obligations of Stickit**

The obligations of Stickit to complete the Business Combination contemplated by this Agreement shall also be subject to the satisfaction, on or before the Effective Date, of each of the following conditions precedent (each of which is for the exclusive benefit of Stickit and may be waived by Stickit and any one or more of which, if not satisfied or waived, will relieve Stickit of any obligation under this Agreement):

- (a) on or prior to the Effective Date, and effective upon completion of the Merger, the resigning directors and officers of AQZ shall have tendered their resignations, and provided releases in a form acceptable to Stickit and the board of directors of AQZ, subject to the approval of the CSE, shall have been reconstituted, and the officers shall have been appointed, as set forth in Section 2.1(i);
- (b) no Material Adverse Effect with respect to AQZ shall have occurred between the date hereof and the Effective Date;
- (c) AQZ shall not have breached, or failed to comply with, in any material respect, any of its covenants or other obligations under this Agreement, and all representations and warranties of AQZ contained in this Agreement shall have been true and correct in all material respects as of the date of this Agreement and shall not have ceased to be true and correct in any material respect thereafter (provided, however, that if the breaching Party has been given written notice by the other Party specifying in reasonable detail any such Misrepresentation, breach or non-performance, the breaching Party shall have had ten (10) Business Days to cure such Misrepresentation, breach or non-performance), and the CFO of AQZ or another officer satisfactory to Stickit shall so certify immediately prior to the Effective Date;
- (d) the board of directors and shareholders of AQZ, and the board of directors and sole shareholder of Subco, as applicable, shall have adopted all necessary resolutions and all other necessary corporate actions shall have been taken by AQZ to permit the consummation of the Business Combination and the transactions contemplated therewith; and
- (e) AQZ shall have completed the Name Change to the satisfaction of Stickit, acting reasonably.
- (f) No action, suit or proceeding shall have been instituted before any court or governmental or regulatory body or instituted or threatened by any governmental or regulatory body to restrain, modify or prevent the carrying out of the Business Combination or to seek damages or a discovery order against AQZ in connection with such Transactions, or which has or may have, in the reasonable opinion of Stickit, a materially adverse effect on the assets, properties, business, operations or condition (financial or otherwise) of AQZ or Stickit.

If any of the above conditions shall not have been complied with or waived by Stickit on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to the cure provision provided for in Section 6.2(c), Stickit may terminate this Agreement in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by Stickit. In the event that the failure to satisfy any one or more of the above conditions precedent results from a material default by Stickit of its obligations under this Agreement and if such condition(s) precedent would have been satisfied but for such default, Stickit shall not rely on such failure (to satisfy one or more of the above conditions) as a basis for its own noncompliance with its obligations under this Agreement.

### **6.3 Additional Conditions Precedent to the Obligations of AQZ**

The obligations of AQZ to complete each step of the Business Combination contemplated by this Agreement shall also be subject to the satisfaction, on or before the Effective Date, of each of the following conditions precedent (each of which is for the exclusive benefit of AQZ and may be waived by AQZ and any one or more of which, if not satisfied or waived, will relieve AQZ of any obligation under this Agreement):

- (a) Stickit shall have prepared the Stickit Financial Statements;
- (b) no Material Adverse Effect with respect to Stickit or the Stickit Subsidiaries taken as a whole shall have occurred between the date hereof and the Effective Date;
- (c) Stickit shall not have breached, or failed to comply with, in any material respect, any of its covenants or other obligations under this Agreement, and all representations and warranties of Stickit contained in this Agreement shall have been true and correct in all material respects as of the date of this Agreement and shall not have ceased to be true and correct in any material respect thereafter (provided, however, that if the breaching Party has been given written notice by the other Party specifying in reasonable detail any such Misrepresentation, breach or non-performance, the breaching Party shall have had ten (10) Business Days to cure such Misrepresentation, breach or nonperformance), and the CEO of Stickit or another officer satisfactory to AQZ shall so certify immediately prior to the Effective Date;
- (d) AQZ shall have received an independent valuation of Stickit at or above \$50,000,000.00 (fifty million dollars);
- (e) there being no issued and outstanding Stickit Shares or Stickit Convertible Securities immediately prior to the Closing that are not disclosed or otherwise contemplated in this Agreement, including the securities issued pursuant to the Financings; and
- (f) the board of directors of Stickit and the Stickit Shareholders shall have adopted all necessary resolutions and all other necessary corporate actions shall have been taken by Stickit to permit the consummation of the Business Combination and the transactions contemplated therewith.

If any of the above conditions shall not have been complied with or waived by AQZ on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to the cure provision provided for in Section 6.3(c), AQZ may terminate this Agreement in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by AQZ or Subco. In the event that the failure to satisfy any one or more of the above conditions precedent results from a material default by AQZ or Subco of its obligations under this Agreement and if such condition(s) precedent would have been satisfied but for such default, neither AQZ nor Subco shall rely on such failure (to satisfy one or more of the above conditions) as a basis for its own noncompliance with its obligations under this Agreement.



#### 6.4 Closing Matters

The completion of the transactions contemplated under this Agreement shall be effected via electronic exchange or at the offices of AQZ counsel, Tanya Markovich Law Corporation, at 11:00 a.m. (Vancouver time) on the Effective Date or such other place as may be agreed orally or in writing by Stickit and AQZ.

### ARTICLE 7 TERMINATION AND AMENDMENT

#### 7.1 Termination

This Agreement may be terminated by written notice promptly given to the other Party hereto, at any time prior to the Effective Date:

- (a) by mutual agreement in writing by the Parties;
- (b) by either AQZ or Stickit upon written notice to the other in the event that the Closing has not occurred on or before 5:00 p.m. (Vancouver time) on March 31, 2023 or such other date as AQZ and Stickit may agree in writing (such date, the “Completion Deadline”). Or
- (c) as set forth in Sections 6.1, 6.2 and 6.3 of this Agreement.

#### 7.2 Effect of Termination

In the event of the termination of this Agreement as provided in Section 7.1 hereof, this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of AQZ or Stickit hereunder except as set forth in Section 7.3 hereof and this Section 7.2, which provisions shall survive the termination of this Agreement. Nothing herein shall relieve any Party from liability for any breach of this Agreement.

#### 7.3 Expenses and Break Fees

- (a) Subject to Section 7.3(a) and Section **Error! Reference source not found.** below, Stickit shall pay each party’s costs and expenses (including all legal, accounting and financial advisory fees and expenses) incurred in connection with the completion of the Business Combination, including without limitation, expenses related to the preparation, execution and delivery of all agreements including, without limitation, this Agreement and other documents referenced herein, (and for greater certainty), Stickit shall be responsible for paying all costs and fees payable to the CSE and other Government Authorities in connection with its review of the Business Combination, all listing fees incurred or to be incurred in connection with the completion of the Business Combination and all costs and fees associated with the preparation and filing of the Information Circular, Listing Statement and other disclosure documents as may be required by the CSE.
- (b) In the event that an independent valuation is required in connection with the Business Combination pursuant to the regulations of the CSE, the costs and fees associated with such valuation shall be borne by Stickit.
- (c) In the event that this Agreement is terminated by Stickit pursuant to a breach by AQZ of any of its obligations under Section 5.4 and Section 5.5, AQZ shall forthwith pay to Stickit the sum of \$50,000 as a penalty, which amount shall be paid in cash in full and final satisfaction of any liability which AQZ and/or any of its directors and officers may have in respect thereof.
- (d) In the event that this Agreement is terminated by AQZ pursuant to a breach by Stickit of any of its obligations under Section 5.4 and Section 5.5, Stickit shall forthwith pay to AQZ the sum of

\$50,000 as a penalty, which amount shall be paid in cash in full and final satisfaction of any liability which Stickit and/or any of its directors and officers may have in respect thereof.

#### 7.4 Amendment

This Agreement may, at any time on or before the Effective Date be amended by mutual agreement between the Parties hereto. This Agreement may not be amended except by an instrument in writing signed by the appropriate officers on behalf of each of the Parties hereto.

#### 7.5 Waiver

A Party may (i) extend the time for the performance of any of the obligations or other acts of the other Party, (ii) waive compliance with any of the other Party's agreements or the fulfillment of any of its conditions contained herein or (iii) waive inaccuracies in another Party's representations or warranties contained herein or in any document delivered by the other Party hereto; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party.

### ARTICLE 8 GENERAL

#### 8.1 Notices

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by e-mail or sent by prepaid overnight courier to the Parties at the following addresses (or at such other addresses as shall be specified by the Parties by like notice):

if to Stickit:

Stickit Ltd.  
Dalton Hills  
Gili, Israel, 1381000

Attention: Eli Ben Haroosh  
E-mail: [eli@stickit-labs.com](mailto:eli@stickit-labs.com)

with a copy to:

Kafri Leibovich, Law Office  
3rd Floor, 11 Habarzel St.  
Tel Aviv 6971017, Israel

Attention: Amit Leibovich  
Facsimile: +972-3-752-2201  
E-mail: [amit@lklaw.co.il](mailto:amit@lklaw.co.il)

if to AQZ:

Aquazoom Hydropower Solutions Inc.  
595 Howe Street, Suite 303  
Vancouver, BC V6C 2T5

Attention: Shawn Ripley  
E-mail: [shawn@calgarytoday.com](mailto:shawn@calgarytoday.com)

with a copy to:

Tanya Markovich Law Corporation  
Suite 500 – 666 Burrard Street

Vancouver, BC V6C 3P6

Attention: Tanya Markovich  
Facsimile: (604) 608-5454  
E-mail: [tmarkovich@markovichlaw.ca](mailto:tmarkovich@markovichlaw.ca)

Any Party may from time to time change its address under this Section 8.1 by notice to the other Party given in the manner provided by this Section 8.1.

## **8.2 Assignment**

Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either of the Parties hereto without the prior written consent of the other Party which shall not be unreasonably withheld.

## **8.3 Complete Agreement**

This Agreement sets forth the entire understanding between the Parties hereto and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the subject matter hereof, including but not limited to, the Letter of Intent between Stickit and AQZ. No other agreements, representations, warranties or other matters, whether oral or written, shall be deemed to bind the Parties hereto with respect to the subject matter hereof.

## **8.4 Further Assurances**

Each Party hereto shall, from time to time, and at all times hereafter, at the request of the other Party hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

## **8.5 Severability**

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law. Any provision of this Agreement that is invalid or unenforceable in any jurisdiction shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

## **8.6 Counterpart Execution**

This Agreement may be executed in any number of counterparts by original, telecopier, electronic or portable document file (.pdf) copy signature, each of which will be an original as regards any party whose signature appears thereon and all of which together will constitute one and the same instrument. This Agreement will become binding when one or more counterparts hereof, individually or taken together, bears the signatures of all the parties reflected hereon as signatories.

## 8.7 Investigation by Parties

No investigations made by or on behalf of either Party or any of their respective authorized agents at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by the other Party in or pursuant to this Agreement.

## 8.8 Time

Time is of the essence of this Agreement.

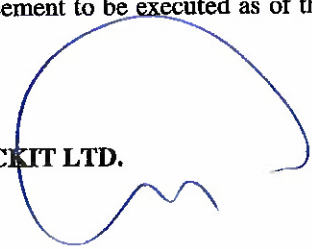
## 8.9 Public Announcement; Disclosure and Confidentiality

- (a) Unless and until the transactions contemplated in this Agreement will have been completed, none of the Parties shall make any public announcement concerning this Agreement or the matters contemplated herein, their discussions or any other memoranda, letters or agreements between them relating to the matters contemplated herein without the prior consent of the other Parties, which consent shall not be unreasonably withheld, provided that no party shall be prevented from making any disclosure which is required to be made by law or any rules of a stock exchange or similar organization to which it is bound.
- (b) All information provided to or received by the parties hereunder shall be treated as confidential (“**Confidential Information**”). Subject to the provisions of this Section, no Confidential Information shall be published by any party hereto without the prior written consent of the others, but such consent in respect of the reporting of factual data shall not be unreasonably withheld. The consent required by this Section shall not apply to a disclosure to: (a) comply with any applicable laws, stock exchange rules or a regulatory authority having jurisdiction; (b) a director, officer or employee of a party; (c) an Affiliate of a party; (d) a consultant, contractor or subcontractor of a party that has a bona fide need to be informed; or (e) any third party to whom the disclosing party may assign any of its rights under this Agreement; provided, however, that in the case of subsection (e) the third party or parties, as the case may be, agree to maintain in confidence any of the Confidential Information so disclosed to them.
- (c) The obligations of confidence and prohibitions against use of Confidential Information under this Agreement shall not apply to information that the disclosing party can show by reasonable documentary evidence or otherwise: (a) as of the date of this Agreement, was in the public domain; (b) after the date of this Agreement, was published or otherwise became part of the public domain through no fault of the disclosing party or an Affiliate thereof (but only after, and only to the extent that, it is published or otherwise becomes part of the public domain); or (c) was information that the disclosing party or its Affiliates were required to disclose pursuant to the order of any Government Authority or judicial authority.

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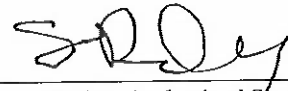
**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

**STICKIT LTD.**



Per: \_\_\_\_\_  
*Eli Ben-Harush, Authorized Signatory*

**AQUAZOOM HYDROPOWER SOLUTIONS  
INC.**



Per: \_\_\_\_\_  
*Shawn Ripley, Authorized Signatory*

**SCHEDULE "A"**  
**DISCLOSURE LETTER**

## SCHEDULE 4.1

### DISCLOSURE LETTER

This Disclosure Letter is made and given in pursuant to Article 4.1 of that certain Business Combination Agreement, dated September 13, 2022, by and among by and among the Stickit, AQZ and Subco1(the "Agreement"). No disclosure of any item in these Letter shall be construed as an admission that such item is material. Terms used herein, unless otherwise defined herein, shall have the meaning ascribed to them in the Agreement.

The sections and subsections numbers in this Disclosure Letter correspond to the sections and subsections numbers in the Agreement; provided, however, that any matter disclosed in this Disclosure Letter pursuant to one section or subsection of the Agreement shall be deemed to be disclosed into other sections or subsections of this Disclosure Letter, if it is readily apparent on the face of such disclosure that such disclosure relates to such other section or subsection of the Agreement.

Section 4.1(d)

Capitalization Table

	Current Fully diluted	Conversion ratio	Pre Fully diluted	Fully diluted with Finders	Post Fully diluted	%	%
Ordinary Shares	879,992	252.0695	221,819,130	221,819,130	221,819,130	59.23%	59.23%
Warrants	68,813		17,345,657	17,345,657	17,345,657	4.63%	4.63%
Stock Options	297,000		74,864,637	74,864,637	74,864,637	19.99%	19.99%
Old Shell Shareholders			14,403,698	14,403,698	14,403,698	3.85%	3.85%
Old Shell Option holders					-	0.00%	0.00%
Stock to Finders			1,123,488.44	1,123,488.44	1,123,488	0.30%	0.30%
New Investors stock			22,469,768.88	22,469,768.88	22,469,769	6%	6.00%
Warrents to New Investors			22,469,768.88	22,469,768.88	22,469,769	6%	6.00%
	<u>1,245,805</u>		<u>314,029,424</u>	<u>374,496,148</u>	<u>374,496,148</u>		<u>100.00%</u>
Price Per Share			\$0.1389	\$0.1389	\$0.1389		\$52,000,000
			\$43,604,000	\$52,000,000	\$52,000,000		

Price Per Share

STICKIT LTD.  
516081360 5/10



#### **Section 4.1(e)**

- Voting rights attached to the exercised shares of Stickit under the Stickit Plan are subject to a voting proxy authorizing Stickit Chairman of the Board to vote those shares in any shareholders meeting. Upon the consummation of the Agreement and listing of the AQZ shares issued to Stickit Holders on CSE, such voting proxy will be deemed cancelled and of no further effect.
- All shares issued by the Company under the Fundit public crowdfunding campaign are subject to a voting proxy authorizing Stickit CEO to vote those shares in any shareholders meeting. Upon the consummation of the Agreement and listing of the AQZ shares issued to Stickit Holders on CSE, such voting proxy will be deemed cancelled and of no further effect.

**Section 4.1(n)**

- On January 19, 2022 Stickit and Hempacco Co, Inc. entered into a joint venture agreement (the “JV Agreement”) for the formation of a joint Delaware corporation, named Stick-It USA, Inc. Section 6.08 of the JV Agreement restrict Stickit from being involved in the sale of hemp smokable products, except for THC products, in the USA and Mexico.

#### **Section 4.1(o)(i)**

The following are patent applications filed by Sticket:

- **Plant extracts and therapeutic compounds insmoking utensils and in honey complexes**

BR 1120210014560

CA 3107730

IL 280409

US 2021/0145043

EP 3826481

ZA 2022/09265

- **Devices and Method for Prevention and Treatment of Fungal and Bacterial Microorganisms**

US 63/318,332

#### **Section 4.1(o)(iii)**

- On October 18, 2020 Sticket's founder, Dr. Asher Holzer, together with two more persons that were involved in Sticket at that time, received a cease and desist letter from an Israeli attorney on behalf of Shlomper Holdings Ltd. and Tricomshell Ltd., claiming that Sticket's product is based on Tricomshell's proprietary product. On October 26, 2020 attorney Amit Leibovich, replied on behalf of the three recipients of such letter, to Tricomshell and Shlomper Holdings, and rejected all Tricomshell's and Shlomper Holdings' false claims. Tricomshell and Shlomper Holdings never responded to such letter nor made any other activity in this regard, which Sticket aware of.

#### **Section 4.1(q)**

- Subject to the closing of the Business Combination, Stickit committed to cause AQZ to grant options / warrants to buy AQZ Shares in an amount reflecting 0.5% of AQZ's total share capital on a fully diluted basis post the Business Combination, to the broker who introduced Stickit to AQZ.

#### **Section 4.1(s)(i)**

- The JA Agreement (see above);
- Consulting Agreement dated October 1<sup>st</sup>, 2019 by and between Dr. Asher Holzer and Stickit and addendum thereto dated August 18, 2022 for a monthly payment of USD 10,000 + VAT. Under the terms of such Agreement, upon the completion of the Business Combination the monthly fee payable to Dr. Holzer will increase to USD 20,000 + VAT.
- Employment Agreement dated March 15<sup>th</sup>, 2021 by and between Mr. Eli Ben Haroosh and Stickit.

#### **Section 4.1(s)(ii)**

- Since the execution date of the JV Agreement, Hempacco Co, Inc. has been in default to make a USD 750,000 initial Capital Contribution (as defined therein) to the joint corporation the subject of the JV Agreement. Stickit intends to allow Hempacco Co, Inc. to cure such default and work out a correction plan, according to which Hempacco Co, Inc. will cure its default prior to the Closing of the Agreement.

**Section 4.1(u)**

- Under an addendum to the Consulting Agreement between Stickit and Dr. Asher Holzer, the monthly payment for Dr. Holzer's services has been suspended from January 2022 until the approval of the Agreement and Business Combination by Stickit shareholders meeting. Consequently, upon such approval Stickit will pay to Dr. Holzer all suspended payment from January 2022, which on the date hereof totaling USD 80,000.

**Section 4.1(x)**

- See disclosure in Section 4.1(u) of this Disclosure Letter.

#### **Section 4.1(dd)**

- Rent Agreement dated May 10, 2021 for the rent of the Company's manufacture facility in Dalton until May 30, 2023 with a 2 year renewal period;
- Rent of a shared space from WeWork in Tel Aviv, which can be terminated thru a 30 day notice.



**SCHEDULE "B"**

**AQUAZOOM CAPITALIZATION**

<b>Security</b>	<b>Number</b>
Common Shares Without Par Value	14,403,698
Options	0
Warrants	0

**FIRST AMENDMENT TO THE BUSINESS COMBINATION AGREEMENT**  
**dated March 30, 2023**  
**(the "Effective Date")**

Amending the Business Combination Agreement dated September 13, 2022.

**BETWEEN:**

**STICKIT LTD.**,  
a company incorporated under the laws of the State of Israel, privately held limited liability company number 516091360

("Stickit")

-and-

**AQUAZOOM HYDROPOWER SOLUTIONS INC.**,  
a corporation incorporated under the laws of the Province of British Columbia

("AQZ")

**WHEREAS:**

- (A) The parties hereto executed a Business Combination Agreement dated for reference September 13, 2022 (the "BCA"); and
- (B) The parties have agreed to amend the terms of the BCA as amended on the terms hereinafter agreed to.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, the parties covenant and agree as follows:

**1.0 Recitals**

The above recitals are true and correct and form part of this Agreement;

**2.0 Amendments**

- 2.1 The BCA is amended by deleting all references to January 31, 2023 and to March 31, 2023 and replacing them with September 30, 2023.
- 2.2 The BCA is amended by deleting section 2.1(f) in its entirety and replacing it with the following:  

*"2.1 (f) The Parties have agreed on the Merger Exchange Ratio, being 106.0512 AQZ Shares for each Stick Share"*
- 2.3 The BCA is amended by deleting section 2.1(g)(ii)(B) in its entirety and replacing it with the following:

"2.1 (g) (ii) (B) the Israeli Trustee shall receive, on behalf of the holders of outstanding Stickit Shares, 106.0512 AQZ Shares for each Stickit Share held (such ratio being the "Merger Exchange Ratio"), and each such AQZ Share, after giving effect to the Business Combination, is herein referred to as a "Resulting Issuer Share"; no fractional Resulting Issuer Shares shall be issued to holders of Stickit Shares or the Israeli Trustee; in the event of any fractional entitlement, the number of Resulting Issuer Shares issued to each former holder of Stickit Shares shall be rounded down to the next lesser whole number of Resulting Issuer Shares without any payment in respect of such fractional Resulting Issuer Share"

### **3.0 Other Terms of the BCA**

- 3.1 Should any provision in the BCA conflict with the terms of this amendment, then this amendment shall govern, and all necessary changes shall be made mutatis mutandis;
- 3.2 Except as amended hereby, the BCA continue in full force and effect;
- 3.3 The BCA and this amendment will be read and construed as one agreement (collectively, the "Amended BCA");
- 3.4 The Amended BCA contains the entire understanding of the parties hereto with respect to the subject matter hereof and cancels and supersedes any prior understandings, agreements, negotiations and discussions, whether written or oral, between StickIt and AQZ;
- 3.5 There are no representations, warranties, terms, conditions, undertakings, or collateral agreements or understandings, express or implied, between the parties hereto other than those expressly set forth in the Amended BCA;
- 3.6 Each party, upon the request of any other party hereto shall do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged or delivered, all such further acts, deeds, documents, and assurances as may be reasonably necessary or desirable to give effect to the transactions contemplated in the Amended BCA;
- 3.7 This amendment to the BCA shall enure to the benefit of and be binding upon the parties hereto and their respective successors, heirs, executors, and administrators, as applicable.
- 3.8 This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The parties hereto acknowledge and agree that the courts of British Columbia shall have the exclusive jurisdiction with respect to any dispute or other matter arising hereunder; and

*[the remainder of this page intentionally left blank]*

3.9 This amendment to the BCA may be signed by the parties in counterparts and may be delivered by facsimile or electronic mail, each of which when delivered will be deemed to be an original and all of which together will constitute one instrument.

IN WITNESS WHEREOF the parties to this amendment to the Business Combination Agreement have executed this amendment to the Business Combination Agreement as of the day and year first above written.

STICKIT LTD.

Per:

Authorized Signatory

 CEO

AQUAZOOM HYDROPOWER SOLUTIONS INC.

Per:

Authorized Signatory

