

**1429798 B.C. LTD.**

**and**

**1448451 B.C. Ltd.**

**and**

**BLUSKI INC.**

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**AMENDED AND RESTATED ARRANGEMENT AGREEMENT**

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**April 30, 2024**

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## AMENDED AND RESTATED ARRANGEMENT AGREEMENT

This Amended and Restated Arrangement Agreement (this "**Agreement**"), dated as of April 30, 2024 is entered into between 1429798 B.C. Ltd., a corporation incorporated under the laws of the Province of British Columbia ("**142 BC**"), 1448451 B.C. Ltd., a corporation incorporated under the laws of the Province of British Columbia, and a wholly-owned subsidiary of 142 BC ("**Acquireco**"), and Bluski Inc., a corporation incorporated under the laws of Connecticut (the "**Company**").

### RECITALS

**WHEREAS**, 142 BC proposes to acquire all of the outstanding securities of the Company by way of a plan of arrangement on the terms and subject to the conditions set forth in this Agreement;

**AND WHEREAS**, the Company Board, upon the terms and subject to the conditions set forth herein, (i) has approved and adopted this Agreement, the Arrangement, the Merger and the other transactions contemplated hereby, (ii) will, in accordance with the terms hereof, recommend this Agreement, the Arrangement, the Merger and the other transactions contemplated hereby, for approval and adoption by the Company Shareholders, in accordance with the Connecticut Act as well as all other applicable Laws;

**AND WHEREAS**, the execution and delivery of this Agreement has been approved by the Company Board and the 142 BC Board, respectively;

**AND WHEREAS**, upon the terms and subject to the conditions set out in this Agreement and in accordance with the Connecticut Act, Acquireco and the Company will complete the Merger (as hereinafter defined) and will continue as the Surviving Company, which shall be a wholly-owned Subsidiary of 142 BC;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

### ARTICLE 1 INTERPRETATION

#### **Section 1.01 Definitions.**

As used in this Agreement, the following terms have the following meanings:

"**142 BC**" has the meaning set forth in the preamble.

"**142 BC Board**" means the board of directors of 142 BC as constituted from time to time.

"**142 BC Resolution**" means the consent resolution of 142 BC, as the sole shareholder of Acquireco, approving the Plan of Arrangement substantially in the form set forth in Schedule A.

"**142 BC Shares**" means the common shares in the capital of 142 BC, as constituted on the date hereof.

"**142 BC Warrant**" a common share purchase warrant to acquire a 142 BC Share.

"**Acquireco**" has the meaning set forth above.

"**Acquireco Share**" means a common share in the capital of Acquireco.

"**Acquisition Proposal**" means, other than the transactions contemplated by this Agreement, any offer, proposal or inquiry (written or oral) from any Person or group of Persons "acting jointly or in concert" (within

the meaning of National Instrument 62-04 — *Take-Over Bids and Issuer Bids*) other than 142 BC (or any affiliate of 142 BC) relating to: (i) any direct or indirect sale, disposition, alliance or joint venture (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale), in a single transaction or a series of related transactions, of assets (including shares of Subsidiaries of the Company) representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated revenue of the Company or of 20% or more of the voting, equity or other securities of the Company (or rights or interests therein or thereto); (ii) any direct or indirect takeover bid, tender offer, exchange offer, treasury issuance or other transaction that, if consummated, would result in a Person or group of Persons beneficially owning 20% or more of any class of voting, equity or other securities or any other equity interests (including securities convertible into or exercisable or exchangeable for securities or equity interests) of the Company; (iii) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution, winding up or exclusive license involving the Company or any of its Subsidiaries; or (iv) any other similar transaction or series of transactions involving the Company;

"**affiliate**" has the meaning specified in National Instrument 45-106 — *Prospectus Exemptions*.

"**Agreement**" means this Amended and Restated Arrangement Agreement, together with the schedules attached hereto and the Company Disclosure Letter, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"**Appraisal Rights**" means the rights of appraisal provided to Company Shareholders under Section 33-856 of the Connecticut Act.

"**Arrangement**" means an arrangement pursuant to provisions of Division 5 of Part 9 of the BCBCA on the terms and conditions set forth in the Plan of Arrangement, subject to any amendment or supplement thereto made in accordance therewith, herewith or made at the direction of the Court either in the Interim Order or the Final Order with the consent of the Company and 142 BC, each acting reasonably.

"**associate**" has the meaning specified in the *Securities Act* (British Columbia).

"**Authorization**" means, with respect to any Person, any order, permit, approval, consent, waiver, licence or similar authorization of any Governmental Entity having jurisdiction over the Person.

"**BCBCA**" means the *Business Corporations Act* (British Columbia).

"**Business Day**" means any day, other than a Saturday, a Sunday or a statutory holiday, in the city of Vancouver, British Columbia.

"**Certificate of Merger**" has the meaning set forth in Section 2.01(b) of this Agreement.

"**Change in Recommendation**" shall have the meaning set forth in Section 7.03(b) of this Agreement.

"**Company**" has the meaning set forth in the preamble and includes any successor to the Company.

"**Company Board**" means the board of directors of the Company as constituted from time to time.

"**Company Consent**" means the unanimous written consent of Company Shareholders approving and adopting the Agreement, the Arrangement, the Merger and the other transactions contemplated herein, in accordance with the Connecticut Act and the Company's governing documents.

"**Company Disclosure Letter**" means the disclosure letter dated the date of this Agreement and delivered by the Company to 142 BC with this Agreement.

"**Company Employees**" means the officers and employees of the Company.

**"Company Expense Payment"** means an amount equal to US\$200,000.

**"Company Expense Payment Event"** shall have the meaning set forth in Section 7.05(a).

**"Company Lease"** means any real or immovable property leased, subleased, licensed or otherwise used or occupied by the Company.

**"Company Shareholders"** means the registered and/or beneficial owners of the Company Shares, as the context requires.

**"Company Shares"** means the issued and outstanding shares in the capital of the Company.

**"Computer Systems"** has the meaning given such term in Schedule C.

**"Company Units"** means a unit comprised of one Company Share and one-half of one Company Warrant.

**"Company Warrant"** means a warrant to acquire a Company Share at a price of US\$1,788.50 for a period of two years from the Effective Date.

**"Concurrent Company Financing"** means a private placement of Company Units for aggregate proceeds of up to US\$230,007.80 at a subscription price of US\$1,078.00 per Company Unit.

**"Concurrent Financing"** means a private placement of (i) up to an aggregate of 36,071,859 units of 142 BC (each, a **"Unit"**), with each Unit comprised of one 142 BC Share and one-half of one common share purchase warrant (each whole warrant, a **"142 BC Warrant"**) of 142 BC for gross proceeds of up to \$9,475,057.70 to close in four tranches as follows: (A) up to 15,230,000 Units being issued at a target price of \$0.05 per Unit (the **"First Round"**); (B) up to 6,231,859 Units being issued at a target price of \$0.30 per Unit (the **"Second Round"**); and (C) up to 4,610,000 subscription receipts (**"Subscription Receipts"**) being issued at a target price of \$0.40 per Unit (the **"Third Round"**) and (ii) up to 10,000,000 Units being issued at a target price of \$0.50 per Unit (the **"Fourth Round"**). Each whole 142 BC Warrant issued in connection with the Concurrent Financing will entitle the holder thereof to purchase one (1) 142 BC Share at a target exercise price of \$0.10 (for those 142 BC Warrants issued pursuant to the First Round), \$0.50 (for those Warrants issued pursuant to the Second Round), \$0.75 (for those Warrants issued pursuant to the Third Round) and \$0.75 (for those Warrants issued pursuant to the Fourth Round).

**"Confidential Information"** shall have the meaning set forth in Section 5.05 of this Agreement.

**"Connecticut Act"** means the *Connecticut Business Corporation Act*, Conn. Gen. §33-600 et seq., as amended, and the rules and regulations promulgated thereunder.

**"Consenting Shareholders"** has the meaning set forth in Section 2.01(e) of this Agreement.

**"Consideration"** means the consideration to be received by Company Shareholders and the holders of Company Warrants pursuant to the Plan of Arrangement as consideration for their Company Shares and Company Warrants, as applicable, consisting of the Consideration Shares and the Consideration Warrants, subject to adjustment in the manner and in the circumstances contemplated in Section 2.13 of this Agreement, on the basis set out in the Plan of Arrangement.

**"Consideration Shares"** means the 142 BC Shares to be issued as Consideration pursuant to the Arrangement, being, in respect of each Company Share, four thousand nine hundred (4,900) Consideration Shares, upon and subject to the terms and conditions of this Agreement.

**"Consideration Warrants"** means warrants to acquire 142 BC Shares to be issued as Consideration pursuant to the Arrangement, being, in respect of each Company Warrant, four thousand nine hundred

(4,900) 142 BC Warrants, each Consideration Warrant exercisable at a price of \$0.50 for a period of two years from the Effective Date.

**"Contract"** means any legally binding agreement, commitment, engagement, contract, licence, lease, obligation, undertaking or joint venture to which, as applicable, the Company, 142 BC or any of their respective Subsidiaries is a party or by which it or any of their respective Subsidiaries is bound or affected or to which any of their respective properties or assets is subject.

**"Court"** means the Supreme Court of British Columbia.

**"Data Room"** means the electronic data room populated by the Company and made available to 142 BC in connection with its due diligence of the Company as such Data Room was constituted as of the date hereof.

**"Dissenting Shareholder"** means a Company Shareholder who has validly exercised its Appraisal Rights and has not withdrawn or been deemed to have withdrawn such exercise of Appraisal Rights, but only in respect of the Company Shares in respect of which Appraisal Rights are validly exercised by such Company Shareholder.

**"Effective Date"** means the date upon which the Arrangement becomes effective pursuant to the Plan of Arrangement.

**"Effective Time"** has the meaning given to such term in the Plan of Arrangement.

**"Employee Plan"** means all health, welfare, supplemental unemployment benefit, fringe benefit, bonus, profit sharing, savings, insurance, incentive, incentive compensation, deferred compensation, death benefits, termination, retention, change in control, severance, security purchase, security compensation, disability, pension, or supplemental retirement plans and other employee, independent contractor, consultant or director compensation or benefit plans, policies, trusts, funds, agreements or arrangements for the benefit of current or former directors of the Company or any of its Subsidiaries, Company Employees, former Company Employees or any other Person, whether written or unwritten, which are maintained by or binding upon the Company or in respect of which the Company or any of its Subsidiaries has any actual or potential liability, but does not include (a) individual offer letters or Contracts with any Company Employees or former Company Employees (including any amendments thereto) and (b) any statutory plans administered by a Governmental Entity, including, but not limited to, plans administered pursuant to applicable federal, state or provincial health, worker's compensation or employment insurance legislation.

**"Exchange"** means the Canadian Securities Exchange.

**"Filing Statement"** means any prospectus, information circular, listing statement and/or other comprehensive disclosure document required to be prepared and presented in accordance with applicable Securities Laws, and the policies of the Exchange and any other regulatory authorities having jurisdiction over all or part of the transactions contemplated by this Agreement.

**"Final Order"** means the order of the Court, in form and substance satisfactory to each Party, acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of each of the Parties, acting reasonably) at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended (provided that such amendment is satisfactory to each of the Parties, acting reasonably) on appeal.

**"Governmental Entity"** means: (a) any international, multi-national, national, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, commissioner, minister, cabinet, governor in council, ministry, agency or instrumentality, domestic or foreign; (b) any subdivision or authority of any of

the foregoing; (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) any stock exchange.

**"GSA"** means the general security agreement entered into by 142 BC and the Company on September 15, 2023, as amended.

**"IFRS"** means International Financial Reporting Standards and applicable accounting requirements set by the International Accounting Standards Board.

**"Indemnified Parties"** has the meaning given to such term in Section 5.06.

**"Indemnified Party"** has the meaning given to such term in Section 5.06.

**"Intellectual Property"** means domestic and foreign (a) patents, applications for patents and reissues, divisionals, continuations, renewals, re-examinations, extensions and continuations-in-part of patents or patent applications; (b) proprietary and non-public business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, models, formulae, algorithms, processes, designs, technology, technical data, schematics, formulae and customer lists and documentation relating to any of the foregoing; (c) copyrights, copyright registrations and applications for copyright registration; (d) integrated circuit topographies, integrated circuit topography registrations and applications, mask works, mask work registrations and applications for mask work registrations; (e) designs, design registrations, design registration applications, industrial designs, industrial design registrations and industrial design applications; (f) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trademarks, trademark registrations, trademark applications, trade dress and logos, and the goodwill associated with any of the foregoing; (g) software; and (h) any other intellectual property and industrial property.

**"Intellectual Property Rights"** has the meaning given such term in Schedule C.

**"Interim Order"** means the interim order of the Court, after being informed of the intention to rely upon the exemption from registration under the U.S. Securities Act provided by Section 3(a)(10) in connection with the Arrangement, to be issued following the application therefor submitted to the Court as contemplated herein, in form and substance acceptable to the Company and 142 BC, each acting reasonably.

**"Law"** means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, Order, injunction, judgment, decree, ruling or similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended, unless expressly specified otherwise.

**"Lien"** means any pledge, claim, lien, charge, option, hypothec, mortgage, security interest, restriction, adverse right, prior assignment, lease, sublease, royalty, levy, right to possession or any other encumbrance, easement, license, right of first refusal, covenant, voting trust or agreement, transfer restriction under any shareholder or similar agreement, right or restriction of any kind or nature whatsoever, whether contingent or absolute, direct or indirect, or any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.

**"Listing"** has the meaning prescribed thereto in Section 6.01(f).

**"Loan Agreement"** means the secured promissory note and loan agreement entered into by 142 BC and the Company on September 15, 2023, as amended.

**"Matching Period"** shall have the meaning set forth in Section 5.07(f)(v) of this Agreement.



**"Material Adverse Effect"** means any change, event, occurrence, effect, state of facts or circumstance that, individually or in the aggregate with other such changes, events, occurrences, effects, states of facts or circumstances, is or could reasonably be expected to be material and adverse to the current or future business, operations, results of operations, assets, properties, capitalization, condition (financial or otherwise) or liabilities (contingent or otherwise) of the Company or 142 BC, as applicable, and their Subsidiaries, taken as a whole, except any such change, event, occurrence, effect, state of facts or circumstances resulting from: (a) any change in general economic, business, regulatory, political, financial, capital, securities or credit market conditions in Canada or the United States; (b) any outbreak or escalation of war or act of terrorism; (c) any natural disaster; (d) any adoption, proposal, implementation or change in Law or any interpretation of Law by any Governmental Entity; (e) any change in accounting standards applicable to any Party, including, but not limited to, IFRS (or any authoritative interpretation or enforcement thereof); (f) any action taken (or omitted to be taken) by the Company, 142 BC or any of their Subsidiaries, which is required or permitted to be taken (or omitted to be taken) pursuant to this Agreement or that is consented to by the Company or 142 BC, as applicable, in writing; (g) the announcement of this Agreement or consummation of the Arrangement or the transactions contemplated hereby; or (h) the failure of the Company or 142 BC, as applicable, to meet any internal or published projections, forecasts, guidance or estimate of revenues, earnings or cash flows (it being understood that the causes underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred); provided, however, (I) if any change, event, occurrence, effect, state of facts or circumstance in clauses (a) through and including (e) above has a disproportionate effect on, as applicable, the Company, 142 BC or their Subsidiaries, taken as a whole, relative to other comparable companies and entities operating in the industries in which, as applicable, the Company, 142 BC or any of their Subsidiaries operate, such effect may be taken into account in determining whether a Material Adverse Effect has occurred, and (II) references in certain Sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative for purposes of determining whether a **"Material Adverse Effect"** has occurred.

**"Material Contract"** means any Contract: (a) that if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect; (b) relating directly or indirectly to the guarantee of any liabilities or obligations or to indebtedness for borrowed money in excess of \$25,000 in the aggregate; (c) under which indebtedness in excess of \$25,000 is or may become outstanding, other than a Contract between two or more wholly-owned Subsidiaries of the Company or 142 BC, as applicable or between the Company or 142 BC and one or more of their wholly owned Subsidiaries; (d) under which the Company, 142 BC or any of their Subsidiaries is obligated to make or expects to receive payments in excess of \$25,000 in a one year period; (e) that creates an exclusive dealing arrangement or right of first offer or refusal which material restricts the business of, as the case may be, the Company, 142 BC or any of their Subsidiaries; (f) providing for the purchase, sale or exchange of, or option to purchase, sell or exchange, any property or asset outside of the ordinary course of business where the purchase or sale price or agreed value or fair market value of such property or asset exceeds \$25,000; (g) that limits or restricts in any material respect (I) the ability of the Company, 142 BC or any Subsidiaries to engage in any line of business or carry on business in any geographic area, or (II) the scope of Persons to whom the Company, 142 BC or any of their Subsidiaries may sell products; or (h) providing for the establishment, investment in, organization or formation of any joint venture, partnership or other revenue sharing arrangements in which the interest of the Company, 142 BC or any of their Subsidiaries has a fair market value which exceeds \$25,000.

**"Merger"** means the plan of merger under §33-815 of the Connecticut Act involving Acquireco, the Company, and 142 BC pursuant to which, among other things, Acquireco shall be merged with and into the Company, the separate existence of Acquireco shall cease and the Company shall continue as the Surviving Company.

**"Misrepresentation"** means (a) an untrue statement of a material fact, or (b) an omission to state a material fact that is (i) required to be stated, or (ii) necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made.

**"Money Laundering Laws"** has the meaning ascribed thereto in Schedule C.

"**NI 51-102**" means National Instrument 51-102 — *Continuous Disclosure Obligations* of the Canadian Securities Administrators.

"**OHSA**" has the meaning ascribed thereto in Schedule C.

"**Order**" means all judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, injunctions, orders, decisions, rulings, determinations, awards, decrees or similar actions taken by, or applied by, any Governmental Entity (in each case, whether temporary, preliminary or permanent).

"**ordinary course of business**" or any similar reference means, with respect to an action taken or to be taken by any Person, that such action is consistent with the past practices of such Person and is taken in the ordinary course of the normal day-to-day business and operations of such Person and, in any case, is not unreasonable or unusual in the circumstances when considered in the context of the provisions of this Agreement.

"**Outside Date**" means May 31, 2024 or such later date as may be agreed to in writing by the Parties.

"**Owned Intellectual Property Rights**" has the meaning given such term in Schedule C.

"**Parties**" means 142 BC, Acquireco and the Company, and "**Party**" means any one of them.

"**Permitted Liens**" means, as of any particular time and in respect of any Person, each of the following Liens: (a) the reservations, limitations, provisos and conditions expressed in the original grant from the Crown and recorded against title and any statutory exceptions to title; (b) inchoate or statutory Liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of the construction, maintenance, repair or operation of real or personal property; (c) easements, servitudes, restrictions, restrictive covenants, party wall agreements, rights of way, licences, permits and other similar rights in real property (including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph or cable television conduits, poles, wires and cables) that do not, individually or in the aggregate, materially and adversely impair the current use and operation thereof (assuming its continued use in the manner in which it is currently used); (d) encroachments that do not materially impair or affect the current use or value of any real property and minor defects or irregularities in title to any real property; (e) Liens for Taxes which are not yet due or delinquent; (f) Liens imposed by Law and incurred in the ordinary course of business for obligations not yet due or delinquent; (g) zoning and building by-laws and ordinances and airport zoning regulations made by public authorities and other restrictions affecting or controlling the use or development of any real property; (h) agreements affecting real property with any municipal, provincial or federal governments or authorities and any public utilities (including subdivision agreements, development agreements and site control agreements) that do not, individually or in the aggregate, materially and adversely impair the current use and operation thereof (assuming its continued use in the manner in which it is currently used); (i) any notices of leases registered on title and licences of occupation; and (j) purchase money liens and liens securing rental payments under capital lease arrangements.

"**Person**" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative or government (including any Governmental Entity), syndicate or other entity, whether or not having legal status.

"**Personal Information**" means any data or information in any media that is used or reasonably capable of being used alone or in conjunction with other information to identify an individual and any other data or information that constitutes personal data or personal information under any Law to which the Company or any of its Subsidiaries is subject.

"**Plan of Arrangement**" means the plan of arrangement of Acquireco under the BCBCA substantially in the form and content of Schedule A attached hereto and any amendment or variation thereto made in

accordance with the Plan of Arrangement or this Agreement or made at the direction of the Court in the Final Order with the prior written consent of the Parties, each acting reasonably.

**"Privacy Laws"** means the Laws governing the collection, use, disclosure, and protection of Personal Information.

**"Proceeding"** means any suit, claim, action, charge, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, audit, examination or known investigation commenced, brought, conducted or heard by or before any Governmental Entity.

**"Prospectus"** means 142 BC's long form prospectus filed with the Canadian securities regulators in connection with the Listing of 142 BC Shares on the Exchange.

**"Regulatory Approvals"** means any material consent, waiver, permit, exemption, review, Order, decision or approval of, or any registration and filing with, any Governmental Entity, or the expiry of any waiting period imposed by Law or a Governmental Entity, in each case in connection with this Agreement, the Arrangement or the Merger.

**"Representatives"** has the meaning ascribed thereto in Section 5.07(a).

**"Sanctions"** has the meaning ascribed thereto in Schedule C.

**"Securities Laws"** means the *Securities Act* (British Columbia) and the rules, regulations, instruments and published policies thereunder, and the rules of the Exchange applicable to companies listed thereon.

**"Software"** has the meaning given such term in Schedule C.

**"Subscription Receipts"** means subscription receipt of 142 BC issued in connection with the Third Round of the Concurrent Financing, which Subscription Receipts will automatically convert, without any further action or payment of any additional consideration therefor, into one Unit immediately prior to the time of completion of the Arrangement Transaction. If the Arrangement Transaction does not complete by December 31, 2024, each Subscription Receipt will automatically convert, without any further action or payment of any additional consideration therefor into one and one-hundredth (1.01) Units.

**"Subsidiary"** means a company or corporation that is controlled directly or indirectly by another company or company and includes a Subsidiary of that Subsidiary.

**"Superior Proposal"** means any unsolicited bona fide written Acquisition Proposal from a Person who is an arm's length third party made after the date of this Agreement: (i) to acquire not less than all of the outstanding Company Shares and Company Warrants (other than any Company Shares or Company Warrants owned by the Person making such Acquisition Proposal or its affiliates) or all or substantially all of the assets of the Company and its Subsidiaries on a consolidated basis solely for cash consideration; (ii) that complies with Securities Laws and did not result from a breach of Section 5.07 of this Agreement or any agreement between the Person making such Acquisition Proposal and the Company; (iii) that is reasonably capable of being completed without undue delay, taking into account, all financial, legal, regulatory and other aspects of such proposal and the Person making such proposal; (iv) that is not subject to any financing condition and in respect of which it has been demonstrated to the satisfaction of the Company Board, acting in good faith (after receipt of advice from its financial advisors and its outside legal counsel), that adequate arrangements have been made in respect of any required financing to complete such Acquisition Proposal at the time and on the basis set out therein; (v) that is not subject to any due diligence and/or access condition; and (vi) in respect of which the Company Board determines, in its good faith judgment, after receiving the advice of its outside legal counsel and financial advisors and after taking into account all the terms and conditions of the Acquisition Proposal, including all legal, financial, regulatory and other aspects of such Acquisition Proposal and the party making such Acquisition Proposal, (A) such Acquisition Proposal would, if consummated in accordance with its terms, but without assuming away the

risk of noncompletion, result in a transaction which is more favourable, from a financial point of view, to the Company Shareholders than the transactions contemplated by this Agreement (including any amendments to the terms and conditions of this Agreement proposed by 142 BC pursuant to Section 5.07(g) of this Agreement) and (B) that not recommending such Acquisition Proposal to the Company Shareholders and not entering into a definitive agreement with respect to such Acquisition Proposal would be inconsistent with its fiduciary duties.

**"Superior Proposal Notice"** shall have the meaning set forth in Section 5.07(f)(iii) of this Agreement.

**"Surviving Company"** means the corporate entity formed as a result of the Merger.

**"Tax Act"** means the *Income Tax Act* (Canada).

**"Tax Returns"** means any and all returns, reports, declarations, elections, notices, forms, designations, filings and statements (including estimated tax returns and reports, withholding tax returns and reports and information returns and reports) filed or required to be filed in respect of Taxes.

**"Taxes"** means: (a) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, licence, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal, health, employee health, payroll, workers' compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export and including all licence and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (b) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts described in clause (a) above or this clause (b); (c) any liability for the payment of any amounts of the type described in clauses (a) or (b) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (d) any liability for the payment of any amounts described in clauses (a) or (b) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party.

**"Third-Party Beneficiaries"** has the meaning set forth in Section 8.07.

**"Third-Party Intellectual Property"** has the meaning given such term in Schedule C.

**"U.S. Exchange Act"** means the United States *Securities Exchange Act of 1934*, as amended, and the rules and regulations promulgated thereunder.

**"U.S. PCAOB GAAS"** means auditing standards of the Public Company Accounting Oversight Board (United States of America), as amended from time to time.

**"U.S. Securities Act"** means the United States *Securities Act of 1933*, as the same has been, and hereafter from time to time may be, amended.

## **Section 1.02 Interpretation Not Affected by Headings.**

The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

**Section 1.03 Currency.**

All references to dollars or to \$ are references to Canadian dollars unless otherwise specified.

**Section 1.04 Number and Gender.**

In this Agreement, unless the contrary intention appears, words importing the singular include the plural and vice versa and words importing gender shall include all genders.

**Section 1.05 Date for Any Action.**

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

**Section 1.06 Knowledge.**

In this Agreement, the phrase "to the knowledge of the Company" or "to the knowledge of 142 BC" means, unless otherwise indicated, in the case of the Company, the actual knowledge of William Hessert, CEO and Director, and in the case of 142 BC, the actual knowledge of Alex McAulay, Director, in both cases after reasonable enquiry, and to the extent that such reasonable enquiry was not conducted, includes the knowledge that a reasonable Person would have had if such reasonable enquiry had been conducted.

**Section 1.07 Schedules.**

The following schedules attached to this Agreement form an integral part of this Agreement for all purposes of it:

- Schedule A - Form of Plan of Arrangement
- Schedule B - 142 BC Resolution
- Schedule C - Representations and Warranties of the Company
- Schedule D - Representations and Warranties of 142 BC and Acquireco

**Section 1.08 Accounting Terms.**

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made shall be made in a manner consistent with the aforementioned accounting standards and principles, as applicable.

**Section 1.09 Other Definitional and Interpretive Provisions.**

- (a) References in this Agreement to the words "include", "includes" or "including" shall be deemed to be followed by the words "without limitation" whether or not they are in fact followed by those words or words of like import.
- (b) Any capitalized terms used in any exhibit or Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement.
- (c) References to any agreement or Contract are to that agreement or Contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof.
- (d) Any reference in this Agreement to a Person includes the heirs, administrators, executors, legal personal representatives, predecessors, successors and permitted assigns of that Person.

- (e) References to a particular statute or Law shall be to such statute or Law and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated thereunder or amended from time to time.

## ARTICLE 2 THE ARRANGEMENT

### Section 2.01 The Arrangement.

The Company, 142 BC and Acquireco agree that the Arrangement shall be implemented in accordance with the terms and subject to the conditions contained in this Agreement and the Plan of Arrangement, and in connection therewith, the Parties agree that:

- (a) upon the terms and subject to the conditions set forth in this Agreement and in accordance with the Connecticut Act and the BCBCA, at the Effective Time, Acquireco shall be merged with and into the Company, the separate existence of Acquireco shall cease and the Company shall continue as the Surviving Company in the Merger; the Merger shall have the effects set forth in this Agreement and in the applicable provisions of the Connecticut Act. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all property of Acquireco and the Company shall vest in the Surviving Company, all liabilities and duties of Acquireco and the Company shall become liabilities and duties of the Surviving Company, and the Surviving Company shall be a wholly-owned Subsidiary of 142 BC;
- (b) subject to the provisions of the Amended and Restated Arrangement Agreement, certificate of merger in substantially the form attached hereto as Exhibit A (the "**Certificate of Merger**") shall be duly executed by the Company and Acquireco and, on the Effective Date, the Certificate of Merger shall be filed by the Company with the Connecticut Secretary of the State pursuant to all applicable provisions of the Connecticut Act;
- (c) the consideration for the Merger shall be comprised of, in respect of each and every Company Share, the Consideration Shares, and in respect of each and every Company Warrant, the Consideration Warrants;
- (d) each Company Share held by Dissenting Shareholders in respect of which Appraisal Rights have been validly exercised shall, in accordance with the applicable provisions of the Connecticut Act, be cancelled and converted into the right to be paid fair value for such Company Shares as set out in Section 3.01 of the Plan of Arrangement in accordance with the applicable provisions of the Connecticut Act;
- (e) each outstanding Company Share other than the Company Shares that are held by Dissenting Shareholders who have validly exercised their Appraisal Rights in accordance with the Connecticut Act and who are ultimately entitled to be paid the fair value for such Company Shares by the Company (the "**Consenting Shareholders**"), shall, without any further action by or on behalf of a holder of Company Shares and in accordance with the applicable provisions of the Connecticut Act, be cancelled and converted into the right to receive four thousand nine hundred (4,900) Consideration Share less amounts withheld and remitted in accordance with Section 4.01 of the Plan of Arrangement. In accordance with the applicable provisions of the Connecticut Act, the holders of such Company Shares shall cease to be the holders thereof or to have any rights as holders of such Company Shares other than the rights to be paid the Consideration per Company Share in accordance with the Plan of Arrangement.
- (f) 142 BC shall issue to each Consenting Shareholder a pro rata portion of the Consideration Shares for each Company Share, in accordance with the Plan of Arrangement.

- (a) 142 BC shall issue to each holder of Company Warrants four thousand nine hundred (4,900) Consideration Warrant for each Company Warrant, in accordance with this Plan of Arrangement.

**Section 2.02 Obligations of 142 BC and Acquireco.**

Subject to the terms and conditions of this Agreement, in order to facilitate the Arrangement, 142 BC and Acquireco shall take all action necessary in accordance with all applicable Laws to:

- (a) make and diligently pursue an application to the Court for the Interim Order in respect of the Arrangement in a manner acceptable to the Company, acting reasonably;
- (b) subject to obtaining the approvals as contemplated in the Interim Order and as may be directed by the Court in the Interim Order, take all steps necessary or desirable to submit the Arrangement to the Court and appear at Court to seek the Final Order as soon as reasonably practicable;
- (c) ensure that there are, immediately prior to the completion of the Arrangement, no more than 36,071,859 142 BC Shares and 18,091,930 142 BC Warrants outstanding; and
- (d) file any documents as required pursuant to Section 292 of the BCBCA, and such other documents as may be required to give effect to the Arrangement pursuant to Division 5 of Part 9 of the BCBCA.

**Section 2.03 Interim Order.**

- (a) As soon as reasonably practicable after the date of this Agreement, Acquireco shall apply in a manner reasonably acceptable to the Company pursuant to Section 292 of the BCBCA and, in cooperation with the Company, prepare, file and diligently pursue an application for the Interim Order which shall provide, among other things:
  - (i) that, in all respects, the terms, restrictions and conditions of the constating documents of the Company and the Connecticut Act shall apply in respect of the Merger;
  - (ii) for the notice requirements with respect to the presentation of the application to the Court for the Final Order; and
  - (iii) for such other matters as 142 BC or Acquireco may reasonably require, subject to the consent of the Company, acting reasonably.
- (b) In seeking the Interim Order, Acquireco shall advise the Court that it is the intention of the Parties to rely upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act with respect to the issuance of all Consideration Shares and Consideration Warrants to be issued pursuant to the Arrangement, based and conditioned on the Court's approval of the Arrangement and its determination that the Arrangement is fair to Company Shareholders and holders of Company Warrants to whom Consideration Shares and Consideration Warrants will be issued pursuant to the Arrangement, following a hearing and after consideration of the substantive and procedural terms and conditions thereof, as further set forth in Section 2.12.

**Section 2.04 Court Proceedings.**

Subject to the terms of this Agreement, the Company shall cooperate with and assist 142 BC and Acquireco in seeking the Interim Order and the Final Order, including by providing to 142 BC on a timely basis any

information reasonably required to be supplied by the Company in connection therewith as requested by 142 BC. 142 BC shall provide legal counsel to the Company with a reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement and shall give reasonable consideration to all such comments. Subject to applicable Law, Acquireco will not file any material with the Court in connection with the Arrangement or serve any such material, and will not agree to modify or amend materials so filed or served, except as contemplated by this Section 2.04 or with the Company's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed; provided that, nothing herein shall require the Company to agree or consent to any decrease in the Consideration or other modification or amendment to such filed or served materials that expands or increases 142 BC's and Acquireco's rights set forth in any such filed or served materials or under this Agreement or the Arrangement. 142 BC and Acquireco shall, subject to applicable Law, oppose any proposal from any Person that the Final Order contain any provision inconsistent with this Agreement, and if required by the terms of the Final Order or by Law to return to Court with respect to the Final Order do so only after notice to, and in consultation and cooperation with the Company. Acquireco shall also provide to the Company's legal counsel on a timely basis copies of any notice of appearance or other Court documents served on 142 BC or Acquireco in respect of the application for the Interim Order or the Final Order or any appeal therefrom and of any notice, whether written or oral, received by 142 BC or Acquireco indicating any intention to oppose the granting of the Interim Order or the Final Order or to appeal the Interim Order or the Final Order. 142 BC and Acquireco shall ensure that all materials filed with the Court in connection with the Arrangement are consistent in all material respects with the terms of this Agreement and the Plan of Arrangement. In addition, 142 BC and Acquireco will not object to legal counsel to the Company making such submissions on the hearing of the motion for the Interim Order and the application for the Final Order as such counsel considers appropriate; provided that, 142 BC and Acquireco are advised of the nature of any submissions prior to the hearing and such submissions are consistent with this Agreement and the Plan of Arrangement. For greater certainty, nothing in this Section 2.04 shall limit the Company's ability to take any and all steps, including the filing of all manner of documents with any Governmental Entity, to enforce its rights hereunder, including in connection with any dispute involving the Company, on the one hand, and 142 BC and Acquireco, together, on the other hand.

#### **Section 2.05 Obligations of the Company.**

Subject to the terms and conditions of this Agreement, in order to facilitate the Arrangement and the Merger, the Company shall take all action necessary in accordance with all applicable Laws, including, without limitation, the Connecticut Act, to:

- (a) secure unanimous approval of the Company Board in respect of the Arrangement, this Agreement, the Plan of Arrangement and the Merger;
- (b) as soon as practicable following the receipt of the Interim Order, deliver to 142 BC evidence of the adoption and approval of the Company Consent by Company Shareholders representing at least a majority of the Company Shares;
- (c) as soon as reasonably practicable and, in any event, within ten (10) Business Days after the date of the Final Order, arrange for the execution by the Company and Acquireco of the Certificate of Merger and, on the Effective Date, cause the Certificate of Merger to be filed by the Company with the Connecticut Secretary of the State pursuant to all applicable provisions of the Connecticut Act;
- (d) ensure that there are, immediately prior to the completion of the Arrangement, no more than 5,214 Company Shares and 107 Company Warrants outstanding;
- (e) follow and complete the procedures and processes set out in the Connecticut Act in respect of the exercise of Appraisal Rights by Dissenting Shareholders; and



- (f) ensure that all indebtedness indicated in the Company Disclosure Letter is fully settled and extinguished in exchange for the payment of no more than US\$1 to each of the creditors indicated in the Company Disclosure Letter.

**Section 2.06 Filing Statement.**

- (a) As promptly as reasonably practicable following execution of this Agreement, 142 BC shall prepare and complete, in consultation with the Company as contemplated by this Section 2.06, the Filing Statement together with any other documents required by Securities Laws and 142 BC shall cause the Filing Statement and such other documents required by Securities Laws to be filed with the Exchange and applicable securities regulatory authorities in accordance with Securities Laws.
- (b) 142 BC shall ensure that the Filing Statement complies in all material respects with applicable Securities Laws and does not contain any Misrepresentation regarding 142 BC or Acquireco.
- (c) The Company shall fully cooperate with 142 BC in the preparation of the Filing Statement. The Company shall provide to 142 BC all necessary information concerning the Company as required by Securities Laws, for inclusion in the Filing Statement as requested by 142 BC. The Company shall also use commercially reasonable efforts to obtain any necessary consents from any of its auditors and any other advisors to the use of any financial, technical or other expert information required to be included in the Filing Statement and to the identification in the Filing Statement of each such advisor. The Company shall ensure that any such information will not include any Misrepresentation concerning the Company.
- (d) The Company and its legal counsel shall be given a reasonable opportunity to review and comment on drafts of the Filing Statement and other related documents and reasonable consideration shall be given to any comments made by the Company and its legal counsel; provided that, all information relating solely to the Company included in the Filing Statement shall be in form and substance satisfactory to the Company, acting reasonably.
- (e) The Company, on one hand, and 142 BC and Acquireco, together, on the other hand, shall promptly notify each other upon becoming aware that the Filing Statement contains a Misrepresentation or otherwise requires an amendment or supplement and shall cooperate in the preparation of any amendment or supplement to the Filing Statement as required or appropriate and 142 BC shall cause the Filing Statement and such other documents required by Securities Laws to be filed with applicable securities regulatory authorities in accordance with Securities Laws.

**Section 2.07 Final Order.**

If the Interim Order is obtained and following the signing of the Company Consent: (i) Acquireco shall, with the cooperation of the Company, take all steps necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order pursuant to the BCBCA, as soon as practicable, but in any event not later than ten (10) Business Days after the date of the Company Consent; and (ii) the Company shall take all steps necessary to complete the Merger pursuant to and in accordance with the Connecticut Act.

**Section 2.08 Plan of Arrangement and Effective Time.**

- (a) Unless another time or date is agreed to in writing by the Parties, on the third Business Day following satisfaction or, where not prohibited, the waiver of the conditions (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to

the satisfaction or, where not prohibited, the waiver of those conditions as of the Effective Date) set forth in Article 6, each of the Parties shall execute and deliver such closing documents and instruments and such other documents as may be required to give effect to such portions of the Arrangement to be effected on the Effective Date and Acquireco shall proceed to file any documents as required pursuant to Section 292 of the BCBCA, and such other documents as may be required to give effect to the Arrangement (to the extent effective on the Effective Date) pursuant to Division 5 of Part 9 of the BCBCA and the Company shall proceed to file any documents as required to give effect to the Merger pursuant to and in accordance with the Connecticut Act (including, without limitation, the filing of the Certificate of Merger with the Connecticut Secretary of the State pursuant to all applicable provisions of the Connecticut Act). Without limiting the foregoing, Acquireco shall, following receipt of the Final Order and satisfaction, or, where not prohibited, the waiver, of the conditions (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction, or, where not prohibited, the waiver, of those conditions as of the Effective Date) set forth in Article 6 but prior to the filing by Acquireco of the documents referred to above, deliver or cause to be delivered by 142 BC, sufficient Consideration Shares and Consideration Warrants to satisfy the Consideration issuable to the Company Shareholders and holders of Company Warrants pursuant to the Plan of Arrangement.

- (b) The Arrangement shall become effective at the Effective Time on the Effective Date, whereupon, the transactions comprising the Arrangement and the Merger shall be deemed to occur in the order and on the dates set out in the Plan of Arrangement without any further act or formality.
- (c) From and after the Effective Time, the Plan of Arrangement shall have all of the effects provided by applicable Law, including the BCBCA.

#### **Section 2.09 Payment of Consideration.**

142 BC shall, prior to the filing by Acquireco of any documents as required pursuant to Section 292 of the BCBCA, and such other documents as may be required to give effect to the Arrangement pursuant to Division 5 of Part 9 of the BCBCA and the Merger pursuant to the Connecticut Act, and in accordance with Section 2.07, irrevocably instruct its transfer agent to issue the Consideration Shares and Consideration Warrants, in order to pay and deliver the aggregate Consideration payable to the Company Shareholders and holders of Company Warrants as provided in the Plan of Arrangement.

#### **Section 2.10 Closing.**

The closing of the Arrangement will take place at the offices of Gowling WLG (Canada) LLP, located at 2300 – 550 Burrard Street, Vancouver, British Columbia, V6C 2B5 or at such other location as may be agreed upon by the Parties, at 10:00 a.m. (Vancouver time) on the Effective Date.

#### **Section 2.11 Withholding Taxes.**

The Company, 142 BC and Acquireco, as applicable, shall be entitled to deduct or withhold from any consideration payable or otherwise deliverable to any Person, pursuant to the Arrangement and from all dividends, other distributions or other amount otherwise payable to any former Company Shareholders or holders of Company Warrants, such Taxes or other amounts as the Company, 142 BC or Acquireco are required, entitled or permitted to deduct or withhold with respect to such payment under the Tax Act, or any other provisions of any applicable Laws, in each case, as amended. To the extent that Taxes or other amounts are so deducted or withheld, such deducted or withheld Taxes or other amounts shall be treated for all purposes under this Agreement as having been paid to the Person in respect of which such deduction or withholding was made, provided that such deducted or withheld Taxes or other amounts are actually remitted to the appropriate taxing authority.

**Section 2.12 U.S. Securities Law Matters.**

The Parties agree that the Arrangement will be carried out with the intention that all Consideration Shares and Consideration Warrants will be issued by 142 BC in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereunder. In order to ensure the availability of the exemption under Section 3(a)(10) of the U.S. Securities Act and to facilitate 142 BC's compliance with other United States securities Laws, the Parties agree that the Arrangement will be carried out on the following basis:

- (a) the Arrangement will be subject to the approval of the Court;
- (b) pursuant to Section 2.03(b), prior to the hearing to approve the Interim Order, the Court will be advised as to the intention of the Parties to rely on the exemption provided by Section 3(a)(10) of the U.S. Securities Act with respect to the issuance of all Consideration Shares and Consideration Warrants pursuant to the Arrangement, and that the Court's approval of the Arrangement will be relied upon as a determination that the Court has satisfied itself as to the procedural and substantive fairness of the terms and conditions of the Arrangement to all Company Shareholders and holders of Company Warrants;
- (c) prior to the issuance of the Interim Order, the Company will file with the Court a copy of the proposed text of the Company Consent together with any other documents required by Law in connection with the obtaining of the approval of the Arrangement and the Merger by the Company Shareholders (and if required, the holders of Company Warrants);
- (d) the Court will be required to satisfy itself as to the substantive and procedural fairness of the Arrangement to the Company Shareholders to whom Consideration Shares will be issued pursuant to the Arrangement;
- (e) the Company will ensure that each Company Shareholder and holder of Company Warrants and any other Person entitled to receive securities of Acquireco pursuant to the Arrangement will be given adequate and appropriate notice advising them of their right to attend the hearing of the Court to give approval to the Arrangement and providing them with sufficient information necessary for them to exercise that right and will ensure that there will not be any improper impediments to the appearance by such Persons at the hearing;
- (f) all Persons entitled to receive Consideration Shares or Consideration Warrants pursuant to the Arrangement will be advised that such securities have not been registered under the U.S. Securities Act and will be issued by 142 BC in reliance on the exemption provided by Section 3(a)(10) of the U.S. Securities Act, and shall be without trading restrictions under the U.S. Securities Act (other than those that would apply under the U.S. Securities Act to Persons who are, have been within 90 days of the Effective Time, or, at the Effective Time, become affiliates (as defined by Rule 144 of the U.S. Securities Act) of 142 BC);
- (g) the Final Order approving the terms and conditions of the Arrangement that is obtained from the Court will expressly state that the Arrangement serves as a basis of a claim to the exemption under Section 3(a)(10) of the U.S. Securities Act from the registration requirements otherwise imposed by the U.S. Securities Act of 1933, as amended, regarding the distribution of securities pursuant to the Plan of Arrangement and that the Arrangement is approved by the Court as fair and reasonable to all Persons entitled to receive Consideration Shares and Consideration Warrants pursuant to the Arrangement;
- (h) the Interim Order will specify that each Person entitled to receive Consideration Shares and Consideration Warrants pursuant to the Arrangement will have the right to appear

before the Court at the hearing of the Court to give approval of the Arrangement so long as they enter an appearance within a reasonable time;

- (i) the Court will be expressly authorized by law to hold the hearing and will hold such hearing before approving the fairness of the terms and conditions of the Arrangement and issuing the Final Order; and
- (j) Acquireco shall request that the Final Order shall include a statement to substantially the following effect:

"This Order will serve as a basis of a claim to an exemption, pursuant to Section 3(a)(10) of the United States Securities Act of 1933, as amended, from the registration requirements otherwise imposed by that act, regarding the distribution of securities of 142 BC pursuant to the Plan of Arrangement."

### **Section 2.13 Adjustment of Consideration Shares and the Consideration Warrants**

If on or after the date hereof, either Party: (a) splits, consolidates or reclassifies any of its common shares or common stock, as applicable; (b) undertakes any other capital reorganization; or (c) declares, sets aside or pays any dividend or other distribution to its shareholders of record as of a time prior to the Effective Date, the Parties hereto shall make such adjustments to the Arrangement, including the number or fraction of Consideration Shares and Consideration Warrants deliverable per Company Share and Company Warrant under the Arrangement, as they may determine acting in good faith to be necessary to restore the original intention of the Parties in the circumstances.

### **Section 2.14 Conduct of Acquireco.**

- (a) 142 BC hereby agrees to cause Acquireco to comply with its obligations under this Agreement.
- (b) The Company shall be entitled to rely upon any communication or writings given by or to, or executed by, 142 BC. All notices to be sent to Acquireco pursuant to this Agreement or any other agreement contemplated hereby may be addressed to 142 BC and any notice so sent shall be deemed notice to Acquireco. Acquireco hereby consents and agrees that 142 BC is authorized to accept and deliver notice on behalf of Acquireco pursuant hereto and pursuant to all other agreements contemplated hereby and to deliver waivers and consents on behalf of Acquireco pursuant hereto.
- (c) 142 BC is hereby appointed and constitutes the true and lawful attorney-in-fact of Acquireco, with full power in its name and on its behalf to act according to the terms of this Agreement and all other agreements contemplated hereby in the absolute discretion of 142 BC, and to do all things and to perform all acts, including amending this Agreement, waiving rights, discharging liabilities and obligations, and executing and delivering all agreements, certificates, receipts, instructions and other instruments contemplated by or deemed advisable in connection with this Agreement. This power of attorney and all authority hereby conferred is granted in consideration of the mutual covenants and agreements made herein, and shall be irrevocable and shall not be terminated by any act of Acquireco or by operation of Law.

**ARTICLE 3  
REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

**Section 3.01 Representations and Warranties of the Company.**

Except as set forth in the Company Disclosure Letter (it being expressly understood and agreed that the disclosure of any fact or item in any section of the Company Disclosure Letter shall only be deemed to be an exception to (or, as applicable, disclosure for the purposes of) the representations and warranties of the Company that are contained in the corresponding section of this Agreement and any other representation or warranty of the Company in this Agreement to which the relevance of such fact or item is reasonably apparent on its face), the Company represents and warrants to 142 BC and Acquireco as set forth in Schedule C and acknowledges and agrees that 142 BC and Acquireco are relying upon such representations and warranties in connection with the entering into of this Agreement.

**Section 3.02 Survival of Representations and Warranties.**

The representations and warranties of the Company contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

**ARTICLE 4  
REPRESENTATIONS AND WARRANTIES OF 142 BC AND ACQUIRECO**

**Section 4.01 Representations and Warranties of 142 BC and Acquireco.**

142 BC and Acquireco represent and warrant to the Company as set forth in Schedule D and acknowledges and agrees that the Company is relying upon such representations and warranties in connection with the entering into of this Agreement.

**Section 4.02 Survival of Representations and Warranties.**

The representations and warranties of 142 BC and Acquireco contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

**ARTICLE 5  
COVENANTS**

**Section 5.01 Conduct of Business of the Company.**

The Company covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms, unless otherwise: (i) agreed to in writing by 142 BC (such agreement not to be unreasonably withheld, conditioned or delayed); (ii) required or expressly permitted or specifically contemplated by this Agreement; (iii) required by applicable Law; or (iv) as expressly contemplated by the Company Disclosure Letter:

- (a) the business of the Company and its Subsidiaries shall be conducted only in, and the Company and its Subsidiaries shall not take any action except in, the ordinary course of business, and the Company shall use all commercially reasonable efforts to maintain and preserve its and their business organization, assets, properties, employees, goodwill and business relationships with customers, suppliers, partners and other Persons with which the Company or any of its Subsidiaries has material business relationships;

- (b) without limiting the generality of Section 5.01(a), the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:
- (i) amend its articles or other constating documents or, in the case of any subsidiary which is not a corporation, its similar organizational documents, except as contemplated by this Agreement or as agreed to in writing by 142 BC;
  - (ii) split, combine or reclassify any shares or other securities of the Company or of any Subsidiary or declare, set aside or pay any dividends or make any other distributions;
  - (iii) amend the terms of any outstanding securities;
  - (iv) other than pursuant to exercise of Appraisal Rights under the Connecticut Act, redeem, repurchase or otherwise acquire or offer to redeem, repurchase or otherwise acquire any outstanding shares or other securities of the Company or any of its Subsidiaries;
  - (v) other than pursuant to the Concurrent Company Financing, issue, grant, deliver, sell, pledge or otherwise encumber, or authorize the issuance, grant, delivery, sale, pledge or other encumbrance of, any debt, shares or other securities, or any options, warrants or similar rights exercisable or exchangeable for or convertible into shares or other securities, of the Company or any of its Subsidiaries;
  - (vi) reorganize, amalgamate or merge the Company or any Subsidiary, except pursuant to the terms of the Arrangement and the Merger;
  - (vii) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of the Company or any Subsidiary;
  - (viii) make any material Tax election, information schedule, return or designation, settle or compromise any material Tax claim, assessment, reassessment or liability, file any materially amended Tax Return, file any notice of appeal or otherwise initiate any action with respect to Taxes, enter into any material agreement with a Governmental Entity with respect to Taxes, surrender any right to claim a material Tax abatement, reduction, deduction, exemption, credit or refund, consent to the extension, or waiver of a limitation period applicable to any material Tax matter or materially amend or change any of its methods of reporting income, deductions or accounting for income Tax purposes except as may be required by applicable Law;
  - (ix) make any material change in the Company's accounting principles, except as required by concurrent changes in IFRS or U.S. PCAOB GAAS or pursuant to written instructions, comments or orders of an applicable securities regulatory authority;
  - (x) grant to any employee any increase in compensation in excess of 10% of their current annual compensation, except in the ordinary course of business;
  - (xi) except in the ordinary course of business, not to borrow money or incur any indebtedness for money borrowed, except as agreed to by 142 BC in writing;
  - (xii) increase any severance, change of control or termination pay to (or amend any existing Contract in effect on the date hereof with) any officer or director of the Company or any of its Subsidiaries or increase the benefits payable under any

existing severance or termination pay policies with any officer or director of the Company, except in the ordinary course of business;

- (xiii) waive, release, surrender, abandon, grant or transfer any material right or amend, modify or change, or agree to amend, modify or change, any existing material Authorization, right to use, lease or contract other than in the ordinary course, as required by applicable Law, or where same would not individually or in the aggregate have a Material Adverse Effect;
- (xiv) enter into or amend any employment, deferred compensation or similar Contract (or amend any such existing Contract) with any officer or director of the Company or any of its Subsidiaries;
- (xv) amend or modify in any material respect or terminate or waive any material right under any Material Contract or enter into any Contract or agreement that would be a Material Contract if in effect on the date hereof;
- (xvi) amend, modify, terminate, cancel or let lapse any material insurance (or re-insurance) policy of the Company or any Subsidiary in effect on the date of this Agreement, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the terminated, cancelled or lapsed policies for substantially similar premiums are in full force and effect;
- (xvii) enter into or amend any Contract with any broker, finder or investment banker, except as agreed to by 142 BC in writing; or
- (xviii) authorize, agree, resolve or otherwise commit to do any of the foregoing.

#### **Section 5.02 Conduct of Business of 142 BC and Acquireco.**

Each of 142 BC and Acquireco covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms, unless otherwise: (i) agreed to in writing by the Company (such agreement not to be unreasonably withheld, conditioned or delayed); (ii) required or expressly permitted or specifically contemplated by this Agreement; or (iii) required by applicable Law:

- (a) the business of 142 BC and its Subsidiaries shall be conducted only in, and 142 BC and its Subsidiaries shall not take any action except in, the ordinary course of business, and 142 BC shall use all commercially reasonable efforts to maintain and preserve its and their business organization, assets, properties, employees, goodwill and business relationships with customers, suppliers, partners and other Persons with which 142 BC or any of its Subsidiaries has material business relationships;
- (b) without limiting the generality of Section 5.02(a), 142 BC shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:
  - (i) amend its notice of articles, articles or other constating documents or, in the case of any Subsidiary which is not a corporation, its similar organizational documents, except as contemplated by this Agreement or as agreed to in writing by the Company;

- (ii) split, combine or reclassify any shares or other securities of 142 BC or of any Subsidiary or declare, set aside or pay any dividends or make any other distributions;
- (iii) amend the terms of any outstanding securities;
- (iv) redeem, repurchase or otherwise acquire or offer to redeem, repurchase or otherwise acquire any outstanding shares or other securities of 142 BC or any of its Subsidiaries;
- (v) issue, grant, deliver, sell, pledge or otherwise encumber, or authorize the issuance, grant, delivery, sale, pledge or other encumbrance of, any debt, shares or other securities, or any options, warrants or similar rights exercisable or exchangeable for or convertible into shares or other securities, of 142 BC or of any Subsidiary, except securities issuable pursuant to the terms of the Concurrent Financing or the Arrangement;
- (vi) reorganize, amalgamate or merge 142 BC or any Subsidiary, except pursuant to the terms of the Arrangement and the Merger;
- (vii) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of 142 BC or any Subsidiary;
- (viii) make any material Tax election, information schedule, return or designation, settle or compromise any material Tax claim, assessment, reassessment or liability, file any materially amended Tax Return, file any notice of appeal or otherwise initiate any action with respect to Taxes, enter into any material agreement with a Governmental Entity with respect to Taxes, surrender any right to claim a material Tax abatement, reduction, deduction, exemption, credit or refund, consent to the extension, or waiver of a limitation period applicable to any material Tax matter or materially amend or change any of its methods of reporting income, deductions or accounting for income Tax purposes except as may be required by applicable Law;
- (ix) grant to any employee any increase in compensation in excess of 10% of their current annual compensation, except in the ordinary course of business;
- (x) except in the ordinary course of business, not to borrow money or incur any indebtedness for money borrowed, except as agreed to by the Company in writing;
- (xi) increase any severance, change of control or termination pay to (or amend any existing Contract in effect on the date hereof with) any officer or director of 142 BC or any of its Subsidiaries or increase the benefits payable under any existing severance or termination pay policies with any officer or director of the 142 BC, except in the ordinary course of business;
- (xii) make any material change in 142 BC's accounting principles, except as required by concurrent changes in IFRS or pursuant to written instructions, comments or orders of an applicable securities regulatory authority;
- (xiii) waive, release, surrender, abandon, let lapse, grant or transfer any material right or amend, modify or change, or agree to amend, modify or change, any existing material Authorization, right to use, lease or Contract other than in the ordinary course, as required by applicable Law, or where same would not individually or in the aggregate have a Material Adverse Effect;



- (xiv) amend or modify in any material respect or terminate or waive any material right under any Material Contract or enter into any contract or agreement that would be a Material Contract if in effect on the date hereof;
- (xv) amend, modify, terminate, cancel or let lapse any material insurance (or re-insurance) policy of 142 BC or any Subsidiary in effect on the date of this Agreement, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the terminated, cancelled or lapsed policies for substantially similar premiums are in full force and effect; or
- (xvi) authorize, agree, resolve or otherwise commit to do any of the foregoing.

### **Section 5.03 Covenants Relating to the Arrangement.**

- (a) Each of the Company, 142 BC and Acquireco shall use commercially reasonable efforts to take, or cause to be taken, all actions and to do or cause to be done all things required or advisable under applicable Laws to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by this Agreement, including:
  - (i) satisfying, or causing the satisfaction of, all conditions precedent in this Agreement and taking all steps set forth in this Agreement, the Interim Order and Final Order applicable to it and complying promptly with all requirements imposed by applicable Law with respect to this Agreement, the Arrangement or the Merger;
  - (ii) obtaining, as soon as practicable following the execution of this Agreement, and maintaining all third-party or other consents, waivers, permits, exemptions, Orders, approvals, agreements, amendments, confirmations or terminations that are: (a) necessary to be obtained under the Material Contracts in connection with the Arrangement or this Agreement; or (b) required in order to maintain the Material Contracts in full force and effect following the completion of the Arrangement, in each case, on terms that are reasonably satisfactory to the Parties;
  - (iii) opposing, lifting or rescinding any injunction, restraining or other Order, decree, judgment or ruling seeking to restrain, enjoin or otherwise prohibit or delay or otherwise adversely affect the consummation of the Arrangement and defending, or causing to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging the Arrangement or this Agreement;
  - (iv) reasonably cooperating with the other Parties and their tax advisors in structuring the transactions contemplated to occur in conjunction with the Arrangement in a tax effective manner, and assisting the other Parties and their tax advisors in making such investigations and enquiries with respect to such Parties in that regard, as the other Parties and their tax advisors shall consider necessary, acting reasonably, provided, however, that this provision shall not require a Party to agree to re-structure or amend any of the transactions contemplated herein;
  - (v) furnishing to the other Parties such information, in addition to the information contained in this Agreement, relating to its financial condition, business, properties and affairs as may reasonably be requested by another Party, which information shall be true and complete in all material respects and shall not contain an untrue statement of any material fact or omit any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they are made, not misleading, and notifying the other Parties of any

significant development or Material Adverse Change relating to it promptly after becoming aware of any such development or change;

- (vi) not taking any action, or refraining from taking any commercially reasonable action, or permitting any action to be taken or not taken, which would reasonably be expected to prevent, materially hinder, delay or otherwise impede the consummation of the Arrangement or the transactions contemplated by this Agreement or which would render, or which may reasonably be expected to render, untrue or inaccurate (without giving effect to, applying or taking into consideration any materiality or Material Adverse Effect qualification already contained within such representation or warranty) in any material respect a Party's representations and warranties set forth in this Agreement;
  - (vii) causing the 142 BC Resolution to be adopted; and
  - (viii) causing the Certificate of Merger to be filed with the Connecticut Secretary of the State pursuant to all applicable provisions of the Connecticut Act.
- (b) The Company shall promptly notify 142 BC in writing of:
- (i) any Material Adverse Effect in respect of the Company;
  - (ii) any material breach by the Company of any covenant, obligation or agreement contained in this Agreement;
  - (iii) any change in any representation or warranty provided in this Agreement which change is or may be of such a nature as to render such representation or warranty misleading or untrue in any material respect;
  - (iv) any notice or other written communication from any Person: (a) alleging that the consent (or waiver, permit, exemption, Order, approval, agreement, amendment or confirmation) of such Person (or another Person) is or may be required in connection with the Arrangement or this Agreement; or (b) to the effect that such Person is terminating or otherwise materially adversely modifying its relationship with the Company or any of its Subsidiaries as a result of the Arrangement or this Agreement; or
  - (v) any material filings, actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving the Company or any of its Subsidiaries that relate to the Arrangement or this Agreement.
- (c) 142 BC shall promptly notify the Company in writing of:
- (i) any Material Adverse Effect in respect of either 142 BC or Acquireco;
  - (ii) any material breach by either 142 BC or Acquireco of any covenant, obligation or agreement contained in this Agreement;
  - (iii) any change in any representation or warranty provided in this Agreement which change is or may be of such a nature as to render such representation or warranty misleading or untrue in any material respect;
  - (iv) any notice or other written communication from any Person alleging that the consent (or waiver, permit, exemption, Order, approval, agreement, amendment

or confirmation) of such Person (or another Person) is or may be required in connection with the Arrangement or this Agreement; or

- (v) any material filings, actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving 142 BC or any of its Subsidiaries that relate to the Arrangement or this Agreement.
- (d) 142 BC and Acquireco shall furnish promptly to the Company a copy of each notice, report, schedule or other document or communication delivered, filed or received by them in connection with this Agreement, the Arrangement, the Interim Order, the Final Order, any filings made under any applicable Laws and any dealings or communications with any Governmental Entity in connection with, or in any way affecting, the transactions contemplated by this Agreement.
- (e) The Company shall furnish promptly to 142 BC and Acquireco a copy of each notice, report, schedule or other document or communication delivered, filed or received by it in connection with this Agreement, the Arrangement, the Merger, and filings made under any applicable Laws and any dealings or communications with any Governmental Entity (including, without limitation, the Certificate of Merger and the filing thereof with the Connecticut Secretary of the State pursuant to all applicable provisions of the Connecticut Act) in connection with, or in any way affecting, the transactions contemplated by this Agreement.
- (f) Subject to the terms of this Agreement, the Company shall use all commercially reasonable efforts to satisfy, or cause to be satisfied, all conditions precedent to its obligations to the extent that the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated by this Agreement, including using its commercially reasonable efforts to:
  - (i) obtain all other consents, approvals and Authorizations as are required to be obtained by the Company under any applicable Law or from any Governmental Entity that would, if not obtained, materially impede the completion of the transactions contemplated by this Agreement or have a Material Adverse Effect on the Company;
  - (ii) effect all necessary registrations, filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the transactions contemplated by this Agreement (including, without limitation, the Certificate of Merger and the filing thereof with the Connecticut Secretary of the State pursuant to all applicable provisions of the Connecticut Act); and
  - (iii) fulfill all conditions and satisfy all provisions of this Agreement and the Plan of Arrangement required to be fulfilled or satisfied by the Company.
- (g) 142 BC shall use all commercially reasonable efforts, and shall cause Acquireco to use all commercially reasonable efforts to, satisfy, or cause to be satisfied, all of the conditions precedent to their obligations to the extent the same is within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated by this Agreement, including using commercially reasonable efforts to:
  - (i) obtain all consents, approvals, and Authorizations as are required to be obtained by it or Acquireco under any applicable Law or from any Governmental Entity that

would, if not obtained, materially impede the completion of the transactions contemplated hereby or have a Material Adverse Effect on 142 BC or Acquireco;

- (ii) effect all necessary registrations, filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the transactions contemplated by this Agreement and participate, and appear in any proceedings of, any Party before any Governmental Entity in connection with the transactions contemplated by this Agreement; and
  - (iii) fulfill all conditions and satisfy all provisions of this Agreement and the Plan of Arrangement required to be fulfilled or satisfied by it.
- (h) The Company, on one hand, and 142 BC and Acquireco, together, on the other hand shall make, or cooperate as necessary in the making of, all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws, including any filings, reports, documents or applications as may be required to be filed by any of the Parties.

#### **Section 5.04 Covenants Related to Regulatory Approvals.**

Each Party, as applicable to that Party, covenants and agrees with respect to obtaining all Regulatory Approvals that, subject to the terms and conditions of this Agreement, until the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms:

- (a) each Party shall use commercially reasonable efforts to obtain all Regulatory Approvals and cooperate with the other Party in connection with all Regulatory Approvals sought by the other Party and shall use commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Entities relating to the Arrangement or this Agreement;
- (b) each Party shall use commercially reasonable efforts to respond promptly to any request or notice from any Governmental Entity requiring that Party to supply additional information that is relevant to the review of the transactions contemplated by this Agreement in respect of obtaining or concluding the Regulatory Approvals sought by either Party and each Party shall cooperate with the other Party and shall furnish to the other Party such information and assistance as a Party may reasonably request in connection with preparing any submission or responding to such notice from a Governmental Entity;
- (c) each Party shall permit the other Party an opportunity to review in advance any proposed substantive applications, notices, filings, submissions, undertakings, correspondence and communications (including responses to requests for information and inquiries from any Governmental Entity) in respect of obtaining or concluding the Regulatory Approvals and shall provide the other Party with a reasonable opportunity to comment thereon and agree to consider those comments in good faith and each Party shall provide the other Party with any substantive applications, notices, filings, submissions, undertakings or other substantive correspondence provided to a Governmental Entity or any substantive communications received from a Governmental Entity, in respect of obtaining or concluding the Regulatory Approvals; and
- (d) the Company, on one hand, and 142 BC and Acquireco, together, on the other hand, shall keep each other reasonably informed on a timely basis of the status of discussions relating to obtaining or concluding the Regulatory Approvals sought by each such Party and, for greater certainty, no Party shall participate in any substantive meeting (whether in person, by telephone or otherwise) with a Governmental Entity in respect of obtaining or concluding

the required Regulatory Approvals unless it advises the other Party in advance and gives such other Party an opportunity to attend.

#### **Section 5.05 Access to Information.**

From the date hereof until the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms, subject to applicable Law and the terms of any existing Contracts, the Company, on one hand, and 142 BC and Acquireco, together, on the other hand, shall give each other and their respective representatives reasonable access to the books and records and Material Contracts of such Party and their Subsidiaries and to its management personnel during normal business hours and in such a manner as to not unreasonably interfere with the conduct of the business of each respective Party and their Subsidiaries and furnish to the other such financial and operating data and other information as the other may reasonably request. Each Party acknowledges that all information provided to it under this Section 5.05 or otherwise pursuant to this Agreement or acquired in connection with the transactions contemplated under this Agreement (the "**Confidential Information**") is confidential, must be kept confidential and must not be disclosed to any Person at any time or in any manner except:

- (a) to any Party or to any of the affiliates of a Party that have a bona fide need to be informed provided that such affiliates are advised by the disclosing Party of the confidential nature of such Confidential Information and agree to be subject to confidentiality obligations no less onerous than those contained in this Agreement. Any breaches of the obligations of confidentiality contained in this Agreement by such an affiliate shall be treated as a breach of such obligations by the Party making the disclosure to the affiliate;
- (b) with the prior written consent of the other Party, such consent not to be unreasonably withheld;
- (c) in connection with the filing, submission or publication of the Filing Statement;
- (d) to a bank, lender, investor or other financial institution considering the provision of or, which has provided financial accommodation to, a Party or an affiliate of a Party or to a trustee, representative or agent or such a bank, lender, investor or financial institution, in each case who has entered into a confidentiality agreement with the disclosing Party that contains provisions substantially similar to and no less stringent than those contained in this Section and provided that such bank, lender, investor or other financial institution is advised by the disclosing Party of the confidential nature of such Confidential Information;
- (e) by a Party to a Representative, provided that such Representatives have first been made aware that the Confidential Information is confidential and have agreed to maintain the confidentiality of the Confidential Information. Any breaches of the obligations of confidentiality contained in this Agreement by a Representative shall be treated as a breach of such obligations by the Party making the disclosure to the Representative; and
- (f) to the extent required by applicable Law or by a lawful requirement of any Governmental Entity having jurisdiction over the Parties or their affiliates provided that any Party that intends to make such required disclosure will (to the extent permitted by applicable Law) provide the other Party with the full written text of the proposed required disclosure at least two (2) Business Days before its first disclosure or publication, unless pursuant to applicable Law such required disclosure must be made within a shorter period, in which case the Party intending to make such required disclosure will provide the full written text of the proposed required disclosure to the other Party for as long a period as is practicable in advance of its first disclosure or publication. The Party making such required disclosure will consider in good faith all reasonable amendments to the required disclosure as may be proposed by the other Party and will, to the extent practicable in the circumstances, use its reasonable endeavours to obtain assurances from the Governmental Entity that any such required disclosure will be treated confidentially. The Party making a required

disclosure will be solely and entirely responsible for the contents of such required disclosure and will include in the required disclosure a statement as to that Party's sole and entire responsibility.

This Section 5.05 will remain in full force and effect in accordance with its terms notwithstanding any other provisions of this Agreement or any termination of this Agreement.

**Section 5.06 Indemnification.**

142 BC and the Company agree that all rights to indemnification existing in favour of the present and former directors and officers of 142 BC and the Company (each such present and former director or officer being herein referred to as an "**Indemnified Party**" and such Persons collectively being referred to as the "**Indemnified Parties**") which are in effect as of the date hereof and as of the Effective Time, will survive and will continue in full force and effect and without modification, and 142 BC and the Company and any successor to 142 BC and the Company shall continue to honour such rights of indemnification and indemnify the Indemnified Parties pursuant thereto, with respect to actions or omissions of the Indemnified Parties occurring prior to the Effective Time, for six (6) years following the Effective Date. The provisions of this Section 5.06 are intended for the benefit of, and shall be enforceable by, each insured or Indemnified Party, his or her heirs, and his or her legal representatives and, for such purpose, 142 BC hereby confirms that it is acting as agent on their behalf. Furthermore, this Section 5.06 shall survive the termination of this Agreement as a result of the occurrence of the Effective Time for a period of six (6) years.

**Section 5.07 Non-Solicitation.**

- (a) On and after the date of this Agreement, except as otherwise provided in this Agreement, the Company and its Subsidiaries shall not, directly or indirectly, through any officer, director, employee, advisor, representative, agent (collectively, "**Representatives**") or otherwise, and shall not permit any such Person to:
- (i) make, solicit, assist, initiate, encourage or otherwise facilitate any inquiries, proposals or offers relating to any Acquisition Proposal for the Company, or furnish to any Person any information with respect to, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to do or seek to do any of the foregoing, unless such action, matter or transaction is expressly required to complete the transactions contemplated in this Agreement or is required as a result of the duties of directors and officers of the applicable Party in accordance with applicable Laws;
  - (ii) enter into or otherwise engage in any discussions or negotiations regarding, or provide any information with respect to, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to make or complete any Acquisition Proposal for the Company, provided, however, that, for greater certainty, the Company may advise any Person making an unsolicited Acquisition Proposal for the Company that such Acquisition Proposal does not constitute a Superior Proposal when the Company Board has so determined;
  - (iii) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to 142 BC, the recommendation of the Company Board or any committee thereof of the Arrangement;
  - (iv) accept, approve, recommend or remain neutral with respect to, or propose to accept, approve, recommend or remain neutral with respect to, any Acquisition Proposal for the Company (it being understood that taking no position or a neutral position with respect to an Acquisition Proposal (A) for a period of five (5) Business

Days following the announcement of such Acquisition Proposal or (B) in respect of which no public announcement has been made and a confidentiality agreement has been executed in accordance with Section 5.07(e), shall not be considered a violation of this Section 5.07(a)(iv) provided the Company Board has rejected such Acquisition Proposal and affirmed its recommendation of the Arrangement before the end of such five (5) Business Day period, and it being further understood that taking no position or a neutral position with respect to an Acquisition Proposal for a period of more than five (5) Business Days shall be considered to be a violation of this Section 5.07(a)(iv)); or

- (v) accept, approve, endorse, recommend, execute or enter into, or publicly propose to accept, approve, endorse, recommend, execute or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal for the Company,
  - (vi) provided, however, that nothing contained in this Section 5.07(a) or any other provision of this Agreement shall prevent the Company from, and the Company shall be permitted to engage in discussions or negotiations with, or respond to enquiries from any Person that has made an unsolicited written Acquisition Proposal for the Company that the Company Board has determined constitutes or could reasonably be expected to result in a Superior Proposal, or provide information and access to properties, facilities, books or records of the Company pursuant to Section 5.07(e) to any Person where the requirements of that Section are met.
- (b) The Company shall, and shall cause its Subsidiaries and its Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiation, or other activity commenced prior to the date of this Agreement with any Person (other than 142 BC and its affiliates) with respect to any inquiry, proposal or offer that constitutes, or would reasonably be expected to constitute or lead to, an Acquisition Proposal and, in connection therewith, the Company will, as promptly as possible following execution of this Agreement:
- (i) discontinue access to and disclosure of all information, including any data room and any confidential information, properties, facilities, books and records of the Company or any of its Subsidiaries that such Person may have access to; and
  - (ii) request, and use reasonably commercial efforts to require, (A) the return or destruction of all copies of any confidential information regarding the Company or any of its Subsidiaries provided to any Person who could reasonably be expected to make an Acquisition Proposal (other than 142 BC and its affiliates), or (B) the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding the Company or any of its Subsidiaries using its commercially reasonable efforts to ensure that such requests are fully complied with in accordance with the terms of such rights or entitlements.
- (c) The Company represents and warrants that it has not waived any confidentiality, standstill or similar agreement or restriction applicable to another Person to which the Company or any of its Subsidiaries is a party, and further covenants and agrees that (i) the Company shall use commercially reasonable efforts to enforce each confidentiality, standstill, non-disclosure, non-solicitation, use, business purpose or similar agreement, restriction or covenant to which the Company is a party, and (ii) neither the Company nor any of its Representatives have or will, without the prior written consent of 142 BC (which may be withheld or delayed in 142 BC's sole and absolute discretion), release any Person from, or waive, amend, suspend or otherwise modify such Person's obligations respecting 142 BC or any of its Subsidiaries, under any confidentiality, standstill, non-disclosure, non-

solicitation, use, business purpose or similar agreement, restriction or covenant to which the Company or any of its Subsidiaries is a party (it being acknowledged by 142 BC that the automatic termination or release of any such agreement, restriction or covenant as a result of entering into this Agreement shall not be a violation of this Section 5.07(c)).

- (d) If, on or after the date of this Agreement, the Company or any of its Subsidiaries or any of their respective Representatives, receives any inquiry, proposal or offer that constitutes or would reasonably be expected to constitute or lead to an Acquisition Proposal, or any request for copies of, access to, or disclosure of, confidential information relating to the Company or any of its Subsidiaries, including but not limited to information, access, or disclosure relating to the properties, facilities, books or records of the Company or any of its Subsidiaries in connection with, or that would reasonably be expected to lead to, an Acquisition Proposal, the Company shall promptly (and in any event within 24 hours) notify 142 BC, at first orally, and then as promptly as practicable (and in any event within 24 hours) in writing, of such Acquisition Proposal, inquiry, proposal, offer or request, including a description of its material terms and conditions, the identity of all Persons making the Acquisition Proposal, inquiry, proposal, offer or request, and shall provide 142 BC with copies of all written documents received in respect of, from or on behalf of any such Person and such other details of such Acquisition Proposal, inquiry, proposal, offer or request as 142 BC may reasonably request. The Company shall keep 142 BC informed on a reasonably current basis of the status of material developments and (to the extent permitted by Section 5.07(e)) negotiations with respect to any Acquisition Proposal, inquiry, proposal, offer or request, including any material changes, modifications or other material amendments to any such Acquisition Proposal, inquiry, proposal, offer or request and shall provide to 142 BC copies of all material or substantive correspondence if in writing or electronic form, and if not in writing or electronic form, a description of the material terms of such correspondence sent or communicated to the Company by or on behalf of any Person making any such Acquisition Proposal, inquiry, proposal, offer or request.
- (e) Notwithstanding Section 5.07(a) or any other agreement between the Parties, if at any time prior to the Effective Date, the Company receives an unsolicited written Acquisition Proposal, the Company may (x) engage in or participate in discussions or negotiations with such Person regarding such Acquisition Proposal, and (y) provide copies of, access to or disclosure of information, properties, facilities, books or records of the Company or its Subsidiaries, for a period of not more than five (5) Business Days, if and only if:
- (i) the Company Board first determines in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal constitutes a Superior Proposal (provided that, for the purposes of this Section 5.07(e)(i) only, such Acquisition Proposal may be subject to an access condition for a period of not more than five (5) Business Days and such Person's satisfactory review of such information) and, after consulting with its outside legal counsel, engaging in such discussions or negotiations would not be inconsistent with its fiduciary duties;
  - (ii) such Person was not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill, non-disclosure, use, business purpose or similar restriction with the Company or any of its Subsidiaries;
  - (iii) such Acquisition Proposal did not result from a breach by the Company of its obligations under this Section 5.07;
  - (iv) before providing any such copies, access or disclosure, the Company enters into a confidentiality and standstill agreement with such Person and any such copies, access or disclosure provided to such Person shall have already been (or substantially simultaneously be) provided to 142 BC; and



- (v) the Company provides 142 BC with:
  - A. one (1) Business Day's prior written notice stating the Company's intention to participate in such discussions or negotiations and to provide such copies, access or disclosure and the Company Board has determined that not taking such action is inconsistent with its fiduciary duties; and
  - B. before providing any such copies, access or disclosure, the Company provides 142 BC with a true, complete and final executed copy of the confidentiality and standstill agreement referred to in Section 5.07(e)(iv).
  
- (f) If the Company receives an Acquisition Proposal that constitutes a Superior Proposal prior to the Effective Date, the Company Board may, or may cause the Company to, subject to compliance with Article 7, make a Change in Recommendation and/or accept, recommend or approve or enter into a definitive agreement with respect to such Superior Proposal, if and only if:
  - (i) the Person making the Superior Proposal was not restricted from making such Superior Proposal pursuant to an existing confidentiality, standstill, nondisclosure, use, business purpose or similar restriction;
  - (ii) such Acquisition Proposal did not result from a breach by the Company of its obligations under this Section 5.07;
  - (iii) the Company has delivered to 142 BC a written notice of the determination of the Company Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention of the Company Board to make a Change in Recommendation and/or accept, recommend, approve or enter into a definitive agreement with respect to such Superior Proposal, as applicable (the "**Superior Proposal Notice**");
  - (iv) the Company has provided 142 BC with a copy of the proposed definitive agreement for the Superior Proposal and all material ancillary documents, including financing documents supplied to the Company in connection therewith;
  - (v) at least five (5) Business Days (the "**Matching Period**") have elapsed from the date that is the later of the date on which 142 BC received the Superior Proposal Notice and the date on which 142 BC received all of the materials set forth in Section 5.07(f)(iv);
  - (vi) during any Matching Period, 142 BC has had the opportunity (but not the obligation), in accordance with Section 5.07(g), to offer to amend this Agreement and the Arrangement in order for such Acquisition Proposal to cease to be a Superior Proposal;
  - (vii) after the Matching Period, the Company Board has determined in good faith, after consultation with its outside legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal (if applicable, compared to the terms of the Arrangement as proposed to be amended by 142 BC under Section 5.07(g)), and has determined in good faith, after consultation with its outside legal counsel, that for the Company Board to not make a Change in Recommendation and/or not to authorize the Company to accept, recommend or approve or enter into a definitive agreement with respect to such Superior Proposal would be inconsistent with their fiduciary duties; and

- (viii) prior to or concurrent with making a Change in Recommendation and/or entering into of such definitive agreement, the Company terminates this Agreement pursuant to Section 5.07(b) and pays the Company Expense Payment pursuant to Section 7.05.
- (g) During the Matching Period, or such longer period as the Company may approve (in its sole discretion) in writing for such purpose: (i) the Company Board shall review any offer made by 142 BC to amend the terms of this Agreement and the Arrangement in good faith in order to determine whether such proposal would, upon acceptance, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal; and (ii) the Company shall, and shall cause its financial and legal advisors to, negotiate in good faith with 142 BC to make such amendments to the terms of this Agreement and the Arrangement as would enable 142 BC to proceed with the transactions contemplated by this Agreement on such amended terms. If the Company Board determines that such Acquisition Proposal would cease to be a Superior Proposal, the Company shall promptly so advise 142 BC and the Company and 142 BC shall amend this Agreement to reflect such offer made by 142 BC, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing.
- (h) Each successive amendment or modification to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Company Shareholders or other material terms or conditions thereof shall constitute a new Acquisition Proposal for the purposes of this Section 5.07, and 142 BC shall be afforded a new five (5) Business Day Matching Period from the later of the date on which 142 BC received a Superior Proposal Notice and the date on which 142 BC received all of the materials set forth in Section 5.07(f)(iv) with respect to the new Superior Proposal from the Company.
- (i) The Company Board shall promptly reaffirm its recommendation of the Arrangement by press release after the Company Board determines that an Acquisition Proposal which has been publicly announced is not a Superior Proposal or the Company Board determines that a proposed amendment to the terms of this Agreement as contemplated under Section 5.07(g) would result in an Acquisition Proposal no longer being a Superior Proposal. The Company shall provide 142 BC and its outside legal counsel with a reasonable opportunity to review the form and content of any such press release and shall consider in good faith all reasonable amendments to such press release as requested by 142 BC and its counsel.
- (j) Any violation of the restrictions set forth in this Section 5.07 by the Company or its Representatives will be deemed to be a breach of this Section 5.07 by the Company.

## **ARTICLE 6 CONDITIONS**

### **Section 6.01 Mutual Conditions.**

The Parties are not required to complete the Arrangement unless each of the following conditions is satisfied on or prior to the Effective Time, which conditions may only be waived, in whole or in part, by the mutual written consent of the Company and 142 BC:

- (a) the Interim Order shall have been granted on terms consistent with this Agreement and the Interim Order shall not have been set aside or modified in a manner unacceptable to either the Company or 142 BC, acting reasonably, on appeal or otherwise;

- (b) the Company Consent shall have been received by the Company, in accordance with the Interim Order and the Connecticut Act;
- (c) the Final Order shall have been granted on terms consistent with this Agreement and the Final Order shall not have been set aside or modified in a manner unacceptable to either the Company or 142 BC, acting reasonably, on appeal or otherwise;
- (d) there shall not be in force any Law, or final, binding, non-appealable ruling, Order or decree, and there shall not have been any action taken under any Law or by any Governmental Entity or other regulatory authority, that is final, binding or non-appealable that makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the consummation of the Arrangement and the Merger in accordance with the terms hereof;
- (e) no Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law or Order (whether temporary, preliminary or permanent), in any case which is in effect and which prevents, prohibits or makes the consummation of the Arrangement or the Merger illegal or otherwise prohibits or enjoins the Company, or 142 BC or Acquireco from consummating the Arrangement or any of the other transactions contemplated in this Agreement, including, without limitation, the Merger;
- (f) 142 BC shall have: (i) provided evidence satisfactory to the Company, acting reasonably, which shows that sufficient capital pursuant to the Concurrent Financing has been raised to satisfy conditions precedent relating to a financing in the Loan Agreement subject to the receipt of the final receipt for the Prospectus from Canadian Securities regulators in each applicable jurisdiction; and (ii) 142 BC shall have received the conditional approval of the Exchange for the listing of the 142 BC Shares (the “**Listing**”), with Listing subject to fulfilling the customary listing requirements of the Exchange.
- (g) the Consideration Shares and Consideration Warrants to be issued pursuant to the Arrangement shall be exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof, and be free and clear of any and all Encumbrances, liens, charges and demands of whatsoever nature, except those imposed pursuant to the escrow restrictions of the Exchange and resale restrictions of applicable Laws and pursuant to any contractually imposed resale restrictions as may be agreed to among the Parties;
- (h) the 142 BC Board shall consist of five (5) directors, of which three (3) shall have been appointed by the 142 BC and two (2) shall have been appointed by the Company;
- (i) William Hessert shall be appointed as the Chief Executive Officer of 142 BC;
- (j) an executive employment agreement, in a form mutually agreeable to the parties thereto, will be entered into between 142 BC and William Hessert;
- (k) Company Shareholders will not have exercised Appraisal Rights, or have instituted proceedings to exercise Appraisal Rights, in connection with the Arrangement (other than Company Shareholders representing not more than 5% of the Company Shares then outstanding);
- (l) the distribution of Consideration Shares and Consideration Warrants shall be exempt from the prospectus and registration requirements of Securities Laws either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces of Canada or by virtue of exemptions under Securities Laws and shall not be subject to resale restrictions under Securities Laws (other than as applicable to control persons or pursuant to Section 2.6 of National Instrument 45-102 — *Resale of Securities*);

- (m) the 142 BC Resolution shall have been approved and adopted by 142 BC in accordance with applicable laws, and as applicable, the Interim Order; and
- (n) all required Regulatory Approvals shall have been received.

**Section 6.02 Additional Conditions to the Obligations of 142 BC and Acquireco.**

142 BC and Acquireco are not required to complete the Arrangement or the Merger unless each of the following conditions is satisfied, which conditions are for the exclusive benefit of 142 BC and Acquireco and may only be waived, in whole or in part, by 142 BC in its sole discretion on its own behalf and on behalf of Acquireco:

- (a) the representations and warranties made by the Company in this Agreement shall be true and correct as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such date), except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, would not have a Material Adverse Effect (and, for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored) and the Company shall have provided to 142 BC a certificate of a senior officer of the Company certifying the foregoing and dated the Effective Date;
- (b) the Company shall have fulfilled or complied in all material respects with each of the covenants of the Company contained in this Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and the Company shall have provided to 142 BC a certificate of a senior officer of the Company certifying the foregoing and dated the Effective Date;
- (c) the Company shall have delivered to 142 BC a certificate of good standing (or equivalent) for the Company;
- (d) there shall be no action or proceeding (whether, for greater certainty, by a Governmental Entity or any other Person) pending or threatened in any jurisdiction to:
  - (i) cease trade, enjoin or prohibit or impose any limitations, damages or conditions on, 142 BC or Acquireco's ability to acquire, hold or exercise full rights of ownership over, any Company Shares or Company Warrants, including the right to vote the Company Shares;
  - (ii) impose terms or conditions on the completion of the Arrangement or on the director or indirect ownership or operation by 142 BC of the business or assets of 142 BC, the Company and their respective Subsidiaries, affiliates and related entities; or
  - (iii) prevent or materially delay the consummation of the Arrangement;
- (e) certain Company Shareholders shall have entered into share escrow or pooling agreements in respect of the Consideration Shares to which they are entitled to receive under the terms of the Arrangement, as may be required by the Exchange;
- (f) the Company shall have complied with its obligations under Section 2.08;
- (g) there shall be issued and outstanding, immediately prior to the Effective Time, no more than 5,214 Company Shares and 107 Company Warrants;

- (h) no Person shall have any written or oral agreement, option, warrant, understanding or commitment or any right or privilege (whether by Law, Contract or otherwise) capable of becoming such for the purchase or acquisition of any securities of the Company, other than pursuant to the terms of the Company Warrants;
- (i) between the date hereof and the Effective Time, there will not have occurred a Material Adverse Effect in respect of the Company or any event, occurrence, circumstance or development that would reasonably be expected to have a Material Adverse Effect in respect of the Company; and
- (j) all indebtedness indicated in the Company Disclosure Letter shall have been fully settled and extinguished for the payment of no more than \$1 to each of the creditors indicated in the Company Disclosure Letter.

**Section 6.03 Additional Conditions to the Obligations of the Company.**

The Company is not required to complete the Arrangement unless each of the following conditions is satisfied, which conditions are for the exclusive benefit of the Company and may only be waived, in whole or in part, by the Company in its sole discretion:

- (a) the representations and warranties made by 142 BC and Acquireco in this Agreement shall be true and correct as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such date), except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, would not have a Material Adverse Effect (and, for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored) and 142 BC shall have provided to the Company, on behalf of itself and Acquireco, a certificate of two (2) senior officers of 142 BC certifying the foregoing dated the Effective Date;
- (b) 142 BC and Acquireco shall have fulfilled or complied in all material respects with each of the covenants of 142 BC and Acquireco contained in this Agreement to be fulfilled or complied with by them on or prior to the Effective Time, and 142 BC shall have provided to the Company, on behalf of itself and Acquireco, a certificate of two (2) senior officers of 142 BC certifying the foregoing dated the Effective Date;
- (c) 142 BC shall have delivered to the Company certificates of good standing (or equivalent) for 142 BC and Acquireco;
- (d) there shall be no action or proceeding (whether, for greater certainty, by a Governmental Entity or any other Person) pending or threatened in any jurisdiction to:
  - (i) cease trade, enjoin or prohibit or impose any limitations, damages or conditions on, 142 BC or Acquireco's ability to acquire, hold or exercise full rights of ownership over, any Company Shares, including the right to vote the Company Shares;
  - (ii) impose terms or conditions on the completion of the Arrangement or on the director or indirect ownership or operation by 142 BC of the business or assets of 142 BC, the Company and their respective Subsidiaries, affiliates and related entities; or
  - (iii) prevent or materially delay the consummation of the Arrangement;
- (e) 142 BC shall be the sole registered and beneficial owner of all of the outstanding securities of Acquireco with good and valid title thereto, free and clear of all encumbrances, including

pre-emptive rights, rights of first refusal or "put" or "call" rights created by statute, Acquireco's constating documents or otherwise;

- (f) no Person (other than the Company) shall have any written or oral agreement, option, warrant, understanding or commitment or any right or privilege (whether by Law, Contract or otherwise) capable of becoming such for the purchase or acquisition of any securities of Acquireco;
- (g) 142 BC shall have complied with its obligations under Section 2.08;
- (h) there shall be issued and outstanding, immediately prior to the Effective Time, no more than 36,071,859 142 BC Shares and 18,091,930 142 BC Warrants; and
- (i) between the date hereof and the Effective Time, there will not have occurred a Material Adverse Effect in respect of 142 BC or any event, occurrence, circumstance or development that would reasonably be expected to have a Material Adverse Effect in respect of 142 BC.

#### **Section 6.04 Notice and Cure Provisions.**

Each Party shall promptly notify the other Party of the occurrence, or failure to occur, of any event or state of facts which occurrence or failure would, or would be likely to:

- (a) cause any of the representations or warranties of such Party contained in this Agreement to be untrue or inaccurate in any material respect at any time from the date of this Agreement to the Effective Time; or
- (b) result in the failure, in any material respect, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party under this Agreement.

142 BC may not elect to exercise its right to terminate this Agreement pursuant to Section 7.03(a) and the Company may not elect to exercise its right to terminate this Agreement pursuant to Section 7.04(a), unless the Party intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail all breaches of covenants, inaccuracies of representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfillment of the applicable condition or the availability of a termination right, as the case may be. If any such notice is delivered with respect to a matter that is capable of being cured, provided that a Party is proceeding diligently to cure such matter, no Party may terminate this Agreement until the earlier of: (i) the Outside Date; and (ii) the date that is ten (10) Business Days from the date of receipt of such notice, if such matter has not been cured by such date.

#### **Section 6.05 Merger of Conditions.**

Subject to applicable Law, the conditions set out in Section 6.01, Section 6.02 and Section 6.03 shall be conclusively deemed to have been satisfied, waived or released upon the Effective Date.

### **ARTICLE 7 TERMINATION**

#### **Section 7.01 Termination by Mutual Consent.**

This Agreement may be terminated prior to the Effective Time by the mutual written agreement of the Company and 142 BC.

### **Section 7.02 Termination by Either Party.**

This Agreement may be terminated by either the Company or 142 BC at any time prior to the Effective Time if:

- (a) the Company Consent is not received by the Company, as required by the Interim Order;
- (b) after the date of this Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise permanently prohibits or enjoins the Company or 142 BC or Acquireco from consummating the Arrangement and such Law has, if appealable, become final and non-appealable; or
- (c) the Effective Time does not occur on or prior to the Outside Date; provided that, the right to terminate this Agreement pursuant to this Section 7.02(c) shall not be available to the Company, on one hand, or 142 BC and Acquireco, together, on the other hand, where their respective failure to fulfil any obligation or breach of any of representation and warranty under this Agreement has been a principal cause of, or resulted in, the failure of the Effective Time to occur by such date.

### **Section 7.03 Termination by 142 BC.**

This Agreement may be terminated by 142 BC at any time prior to the Effective Time if:

- (a) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Company under this Agreement occurs that would cause any condition in Section 6.02(a) or Section 6.02(b) not to be satisfied and such breach or failure is incapable of being cured or is not cured in accordance with the terms of Section 6.04; provided that, any wilful breach shall be deemed to be incapable of being cured and 142 BC is not then in breach of this Agreement so as to cause any of the conditions in Section 6.02(a) or Section 6.02(b) not to be satisfied;
- (b) (i) prior to the Effective Time, the Company Board or a committee thereof shall have approved or recommended any Superior Proposal; or (ii) prior to the Effective Time, the Company shall have breached Section 5.07 in any material respect (any action in (i) or (ii), a "**Change in Recommendation**"); or
- (c) there has occurred a Material Adverse Effect in respect of the Company which is incapable of being cured on or before the Outside Date.

### **Section 7.04 Termination by the Company.**

This Agreement may be terminated by the Company at any time prior to the Effective Time if:

- (a) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of 142 BC or Acquireco under this Agreement occurs that would cause any condition in Section 6.03(a) or Section 6.03(b) not to be satisfied and such breach or failure is incapable of being cured or is not cured in accordance with the terms of Section 6.04; provided that, any wilful breach shall be deemed to be incapable of being cured and the Company is not then in breach of this Agreement so as to cause any of the conditions in Section 6.03(a) or Section 6.03(b) not to be satisfied;
- (b) prior to the Effective Date, it wishes to enter into a binding written agreement with respect to a Superior Proposal (other than a confidentiality agreement permitted by Section 5.07(e)), subject to compliance with Section 5.07 in all respects and provided, however, that no termination under this Section 7.04(b) shall be effective unless and until

the Company shall have paid to 142 BC the amount required to be paid pursuant to Section 7.05; or

- (c) there has occurred a Material Adverse Effect in respect of 142 BC or Acquireco which is incapable of being cured on or before the Outside Date.

**Section 7.05 Expense Payments.**

- (a) Except as otherwise provided herein, all fees, costs and expenses incurred in connection with this Agreement and the Plan of Arrangement shall be paid by the Party incurring such fees, costs or expenses.

For the purposes of this Agreement, "**Company Expense Payment Event**" means the termination of this Agreement by the Company pursuant to Section 7.04(b).

- (b) If a Company Expense Payment Event occurs, the Company shall pay the Company Expense Payment to 142 BC.
- (c) Any Company Expense Payment payable by the Company pursuant to this Agreement shall be paid free and clear of and without deduction or withholding for, or on account of, any present or future Taxes, unless such deduction or withholding is, or the Company reasonably believes such deduction or withholding is, required by Law. If the Company is, or reasonably believes it is, required by applicable Laws to deduct or withhold any Taxes from the payment of the Company Expense Payment, (i) the Company shall make such required deductions or withholdings, (ii) the Company shall remit the full amount deducted or withheld to the appropriate Governmental Entity in accordance with applicable Laws, and (iii) the amount so withheld and remitted shall be treated for purposes of this Section 7.05(c) as having been paid to 142 BC.
- (d) Each of the Parties acknowledges that the agreements contained in this Section 7.05 are an integral part of the transactions contemplated in this Agreement and that, without those agreements, the Parties would not enter into this Agreement. Each Party acknowledges that all of the payment amounts set out in this Section 7.05 are payments of liquidated damages which are a genuine pre-estimate of the damages, which the Party entitled to such damages will suffer or incur as a result of the event giving rise to such payment and the resultant termination of this Agreement and are not penalties. Each of the Company and 142 BC irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. For greater certainty, each Party agrees that, upon any termination of this Agreement under circumstances where 142 BC is entitled to a Company Expense Payment and such Company Expense Payment is paid in full, 142 BC shall be precluded from any other remedy against the Company at Law or in equity or otherwise (including, without limitation, an order for specific performance), and shall not seek to obtain any recovery, judgment, or damages of any kind, including consequential, indirect, or punitive damages, against the Company or any of their respective directors, officers, employees, partners, managers, members, shareholders or affiliates or their respective Representatives in connection with this Agreement or the transactions contemplated hereby, provided, however, that payment by the Company of a Company Expense Payment shall not be in lieu of any damages or any other payment or remedy available (including, without limitation, an order for specific performance) in the event of any wilful or intentional breach by the Company of any of its obligations under this Agreement.



**Section 7.06 Notice and Effect of Termination.**

The Party desiring to terminate this Agreement pursuant to this Article 7 (other than pursuant to Section 7.01) shall deliver written notice of such termination to the other Parties specifying in reasonable detail the basis for such Party's exercise of its termination right. If this Agreement is terminated pursuant to this Article 7, it will become void and of no further effect, with no liability on the part of either Party to this Agreement (or any shareholder, director, officer, employee, agent, consultant or representative of such Party) except with respect to the obligations set forth in this Section 7.06, Section 5.05, Section 5.06, Section 5.07 and Article 8 (and any related definitions contained in any such Sections or Article) which shall remain in full force and effect and; provided further that, no Party shall be relieved of any liability for any intentional or wilful breach by it of this Agreement.

**ARTICLE 8  
GENERAL PROVISIONS**

**Section 8.01 Amendments.**

This Agreement and the Plan of Arrangement may, at any time and from time to time before or after the date on which approval by the Company Shareholders is received but not later than the Effective Time, be amended by mutual written agreement of the Parties, without further notice to or authorization on the part of the Company Shareholders and any such amendment may, subject to the Interim Order and the Final Order and applicable Laws, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) modify any representation or warranty contained in this Agreement or in any document delivered pursuant to this Agreement;
- (c) modify any of the covenants contained in this Agreement and waive or modify performance of any of the obligations of the Parties; or
- (d) modify any mutual conditions contained in this Agreement.

To the extent the transaction contemplated by this Agreement are not completed by virtue of an inability of 142 BC to obtain the Interim Order or the Final Order, as applicable, the parties agree to negotiate in good faith to determine necessary amendments to the Agreement so as to complete the transactions contemplated hereby without use of a Plan of Arrangement.

**Section 8.02 Expenses.**

Except as otherwise expressly provided in this Agreement, the Parties agree that all out-of-pocket expenses of the Parties relating to this Agreement or the transactions contemplated under this Agreement, including legal fees, accounting fees, financial advisory fees, regulatory filing fees, stock exchange fees, all disbursements of advisors and printing and mailing costs, shall be paid by the Party incurring such expenses.

**Section 8.03 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 email, or as of the following Business Day if sent by prepaid overnight courier, to the Parties at the following addresses (or at such other addresses as shall be specified by either Party by notice to the other given in accordance with these provisions):

in the case of a notice to the Company, addressed to it at:

Bluski Inc.  
35 Research Parkway, Old Saybrook,  
CT, 06475, United States

Attention: William Hessert  
Email: [REDACTED]

and, in the case of a notice to 142 BC or Acquireco, addressed to it at:

1429798 B.C. Ltd. / 1448451 B.C. Ltd.  
214-257 12<sup>th</sup> Street East,  
North Vancouver, British Columbia, V7L 2J8  
Canada

Attention: Alex McAulay  
Email: [REDACTED]

with a copy (not constituting notice) to:

Gowling WLG (Canada) LLP  
2300 – 550 Burrard Street  
Vancouver, British Columbia, V6C 2B5  
Canada

Attention: Deepak S. Gill  
Email: [REDACTED]

**Section 8.04 Time of the Essence.**

Time is of the essence in this Agreement.

**Section 8.05 Injunctive Relief.**

The Parties acknowledge and agree that irreparable harm would occur for which money damages would not be an adequate remedy at Law if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to injunctive and other equitable relief to prevent breaches or threatened breaches of this Agreement and to enforce compliance with the terms of this Agreement, without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief.

**Section 8.06 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 may be reasonably required in order to fully perform and carry out the terms and intent hereof.

**Section 8.07 Third-Party Beneficiaries.**

Except as provided in Section 5.06 which, without limiting its terms, is intended for the benefit of the present and former directors and officers of 142 BC, the Company and their respective Subsidiaries, as and to the extent applicable in accordance with its terms (collectively, the "**Third-Party Beneficiaries**"), the Parties

intend that this Agreement will not benefit or create any right or cause of action in favour of any Person, other than the Parties and that no Person, other than the Parties, shall be entitled to rely on the provisions of this Agreement in any action, suit, Proceeding, hearing or other forum. The Parties acknowledge to each of the Third-Party Beneficiaries their direct rights against the applicable Party under Section 5.06 which are intended for the irrevocable benefit of, and shall be enforceable by, each Third-Party Beneficiary, his or her heirs, executors, administrators and legal representatives, and for such purpose, 142 BC shall hold the rights and benefits of Section 5.06 in trust for and on behalf of the Third-Party Beneficiaries and 142 BC hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Third-Party Beneficiaries.

**Section 8.08 Waiver.**

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

**Section 8.09 Entire Agreement.**

This Agreement, together with the Company Disclosure Letter, the Loan Agreement, and the GSA, constitute the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements, understandings and negotiations, whether oral or written, of the Parties. There are no representations, warranties, covenants, conditions or agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement.

**Section 8.10 Successors and Assigns.**

This Agreement shall be binding upon and enure to the benefit of the Company, 142 BC and Acquireco and their successors and permitted assigns. Neither Party may assign its rights or obligations hereunder without the prior written consent of the other Party. No assignment shall relieve the assigning party of any of its obligations hereunder.

**Section 8.11 Severability.**

If any term or provision of this Agreement is determined to be illegal, invalid or incapable of being enforced by any court of competent jurisdiction, that term or provision will be severed from this Agreement and the remaining terms and provisions shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to affect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

**Section 8.12 Governing Law; Submission to Jurisdiction; Choice of Language.**

- (a) 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.
- (b) Each Party irrevocably attorns and submits to the non-exclusive jurisdiction of the courts of the Province of British Columbia in respect of all matters arising under and in relation to this Agreement or the Arrangement and waives, to the fullest extent possible, the defence of an inconvenient forum or any similar defence to the maintenance of proceedings in such courts.

- (c) The Parties confirm that it is their express wish that this Agreement, as well as any other documents relating to this Agreement, including notices, schedules and Authorizations, have been and shall be drawn up in the English language only.

**Section 8.13 Rules of Construction.**

The Parties to this Agreement waive the application of any applicable Law or rule of construction providing that ambiguities in any agreement or other document shall be construed against the party drafting such agreement or other document.

**Section 8.14 No Liability.**

No director or officer of 142 BC shall have any personal liability whatsoever to the Company under this Agreement or any other document delivered in connection with the transactions contemplated hereby on behalf of 142 BC. No director or officer of the Company shall have any personal liability whatsoever to 142 BC or its Subsidiaries under this Agreement or any other document delivered in connection with the transactions contemplated hereby on behalf of the Company.

**Section 8.15 Counterparts.**

This Agreement may be executed by facsimile or other electronic signature and in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

**[signature page follows]**

**IN WITNESS WHEREOF**, the Parties have executed this Amended and Restated Arrangement Agreement as of the date first written above.

**BLUSKI INC.**

By: "William Hessert"  
Name: William Hessert  
Title: Chief Executive Officer

**1429798 B.C. LTD.**

By: "Alexander McAulay"  
Name: Alexander McAulay  
Title: Director

**1448451 B.C. Ltd.**

By: "Alexander McAulay"  
Name: Alexander McAulay  
Title: Director

**Schedule A  
Plan of Arrangement**

(See attached)

**PLAN OF ARRANGEMENT**

**UNDER DIVISION 5 OF PART 9 OF THE BUSINESS CORPORATIONS ACT  
(BRITISH COLUMBIA)**

**ARTICLE I  
INTERPRETATION**

**Section 1.01 Definitions**

Words and phrases used herein that are defined in the Amended and Restated Arrangement Agreement and not defined herein shall have the same meaning herein as in the Amended and Restated Arrangement Agreement, unless the context otherwise requires. Words and phrases used herein that are defined in the BCBCA and not defined herein or in the Amended and Restated Arrangement Agreement shall have the same meaning herein as in the BCBCA, unless the context otherwise requires, and the following terms have the following meanings:

**"142 BC"** means 1429798 B.C. Ltd., a corporation incorporated under the laws of the Province of British Columbia;

**"142 BC Shares"** means the common shares in the capital of 142 BC, as constituted on the date hereof;

**"142 BC Warrants"** means warrants to acquire common shares in the capital of 142 BC;

**"Acquireco"** means 1448451 B.C. Ltd., a corporation incorporated under the laws of the Province of British Columbia;

**"Arrangement Agreement"** means the Amended and Restated Arrangement Agreement dated April 30, 2024 among the Company, 142 BC and Acquireco (including the schedules thereto) as it may be amended, modified or supplemented from time to time in accordance with its terms;

**"Company"** means Bluski Inc., a corporation incorporated under the laws of Connecticut;

**"Company Consent"** means the written consent of the Company Shareholders representing at least a majority of the Company Shares approving and adopting the Agreement, the Arrangement, the Merger and the other transactions contemplated herein, in accordance with the Connecticut Act and the Company's governing documents;

**"Company Share"** means the issued and outstanding shares in the capital of the Company;

**"Company Shareholders"** means the registered and/or beneficial owners of the Company Shares, as the context requires;

**"Company Warrant"** means a warrant to purchase common shares in the capital of the Company;

**"Connecticut Act"** means the *Connecticut Business Corporation Act*, Conn. Gen. §33-600 et seq., as amended, and the rules and regulations promulgated thereunder;

**"Consenting Shareholder"** has the meaning set forth in Section 2.03(f);

**"Consideration Shares"** means the 142 BC Shares to be issued as Consideration pursuant to the Arrangement, being, in respect of each Company Share, four thousand nine hundred (4,900) 142 BC Share, upon and subject to the terms and conditions of this Agreement;

**"Consideration Warrants"** means the 142 BC Warrants to be issued as consideration pursuant to the Arrangement, being in respect of each one (1) Company Warrant four thousand nine hundred (4,900) 142 BC Warrants, upon and subject to the terms and conditions of this Agreement, each Consideration Warrant exercisable at a price of \$0.50 for a period of two years from the Effective Date;

**"Dissenting Shareholder"** means a Company Shareholder who has validly exercised its Appraisal Rights and has not withdrawn or been deemed to have withdrawn such exercise of Appraisal Rights, but only in respect of the Company Shares in respect of which Appraisal Rights are validly exercised by such Company Shareholder;

**"Effective Date"** means the date upon which the Arrangement becomes effective pursuant to this Plan of Arrangement;

**"Effective Time"** means 12:01 a.m. (Vancouver Time) on the Effective Date or such other time as the Parties agree to in writing before the Effective Date;

**"Merger"** means the plan of merger under §33-815 of the Connecticut Act involving Acquireco, the Company, and 142 BC pursuant to which, among other things, Acquireco shall be merged with and into the Company, the separate existence of Acquireco shall cease and the Company shall continue as the Surviving Company;

**"Plan of Arrangement", "hereof", "herein", "hereto"** and like references mean and refer to this plan of arrangement; and

**"Surviving Company"** means the corporate entity formed as a result of the Merger.

#### **Section 1.02 Interpretation Not Affected by Headings, Etc.**

The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Plan of Arrangement.

#### **Section 1.03 Article and Section References.**

Unless the contrary intention appears, references in this Plan of Arrangement to an Article or Section by number or letter or both refer to the Article or Section respectively, bearing that designation in this Plan of Arrangement.

#### **Section 1.04 Number and Gender.**

In this Plan of Arrangement, unless the contrary intention appears, words importing the singular include the plural and vice versa and words importing gender shall include all genders.

#### **Section 1.05 Date for Any Action.**

If the date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

#### **Section 1.06 Statutory References.**

Unless otherwise indicated, references in this Plan of Arrangement to any statute includes all rules and regulations made pursuant to such statute, as it or they may have been or may from time to time be amended or re-enacted.



**Section 1.07 Currency.**

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada.

**ARTICLE II  
ARRANGEMENT**

**Section 2.01 Arrangement Agreement.**

This Plan of Arrangement is made pursuant to and subject to the provisions of, and forms part of, the Arrangement Agreement.

**Section 2.02 Binding Effect.**

As of and from the Effective Time, this Plan of Arrangement and the Arrangement will become effective and be binding on: (i) Acquireco (ii) the Company; (iii) 142 BC; (iv) all registered and beneficial Company Shareholders (including Dissenting Shareholders); (v) all registered and beneficial holders of Company Warrants (vi) the registrar and transfer agent of Acquireco; (vii) the registrar and transfer agent of the Company; and (viii) all other Persons at and after the Effective Time without any further act or formality required on the part of any Person.

**Section 2.03 Arrangement.**

Commencing at the Effective Time, each of the following events shall occur sequentially in the order set out below without any further authorization, act or formality, in each case, unless stated otherwise, effective as at two-minute intervals starting at the Effective Time:

- (a) Upon the terms and subject to the conditions set forth in the Arrangement Agreement and in accordance with the Connecticut Act and the BCBCA, at the Effective Time, Acquireco shall be merged with and into the Company, the separate existence of Acquireco shall cease and the Company shall continue as the Surviving Company in the Merger.
- (b) The Merger shall have the effects set forth in the Arrangement Agreement and in the applicable provisions of the Connecticut Act. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all property of Acquireco and the Company shall vest in the Surviving Company, all liabilities and duties of Acquireco and the Company shall become liabilities and duties of the Surviving Company, and the Surviving Company shall be a wholly-owned Subsidiary of 142 BC.
- (c) The Merger shall be carried out such that the issuance of the Share Consideration and Warrant Consideration issued in exchange for Company Shares and Company Warrants qualifies in the United States for the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) of the 1933 Act (the "**Section 3(a)(10) Exemption**") and applicable U.S. state securities Laws in reliance upon similar exemptions under applicable U.S. state securities Laws, and shall be without trading restrictions under the 1933 Act (other than those that would apply under the 1933 Act to persons who are, have been within 90 days of the Effective Time, or, at the Effective Time, become affiliates (as defined in Rule 144 of the 1933 Act) of 142 BC).
- (d) Subject to the provisions of the Arrangement Agreement, a certificate of merger in substantially the form attached hereto as Exhibit A (the "**Certificate of Merger**") shall be duly executed by the Company and Acquireco and, on the Effective Date, the Certificate of Merger shall be filed by the Company with the Connecticut Secretary of the State pursuant to all applicable provisions of the Connecticut Act. The consideration for the

Merger shall be comprised of, in respect of each Company Share, four thousand nine hundred (4,900) Consideration Shares, and in respect of each Company Warrant, four thousand nine hundred (4,900) Consideration Warrants.

- (e) Each Company Share held by Dissenting Shareholders in respect of which Appraisal Rights have been validly exercised shall, in accordance with the applicable provisions of the Connecticut Act, be cancelled and converted into the right to be paid fair value for such Company Shares as set out in Section 3.01 in accordance with the applicable provisions of the Connecticut Act.
- (f) Each outstanding Company Share other than the Company Shares that are held by Dissenting Shareholders who have validly exercised their Appraisal Rights in accordance with Article and who are ultimately entitled to be paid the fair value for such Company Shares by the Company (the "**Consenting Shareholders**"), shall, without any further action by or on behalf of a holder of Company Shares and in accordance with the applicable provisions of the Connecticut Act, be cancelled and converted into the right to receive the Consideration Shares less amounts withheld and remitted in accordance with Section 4.01. In accordance with the applicable provisions of the Connecticut Act, the holders of such Company Shares shall cease to be the holders thereof and to have any rights as holders of such Company Shares other than the rights to be paid the Consideration per Company Share in accordance with this Plan of Arrangement.
- (g) 142 BC shall issue to each Consenting Shareholder four thousand nine hundred (4,900) Consideration Shares for each Company Share, in accordance with this Plan of Arrangement.
- (h) 142 BC shall issue to each holder of Company Warrants four thousand nine hundred (4,900) Consideration Warrant for each Company Warrant, in accordance with this Plan of Arrangement.

### **ARTICLE III APPRAISAL RIGHTS**

#### **Section 3.01 Appraisal Rights.**

Under Section 33-856 of the Connecticut Act, a Company Shareholder who does not wish to accept the consideration payable under the Arrangement Agreement may exercise appraisal rights and, if the Arrangement is consummated, obtain in cash the "fair value" of the Company Shares (as valued immediately prior to the consummation of the Arrangement in accordance with Connecticut law). Such fair value excludes any appreciation or depreciation in anticipation of the Arrangement, unless such exclusion would be inequitable to the Company and its remaining Company Shareholders.

### **ARTICLE IV PAYMENT AND DELIVERY OF CERTIFICATES**

#### **Section 4.01 Payment and Delivery of Share Certificates and Warrant Certificates.**

As soon as practicable following the Effective Time, 142 BC shall (i) cause its transfer agent to deliver to the Consenting Shareholders the certificate(s) representing, or other evidence of, the Consideration Shares that such Consenting Shareholder is entitled to receive under the Arrangement; and (ii) deliver to the holders of Company Warrants certificates representing the Consideration Warrants.

**Section 4.02 Withholding Rights.**

The Company, Acquireco and 142 BC shall be entitled to deduct and withhold from any consideration otherwise payable under this Plan of Arrangement, such amounts as the Company, Acquireco or 142 BC is permitted or required to deduct and withhold with respect to such payment under the Tax Act or any provision of applicable laws and shall remit such amounts to the appropriate Governmental Entity. To the extent that the amounts are so deducted and withheld, such deducted and withheld amounts shall be treated for all purposes as having been paid to the affected holder in respect of which such deduction and withholding was made.

**Section 4.03 No Liens.**

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

**Section 4.04 Paramountcy.**

From and after the Effective Time, subject to the applicable provisions of the Connecticut Act:

- (a) this Plan of Arrangement shall take precedence and priority over any and all Company Shares issued prior to the Effective Time; and
- (b) the rights and obligations of the registered holders of Company Shares, Company Warrants and the Company, Acquireco and 142 BC and any transfer agent or other depository therefor in relation thereto, shall be solely as provided for in this Plan of Arrangement.

**ARTICLE V  
AMENDMENTS**

**Section 5.01 Amendments to Plan of Arrangement.**

- (a) 142 BC, Acquireco and the Company may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time; provided that, each such amendment, modification and/or supplement must: (i) be set out in writing; (ii) be approved by 142 BC and the Company; (iii) be filed with the Court and, if made following the completion of the Company Consent, approved by the Court; and (iv) be communicated to Company Shareholders if and as required by the Court and applicable laws.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company or 142 BC at any time prior to the completion of the Company Consent (provided that the Company or 142 BC, as applicable, shall have consented thereto in writing) and, if the Company Consent is completed, such amendment, modification or supplement, shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the completion of the Company Consent shall be effective only if it is consented to in writing by each of 142 BC, Acquireco and the Company (in each case, acting reasonably); and (ii) if required by the Court, it is consented to by the holders of Company Shares, as applicable, in the manner directed by the Court.
- (d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by 142 BC; provided that, it concerns a matter which, in the reasonable opinion of 142 BC, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement.

**ARTICLE VI  
FURTHER ASSURANCES**

**Section 6.01 Further Assurances.**

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

**EXHIBIT A**  
**CERTIFICATE OF MERGER**

(Please see attached.)

**CERTIFICATE OF MERGER**

**MERGING  
1448451 B.C. LTD.,  
A CORPORATION INCORPORATED UNDER THE LAWS OF THE PROVINCE OF BRITISH  
COLUMBIA,**

**WITH AND INTO**

**BLUSKI INC.,  
A CONNECTICUT CORPORATION**

Pursuant to Sections 33-600 to 33-998, inclusive, of the Connecticut Business Corporation Act ("CBCA"), the domestic corporations herein named do hereby submit the following certificate of merger:

1. The names of the parties to the merger are 1448451 B.C. Ltd., a corporation incorporated under the laws of the province of British Columbia ("144 BC"), and Bluski Inc., a corporation organized and existing under the laws of the State of Connecticut ("Bluski").
2. The name of the surviving corporation in the merger is Bluski Inc., a corporation organized and existing under the laws of the State of Connecticut.
3. The merger shall become effective upon the filing with the Secretary of State of the State of Connecticut of this Certificate of Merger.
4. The certificate of incorporation of the surviving corporation at the effective date of the merger shall be the certificate of incorporation of said surviving corporation and said certificate of incorporation shall continue in full force and effect until amended and changed in the manner prescribed by the provisions of the CBCA.
5. The Arrangement Agreement, being the plan of merger (the "Merger Agreement"), and the performance of the terms of the Merger Agreement were duly authorized by 144 BC, the merging corporation, pursuant to all action required by the laws of British Columbia and by its constating documents.
6. The Merger Agreement was duly approved by the directors and shareholders of Bluski, the surviving domestic corporation, in the manner required by the CBCA and Bluski's certificate of incorporation.

IN WITNESS WHEREOF, the parties hereto have caused this Certificate of Merger to be executed as of \_\_\_\_\_, 2024.

**BLUSKI INC.**

By: \_\_\_\_\_  
Name:  
Title:

**1448451 B.C. LTD.**

By: \_\_\_\_\_  
Name:  
Title:

**Schedule B  
142 BC Resolution**

**RESOLUTIONS OF THE SOLE SHAREHOLDER OF**

**1448451 B.C. Ltd.  
(the "Company")**

The undersigned, being the sole shareholder of the Company, hereby consents to the foregoing resolutions under the provisions of the *Business Corporations Act* (British Columbia) with effect as of \_\_\_\_\_, 2024.

**WHEREAS:**

- A. the Company proposes to complete a court-approved plan of arrangement (the "**Plan of Arrangement**") under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) (the "**Act**") with its sole Shareholder 1429798 B.C. Ltd. ("**142 BC**") and Bluski Inc. ("**Blusky**");
- B. the Company, 142 BC, and Blusky entered into an amended and restated arrangement agreement dated April 30, 2024 (the "**Arrangement Agreement**", and together with the Plan of Arrangement, the "**Arrangement**"); and
- C. the terms and conditions of the Arrangement are to be set out in the Plan of Arrangement, as contemplated by the Arrangement Agreement.

**NOW THEREFORE BE IT RESOLVED, AS A UNANIMOUS RESOLUTION, THAT:**

- 1. The performance of the Company's obligations under the Arrangement Agreement, including but not limited to, the Arrangement, are hereby consented to and approved.
- 2. The Plan of Arrangement, as may be amended, modified or supplemented in accordance with the Arrangement Agreement, is hereby authorized, approved and adopted.
- 3. The directors of the Company are hereby authorized, approved, and directed to proceed with the Arrangement under the Act as set out in the Arrangement Agreement and to take such further steps and actions as may be necessary or desirable to give effect to the Arrangement or as contemplated by the Arrangement Agreement.
- 4. The Company is hereby authorized to apply for a final order from the Supreme Court of British Columbia to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement, as they may be amended, modified or supplemented.
- 5. Any one director or officer of the Company is hereby authorized and directed to execute all documents and to do all acts necessary or desirable in connection with the transactions contemplated by the Arrangement Agreement as such director or officer may determine to be in the best interests of the Company and to file all other necessary documents and supporting materials in relation thereto.
- 6. Any one director or officer of the Company is hereby authorized and directed to execute all documents and to do all acts necessary or desirable in connection with these resolutions.

*[signature page follows]*



IN WITNESS WHEREOF the foregoing unanimous resolutions are authorized by the undersigned shareholder as of the date first written above.

**1429798 B.C. LTD.**

By: \_\_\_\_\_  
Name:  
Title:

**Schedule C**  
**Representations and Warranties of the Company**

- (a) **Organization and Qualification.** The Company is a corporation incorporated, validly existing under the laws of the jurisdiction of its incorporation, and has the power and capacity to own, lease and operate its assets and properties and conduct its business as now owned and conducted. The Company is duly qualified, licensed or registered to carry on business in each jurisdiction in which its assets are located or it conducts business, except where the failure to be so qualified, licensed or registered would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. No steps or Proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing the dissolution or winding up of the Company.
- (b) **Corporate Authorization.** The Company has the corporate power and capacity to enter into and perform its obligations under this Agreement. The execution, delivery and performance by the Company of its obligations under this Agreement have been duly authorized by all necessary corporate action on the part of the Company and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or the consummation of the Arrangement and the other transactions contemplated hereby other than: (i) approval by the Company Board of this Agreement, the Arrangement, the Merger and the other transactions contemplated by this Agreement; and (ii) the Company Consent approving this Agreement, the Arrangement, the Merger and the other transactions contemplated by this Agreement from the Company Shareholders, and, if applicable, in accordance with the Interim Order and applicable Law.
- (c) **Directors' Approvals.** The Company Board has approved the entering into of this Agreement.
- (d) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding agreement of the Company enforceable against it in accordance with its terms subject only to any limitation on bankruptcy, insolvency or other Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
- (e) **Governmental Authorization.** The execution, delivery and performance by the Company of its obligations under this Agreement and the consummation of the Arrangement do not require any other Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Entity other than: (i) the Interim Order; (ii) the Final Order; (iii) filings with the Registrar of Companies under the BCBCA and the Connecticut Secretary of the State pursuant to all applicable provisions of the Connecticut Act; (iv) any required actions or filings with any applicable securities regulatory authority; (v) consents and waivers regarding the Company Shareholders from the United States tax authorities to the satisfaction of counsel to the Company; and (vi) any consents, waivers, approvals or actions or filings or notifications, the absence of which would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.
- (f) **Non-Contravention.** The execution, delivery and performance by the Company of its obligations under this Agreement and the consummation of the Arrangement do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):
- (i) contravene, conflict with, or result in any violation or breach of the articles, by-laws or other constating documents of the Company;
  - (ii) assuming compliance with the matters referred to in this subsection (f), contravene, conflict with or result in a violation or breach of any applicable Laws;
  - (iii) allow any Person to exercise any right, require any consent or notice under or other action by any Person, or constitute a default under, or cause or permit the termination,

cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which the Company is entitled (including by triggering any rights of first refusal or first offer, change in control provisions or other restrictions or limitations) under any Contract or any Authorization to which the Company is a party or by which the Company is bound; or

- (iv) result in the creation or imposition of any lien upon any of the properties or assets of the Company;

with such exceptions, in the case of clauses (ii) and (iii) as would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

- (g) **Third Party Consents.** Except as contemplated in this Agreement, no consent, waiver or approval from other parties to the Material Contracts is (i) required to be obtained by the Company in connection with the execution, delivery and performance by the Company of this Agreement or the consummation of the Arrangement, or (ii) required in order to maintain the Material Contracts in full force and effect immediately upon the consummation of the Arrangement, except for such consents, the absence of which would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.
- (h) **Capitalization.**
  - (i) The authorized capital of the Company consists of an unlimited number of Company Shares. As of the date of this Agreement, there are 5,000 fully paid and non-assessable Company Shares validly issued and outstanding.
  - (ii) There are no issued and outstanding or authorized options, equity-based awards, warrants, calls, conversion, pre-emptive, redemption, repurchase, stock appreciation or other rights, or any other agreements, arrangements, instruments or commitments of any kind that obligate the Company to, directly or indirectly, issue or sell any securities of the Company, or give any Person a right to subscribe for or acquire any securities of the Company.
  - (iii) Other than the Company Shares and the Company Warrants being issued pursuant to the Concurrent Company Financing, there are no securities or other instruments or obligations of the Company that carry (or which is convertible into, or exchangeable for, securities having) the right to vote generally with the Company Shareholders on any matter.
  - (iv) All dividends or distributions on the securities of the Company that have been declared or authorized have been paid in full.
  - (v) All outstanding securities of the Company or any of its Subsidiaries have been issued in material compliance with all applicable Laws.
- (i) **Shareholders and Similar Agreements.** The Company is not a party to any unanimous shareholders agreement, shareholder agreement, pooling, voting or other similar arrangement or agreement relating to the ownership or voting of any securities of the Company pursuant to which any Person may have any right or claim in connection with any existing or past equity interest in the Company. To the knowledge of the Company, there are no irrevocable proxies or voting Contracts with respect to any securities issued by the Company.
- (j) **Subsidiaries.** The Company does not have any subsidiaries or own or have any interest in, directly or indirectly, any shares or other ownership interest in any other Person, and the Company is not a party to any Contract of any nature to acquire any such shares or other ownership interest or to acquire or lease any other business operations, other than disclosed in the Company Disclosure Letter.

- (k) **Auditors.** The Company's current auditors are independent with respect to the Company within the meaning of the rules of professional conduct applicable to auditors in the United States of America and there has never been a "reportable event" within the meaning of the Public Company Accounting Oversight Board ("**PCAOB**") with the current auditors of the Company.
- (l) **Financial Statements.**
- (i) The Company's audited annual financial statements (including any of the notes or schedules thereto, the auditor's report thereon and the related management's discussion and analysis) for the years ended March 31, 2024 and 2023, were prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and fairly present, in all material respects, the financial position of the Company at the respective dates thereof and the results of the Company's operations and cash flows for the periods indicated therein (except as may be expressly indicated in the notes to such financial statements). The Company does not intend to correct or restate, nor, to the knowledge of the Company, is there any basis for any correction or restatement of, any aspect of the Company's financial statements. There are no, nor are there any commitments to become party to, any off-balance sheet transaction, arrangement, obligation (including contingent obligations) or other similar relationships of the Company with unconsolidated entities or other Persons.
- (ii) The financial books, records and accounts of the Company: (a) have been maintained in accordance with commercially reasonable business practices in all material respects; (b) are stated in reasonable detail; (c) accurately and fairly reflect all the material transactions, acquisitions and dispositions of the Company and its Subsidiaries; and (d) accurately and fairly reflect the basis of the Company's financial statements in all material respects.
- (m) **Absence of Undisclosed Liabilities.** Except as disclosed under Section (m) of the Company Disclosure Letter and pursuant to the Loan Agreement, there are no liabilities or obligations of the Company or any of its Subsidiaries of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, other than liabilities or obligations: (i) disclosed in the Company's audited financial statements as at March 31, 2024; (ii) incurred in the ordinary course of business since March 31, 2024; (iii) incurred in connection with this Agreement; or (iv) that would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. The Company has not given or agreed to give, nor is it a party to or bound by, any guarantee, surety or indemnity in respect of indebtedness, or other obligations, of any Person, or any other commitment by which either the Company is, or is contingently, responsible for such indebtedness or other obligations, other than the security interest granted under the GSA.
- (n) **Absence of Certain Changes or Events.** Since its incorporation, other than the transactions contemplated in this Agreement and the Loan Agreement, the business of the Company has been conducted only in the ordinary course of business and there has not been any event, occurrence, fact, effect or circumstance that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.
- (o) **Books and Records.** All accounting and financial books and records of the Company have been maintained in accordance with sound business practices.
- (p) **Compliance with Laws.** The Company is and has been in compliance with applicable Laws in all material respects and, to the knowledge of the Company, the Company is not under any investigation with respect to, has been charged or threatened to be charged with, or has received notice of, any violation or potential violation of any applicable Laws, except for failures to comply or violations that have not had or would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

- (q) **Licences and Authorizations.** Except as would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect: (i) all Authorizations which are necessary for the Company to own its assets or conduct its business as presently owned or conducted have been obtained and are in full force and effect in accordance with their terms; (ii) the Company has complied with all such Authorizations and are not in breach or default under any such Authorizations; (iii) the Company has not received written, or to the knowledge of the Company, other notice, of any alleged breach of or alleged default under any such Authorization or of any intention of any Governmental Entity to revoke or not renew any such Authorizations; and (iv) no Proceedings are pending or, to the knowledge of the Company, threatened which could reasonably be expected to result in the revocation of such Authorizations.
- (r) **Material Contracts.** Except as would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect: (i) each Material Contract is legal, valid and binding and in full force and effect and is enforceable by the Company. in accordance with its terms subject only to any limitation under bankruptcy, insolvency or other Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction; (ii) the Company, as applicable, has performed the obligations required to be performed by the Company under each Material Contract (iii) the Company is not in breach or default under any Material Contract nor does the Company have knowledge of any condition that with the passage of time or the giving of notice or both would result in such a breach or default; and (iv) as of the date of this Agreement, the Company does not know of, or has received any notice (whether written or oral) of, any breach, default, cancellation, termination or non-renewal under any Material Contract by any party to a Material Contract. Section (r) of the Company Disclosure Letter sets out a complete and accurate list of all Material Contracts as of the date of this Agreement. Except as prohibited, true and complete copies of the Material Contracts have been disclosed in the Data Room and no Material Contract has, since such disclosure, been modified, rescinded or terminated, other than as disclosed in the Company Disclosure Letter.
- (s) **Litigation.** There are no claims, actions, suits, arbitrations, inquiries, investigations or Proceedings pending or, to the knowledge of the Company, threatened against or relating to the Company, the business of the Company or affecting any of their respective current or former properties or assets by or before any Governmental Entity that, if determined adverse to the interests of the Company would have, or be reasonably expected to have, a Material Adverse Effect or would restrain, enjoin or otherwise prohibit or delay or otherwise adversely affect the consummation of the Arrangement, nor, to the knowledge of the Company, are there any events or circumstances which could reasonably be expected to give rise to any such claim, action, suit, arbitration, inquiry, investigation or Proceeding.
- (t) **United States Securities Law Matters.**
- (i) The Company does not have, nor is it required to have, any class of securities registered under the *U.S. Exchange Act*, nor is the Company subject to any reporting obligation (whether active or suspended) pursuant to Section 15(d) of the *U.S. Exchange Act*.
- (ii) The Company is not, and has never been, subject to any requirement to register any class of its equity securities pursuant to Section 12(g) of the *U.S. Exchange Act*, and is not an investment company registered or required to be registered under the United States *Investment Company Act of 1940*.
- (iii) The Company is in compliance, in all material respects, with all applicable securities laws and there are no current, pending or, to the knowledge of the Company, threatened Proceedings before any securities regulatory authorities or other Governmental Entity relating to any alleged noncompliance with any securities laws.

- (iv) The Company has filed all documents required to be filed by it in accordance with securities laws with the applicable securities regulatory authorities. The Company has timely filed or furnished all filings required to be filed or furnished by the Company with any Governmental Entity. Each of the Company's filings complied as filed in all material respects with securities laws and did not, as of the date filed (or, if amended or superseded by a subsequent filing prior to the date of this Agreement, on the date of such filing), contain any Misrepresentation.
- (u) **Related Party Transactions.** Except as disclosed under Section (u) of the Company Disclosure Letter, the Company is not indebted to any director, officer, employee or agent of, or independent contractor to, the Company or any of its respective affiliates or associates (except for amounts due in the ordinary course of business as salaries, bonuses, directors' fees or the reimbursement of ordinary course expenses). There are no Contracts (other than employment arrangements, including grants of security-based compensation arrangements) with, or advances, loans, guarantees, liabilities or other obligations to, on behalf or for the benefit of, any shareholder, officer or director of the Company or any of its respective affiliates or associates.
- (v) **Money Laundering Laws.** The operations of the Company and its Subsidiaries are and have been conducted at all times in material compliance with applicable financial recordkeeping and reporting requirements of all applicable money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any applicable Governmental Entity (collectively, the "**Money Laundering Laws**") and no action, suit or Proceeding by or before any regulatory authority involving the Company with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.
- (w) **Real Property.**
- (i) The Company does not own, nor has it ever owned, any real property.
- (ii) The Data Room contains complete and accurate copies of all Company Leases, including all amendments, modifications, supplements.
- (iii) With respect to all Company leased real property:
- (A) each Company Lease in respect thereof is in good standing, legal, valid, binding and in full force and effect and is a legal, valid, binding obligation of, and is enforceable against, each Party thereto in accordance with its terms subject to any limitation under bankruptcy, insolvency or other Law affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies, such as specific performance and injunction;
- (B) there is no event of breach or default, or any event which, with the giving of notice, the lapse of time or both, would become an event of default, under any such Company Lease and, to the knowledge of the Company, none of the Company or any of its Subsidiaries has received or delivered any notice of any material breach of, or default under, any such Company Lease; and
- (C) to the knowledge of the Company, there is no breach of or default under, any such Company Lease by any other party thereto.
- (x) **Intellectual Property.**
- (i) Except as would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect: (i) the Company owns or possesses, or has a licence to or

otherwise has the right to use, all Intellectual Property that is material and necessary for the conduct of its business as presently conducted (collectively, the "**Intellectual Property Rights**"); (ii) all such Intellectual Property Rights that are owned by the Company ("**Owned Intellectual Property Rights**") are valid and enforceable subject only to any limitation under bankruptcy, insolvency or other Law affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies, such as specific performance and injunction, and to the knowledge of the Company, do not infringe in any material way upon the rights of others; (iii) to the knowledge of the Company, no third party is infringing upon or has misappropriated the Intellectual Property Rights owned or licensed by the Company; and (iv) no person has challenged the Company's ownership of the Owned Intellectual Property Rights.

- (ii) Section (x)(ii) of the Company Disclosure Letter contains a complete and accurate list of all Intellectual Property that is registered, unregistered but material to the conduct of the business of the Company as presently conducted, or for which an application has been made, and that is owned, licensed or used by the Company for the carrying on of the business of the Company as presently conducted by it.
- (iii) The Company is exclusively entitled to possess, use (other than license rights granted in the ordinary course), transfer, license and exploit the Owned Intellectual Property Rights without the consent or permission of or payment to any Person, in any jurisdiction. The Company is not bound by, and none of the Owned Intellectual Property Rights are subject to, any Contract that in any way limits or restricts the ability of the Company to use, exploit, assert, or enforce any such Owned Intellectual Property Rights anywhere in the world.
- (iv) No Governmental Authority has the right to prohibit or restrict the transfer of the Owned Intellectual Property Rights.
- (v) The Company has all rights necessary to use all copies of all software currently used by the Company (the "**Software**"). None of the Software that forms part of the Owned Intellectual Property Rights contains Open Source Software, Third-Party Intellectual Property, or any disabling code or malicious code or is in the public domain. All Software that forms part of the Owned Intellectual Property Rights: (i) is in the possession, custody and control of the Company, along with all hardware and Software tools, documentation, and other materials necessary to exploit such Software in the ordinary course, and such Software and related tools and materials will remain so immediately after the Effective Date; (ii) has been catalogued and documented as reasonably necessary to enable competently skilled programmers and engineers to use, update and enhance such items by readily using the existing source code, engineering drawings, machine settings and documentation; and (iii) is stored in electronic form, with up-to-date appropriately catalogued versions, in at least two separate geographical locations for effective disaster recovery, (iv) is free of material defects and errors, and functions in conformity with the documentation therefor. No Software that forms part of the Owned Intellectual Property Rights has been presented or disclosed in source code form to any Person (including current and former employees, directors or officers of the Company) except under a written confidentiality agreement or employment agreement containing confidentiality obligations. There has been no material security breach relating to, no material violation of any security policy regarding, and no unauthorized access to, any of the Software that forms part of the Intellectual Property Rights. The source code for any Software forming part of the Owned Intellectual Property Rights has not been placed into escrow with third parties and there have been no releases of the source code to such Software. Except for support services provided pursuant to Contracts entered into in the ordinary course, the Company is not obligated to support or maintain any Software. The Company does not use or rely on any Person to provide outsourcing, software-as-a-service, hosting, data management or cloud computing services that are material to the Business as presently conducted by it.

(vi) The Company has adopted, maintained and enforced commercially reasonable policies regarding use, security and integrity of the computer systems by its employees and contractors of the Company (the "**Computer Systems**"). The Computer Systems are free from disabling code and malicious code, and the Company has taken all commercially reasonable steps and implemented all procedures necessary to ensure, so far as commercially reasonably possible, that on the Effective Date, such systems are free from disabling code and malicious code. The Company has in place appropriate back-up systems and disaster recovery plans, procedures, strategies and facilities necessary to ensure the continuing availability of the functionalities provided by the Computer Systems in all material respects and continued services to the Company's customers in accordance with their customer agreements, in the event of any malfunction, security incident or other form of disaster affecting the Computer Systems, and have taken commercially reasonable steps and implemented commercially reasonable procedures appropriate to safeguard the Computer Systems and prevent unauthorized access thereto. The Company acts and has acted in material compliance with all systems, plans, procedures, strategies and facilities and has taken commercially reasonable steps to test such systems, plans, procedures, strategies and facilities on a periodic basis, and such systems, plans, procedures, strategies and facilities have been proven effective upon such testing in all material respects. The Company is the lawful owner or licensee of all Software or systems required to operate the Computer Systems.

(y) **Employees.**

- (i) Section (y)(i) of the Company Disclosure Letter contains a list of all Persons who are employees, independent contractors or consultants of the Company as of the date hereof, including any employee who is on a leave of absence of any nature, paid or unpaid, authorized or unauthorized.
- (ii) All written Contracts with the directors, Company Employees and independent contractors or consultants of the Company have been administered in accordance with their terms, in all material respects, and true, correct and complete copies of each such Contract has been provided in the Data Room.
- (iii) All amounts due or accrued due for all salary, wages, bonuses, incentive compensation, deferred compensation, commissions, vacation with pay, sick days and benefits under Employee Plans and other similar accruals have either been paid or are accrued and accurately reflected in all material respects in the books and records of the Company.
- (iv) The Company is in compliance in all material respects with applicable terms and conditions of employment and all Law respecting labour and employment, including pay equity, employment standards, labour, human rights, accessibility, privacy, workers' compensation and occupational health and safety, and there are no material Proceedings with respect to any such Law relating to the Company in progress or pending or, to the knowledge of the Company, threatened.
- (v) No Company Employee has any agreement in relation to any employee's termination, length of notice, pay in lieu of notice, severance, job security or similar provisions (other than such as results by Law from the employment of an employee without an agreement as to notice or severance) nor are there any change of control payments, golden parachutes, severance payments, retention payments, Contracts or other agreements with current or former Company Employees providing for cash or other compensation or benefits upon the consummation of, or relating to, the Arrangement or any other transaction contemplated by this Agreement, including a change of control of the Company.
- (vi) There are no material outstanding assessments, penalties, fines, Liens, charges, surcharges or other amounts due or owing pursuant to any workers' compensation Laws



owing by the Company, and none of the Company have been assessed or reassessed in any material respect under such Laws during the past three (3) years. No material Proceedings involving the Company is currently in progress or pending, or, to the knowledge of Company, threatened pursuant to any workers' compensation Laws. There are no Proceedings currently in progress or pending, or, to the knowledge of the Company, threatened that may materially adversely affect the accident cost experience in respect of the Company.

- (vii) There are no material charges pending with respect to the Company under applicable occupational health and safety Laws ("**OHSA**"), and there are no appeals of any Orders applicable to the Company currently outstanding under OHSA. The Company have complied in all material respects with the terms and conditions of any Orders issued under OHSA and have developed and implemented policies and training for Company Employees, including with respect to harassment, OHSA and accessibility for people with disabilities requirements.
- (viii) All individuals who provide services to the Company or, to the knowledge of the Company, have at all times been accurately classified by the Company with respect to such services as an employee or a non-employee for all purposes, including wages, payroll taxes and participation, and benefit accrual under each Employee Plan.
- (ix) No union has bargaining rights in respect of the Company Employees or any Person providing on-site services in respect of the business of the Company. The Company is not a party to or bound by, either directly or indirectly, voluntarily or by operation of Law, any collective bargaining agreement. There are no outstanding or, to the knowledge of the Company, threatened, unfair labour practices, complaints or applications relating to any union, including any Proceedings that could result in the certification of a union as a bargaining agent for any Company Employees, and there have been no such Proceedings within the last five (5) years. To the knowledge of the Company, there are no threatened or apparent union organizing activities involving any Company Employees.
- (x) To the Company's knowledge, in the last five (5) years: (a) no allegations of sexual harassment or sexual misconduct have been made involving any current or former director or Company Employee or independent contractor of the Company and (b) the Company has not entered into any settlement agreements related to allegations of sexual harassment or sexual misconduct by any current or former director or Company Employee or independent contractor of the Company.
- (z) **Employee Plans.**
  - (i) The Data Room contains complete and accurate copies of all Employee Plans and, to the extent applicable, (a) each trust agreement, Contract, insurance or group annuity Contract, letter of credit or other funding Contract relating to any Employee Plan and (b) all material correspondence to or from any Governmental Entity in the last five (5) years relating to any Employee Plan.
  - (ii) Only Company Employees and directors of the Company participate in the Employee Plans, and no Persons other than the Company is a participating employer under any Employee Plan.
  - (iii) Except as required by the operation of the Plan of Arrangement, neither the execution of this Agreement nor the consummation of the Arrangement or any of the other transactions contemplated under this Agreement will increase the amount payable under, result in a default under or result in any other material obligation pursuant to any Employee Plan or individual Contract with any Company Employee.

- (iv) Each Employee Plan is and has been, in all material respects, established, registered (to the extent required), qualified (to the extent required), funded and administered in accordance with Law and in accordance with their terms. To the knowledge of the Company, no fact or circumstance exists that could adversely affect the registered or qualified status of any such Employee Plan.
  - (v) No event has occurred and no condition or circumstance exists that has resulted in, or could reasonably be expected to result in, any Employee Plan being ordered, or required to be, terminated or wound up in whole or in part, having its registration under Law refused or revoked, being placed under the administration of any trustee, receiver or Governmental Entity, or the Company being required to pay any Taxes, penalties, payments or levies under Law that are material in the aggregate.
  - (vi) All contributions or premiums required to be made or paid by the Company under the terms of each Employee Plan or by Law have been duly made in accordance with the terms of such Employee Plan and in accordance with Law.
  - (vii) The Company does not have any material liability or obligation for any assessment, excise or penalty Taxes with respect to any Employee Plan and, to the knowledge of the Company, no condition or circumstances exist that would give rise to any such liability or obligation.
  - (viii) To the knowledge of the Company:
    - (A) no Employee Plan is subject to any Proceeding initiated by any Governmental Entity, or by any other Person and
    - (B) there exists no state of facts which, after notice or lapse of time or both, would reasonably be expected to give rise to any Proceeding to affect the registration or qualification of any Employee Plan required to be registered or qualified.
- (aa) **Taxes.**
- (i) The Company has duly and timely filed with the appropriate Governmental Entity all material Tax Returns required by Law to be filed by them prior to the date hereof, and all such Tax Returns are complete and correct in all material respects.
  - (ii) The Company has paid as required by Law on a timely basis all material Taxes that are due and payable (including instalments required by Law on account of Taxes for the current year) and all assessments and reassessments of material Taxes due and payable by them, other than Taxes that are being or have been contested in good faith and in respect of which adequate reserves have been provided in the most recently published consolidated financial statements of the Company (where required in accordance with applicable accounting standards). The Company has provided adequate accruals in accordance with their books and records and in the most recently published consolidated financial statements of the Company for any Taxes of the Company for the period covered by such financial statements that have not been paid whether or not shown as being due in any Tax Returns. Since the date of publication of the most recent consolidated financial statements of the Company, no liability in respect of material Taxes not reflected in such financial statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, except as disclosed under Section (aa)(ii) of the Company Disclosure Letter.
  - (iii) The Company has withheld or collected all amounts required by Law to be withheld or collected by them on account of Taxes (including Taxes and other amounts required to be

withheld by them in respect of any amount paid or credited or deemed to be paid or credited by them to or for the benefit of any Person, and all amounts on account of any sales, use or transfer Taxes, including goods and services, harmonized sales, provincial and territorial Taxes, and state and local Taxes required by Law to be collected by them) and have remitted all such amounts to the appropriate Governmental Entity when required by Law to do so.

- (iv) No claims, suits, audits, assessments, reassessments, deficiencies, litigation, proposed adjustments or other matters in controversy exist or have been asserted or threatened with respect to material Taxes of the Company and the Company is not a party to any material action or Proceeding for assessment or collection of Taxes, and no such event has been asserted or threatened against the Company or any of its assets.
  - (v) No claim has been made by any Governmental Entity in a jurisdiction where the Company is required to file Tax Returns that the Company is or may be subject to Tax by that jurisdiction.
  - (vi) There are no Liens with respect to Taxes upon any of the assets of the Company.
  - (vii) The Company is not bound by, is party to or has any obligation under any Tax sharing, allocation, indemnification, or similar agreement with respect to Taxes that could give rise to a payment or indemnification obligation.
  - (viii) There are no outstanding agreements, waivers or objections extending the statutory period or providing for any extension of time with respect to the assessment or reassessment of any material Taxes or of the payment or remittance of material Taxes by the Company.
- (bb) **Anti-Terrorism Laws.** None of the Company or, to the knowledge of the Company, any Representative of the Company, has been and is currently subject to any economic or financial sanctions or trade embargoes imposed, authorized, administered or enforced by any Governmental Entity (including the Government of Canada, the Office of Foreign Assets Control of the U.S. Treasury Department (including, but not limited to, the designation as a "specially designated national or blocked person" thereunder) or any other applicable sanctions authority) or other similar Laws (collectively, the "**Sanctions**"). The Company has not received any notice alleging that the Company or any representative of the Company has violated any Sanctions and, to the knowledge of the Company, no condition or circumstances exist (including any ongoing Proceeding) that would form the basis for any such allegations.
- (cc) **Corrupt Practices Legislation.** Neither the Company, or, to the knowledge of the Company, any Representative of the Company, has taken, committed to take or been alleged to have taken any action that would cause the Company to be in violation of the *Foreign Corrupt Practices Act of 1977* (United States) or similar Laws (the "**Corrupt Practices Legislation**"). The Company has not received any notice alleging that the Company or any Representative of the Company has violated any Corrupt Practices Legislation and, to the knowledge of the Company, no condition or circumstances exist (including any ongoing Proceeding) that would form the basis for any such allegations.
- (dd) **Privacy.**
- (i) The Company is in compliance with applicable Privacy Laws; in all material respects
  - (ii) there have not been, to the knowledge of the Company, any:
    - (A) losses or thefts of, or security breaches relating to, Personal Information in the possession, custody or control of the Company;

- (B) unauthorized access or unauthorized use of any Personal Information in the possession, custody or control of the Company; and
    - (C) improper disclosure of any Personal Information in the possession, custody or control of the Company or any Person acting on its behalf; and
  - (iii) to the knowledge of the Company, the Company is not under investigation for any violation of applicable Privacy Laws.
  - (iv) in the case of each of (i) through (iii) above, to the extent it would not result in a Material Adverse Effect for the Company.
- (ee) **Anti-Spam.** The Company has, in all material respects, conducted its business in compliance with all applicable anti-spam legislation, including provisions relating to the sending of commercial electronic messages only with express or implied consent, within the meaning of such legislation, and with the prescribed contact information and unsubscribe mechanism, and retains records sufficient to demonstrate such compliance.
- (ff) **Insolvency.** No act or Proceeding has been taken by or against the Company in connection with the dissolution, liquidation, winding up, bankruptcy or reorganization of the Company or for the appointment of a trustee, receiver, manager or other administrator of the Company or any of its properties or assets nor, to the knowledge of the Company, is any such act or Proceeding threatened. The Company has not sought protection under the *United States Bankruptcy Code* (11 U.S.C. 101 et al) or similar legislation applicable to the Company. The Company is not subject to any outstanding judgment, Order, writ, injunction or decree that involves or may involve, or restricts or may restrict, the right or ability of the Company to conduct its business in all material respects as it has been carried on prior to the date hereof, or that would reasonably be expected to prevent or significantly impede or materially delay the completion of the Arrangement.
- (gg) **Restrictions on Business Activities.** There is no agreement, judgment, injunction, order or decree binding upon the Company that has or would reasonably be expected to have the effect of prohibiting, restricting or materially impairing any business practice of the Company or the conduct of business by the Company as currently conducted other than such agreements, judgments, injunction, Orders or decrees as would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

**Schedule D**  
**Representations and Warranties of 142 BC and Acquireco**

- (a) **Organization and Qualification.** Each of 142 BC, Acquireco and each of their respective Subsidiaries is a corporation or entity incorporated or organized, as applicable, validly existing under the Laws of the jurisdiction of its incorporation, organization or formation, as applicable, and has the power and capacity to own, lease and operate its assets and properties and conduct its business as now owned and conducted. Each of 142 BC, Acquireco and each of their respective Subsidiaries is duly qualified, licensed or registered to carry on business in each jurisdiction in which its assets are located or it conducts business, except where the failure to be so qualified, licensed or registered would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. No steps or Proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing the dissolution or winding up of 142 BC, Acquireco or any of their Subsidiaries.
- (b) **Corporate Authorization.** Each of 142 BC and Acquireco has the corporate power and capacity to enter into and perform its obligations under this Agreement. The execution, delivery and performance by each of 142 BC and Acquireco of its obligations under this Agreement have been duly authorized by all necessary corporate action on the part of each of 142 BC and Acquireco and no other corporate proceedings on the part of such Parties are necessary to authorize this Agreement or the consummation of the Arrangement and the other transactions contemplated hereby.
- (c) **Directors' Approvals.** 142 BC Board has approved the entering into of this Agreement.
- (d) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by each of 142 BC and Acquireco and constitutes a legal, valid and binding agreement of each of 142 BC and Acquireco enforceable against it in accordance with its terms subject only to any limitation on bankruptcy, insolvency or other Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
- (e) **Governmental Authorization.** The execution, delivery and performance by each of 142 BC and Acquireco of their obligations under this Agreement and the consummation of the Arrangement do not require any other Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Entity other than: (i) the Interim Order; (ii) the Final Order; (iii) filings with the Registrar of Companies under the BCBCA; (iv) any required actions or filings with the Exchange and any applicable securities regulatory authority; and (v) any consents, waivers, approvals or actions or filings or notifications, the absence of which would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.
- (f) **Non-contravention.** The execution, delivery and performance by each of 142 BC and Acquireco of its obligations under this Agreement and the consummation of the Arrangement do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):
- (i) contravene, conflict with, or result in any violation or breach of any of the articles, by-laws or constating documents of 142 BC or Acquireco;
  - (ii) assuming compliance with all matters referred to in this subsection (f), contravene, conflict with or result in a violation or breach of any Law applicable to 142 BC or Acquireco; or
  - (iii) allow any Person to exercise any rights, require any consent or notice under or other action by any Person, or constitute a default under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit

to which 142 BC, Acquireco, or any of their Subsidiaries is entitled (including by triggering any rights of first refusal or first offer or other restrictions or limitations) under any Contract or any Authorization to which 142 BC, Acquireco, or any of their Subsidiaries is a party or by which 142 BC, Acquireco, or any of their Subsidiaries is bound;

with such exceptions in the case of clauses (ii) and (iii) as would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

- (g) **Third Party Consents.** Except as contemplated in this Agreement, no consent, waiver or approval from other parties to the Material Contracts is (i) required to be obtained by 142 BC, Acquireco, or their Subsidiaries in connection with the execution, delivery and performance by 142 BC of this Agreement or the consummation of the Arrangement, or (ii) required in order to maintain the Material Contracts in full force and effect immediately upon the consummation of the Arrangement, except for such consents, the absence of which would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.
- (h) **Capitalization.**
- (i) The authorized capital of 142 BC consists of an unlimited number of 142 BC Shares. As of the date of this Agreement, there were 21,461,859 142 BC Shares, 10,786,930 142 BC Warrants and 4,610,000 Subscription Receipts, each ultimately exchangeable for one 142 BC Share.
  - (ii) There are no issued and outstanding or authorized options, equity-based awards, warrants, calls, conversion, pre-emptive, redemption, repurchase, stock appreciation or other rights, or any other agreements, arrangements, instruments or commitments of any kind that obligate 142 BC or any of its Subsidiaries to, directly or indirectly, issue or sell any securities of 142 BC or any of its Subsidiaries, or give any Person a right to subscribe for or acquire any securities of 142 BC or any of its Subsidiaries.
  - (iii) All outstanding securities of 142 BC have been issued in material compliance with all applicable Laws, including Securities Laws.
  - (iv) The authorized capital of Acquireco consists of an unlimited number of Acquireco Shares. As of the date of this Agreement, there is one (1) Acquireco Share issued and outstanding.
  - (v) All outstanding Acquireco Shares have been issued in material compliance with all applicable Laws, including Securities Laws.
  - (vi) The Consideration Shares to be issued pursuant to the Arrangement, upon issuance, will be validly issued and outstanding as fully paid and non-assessable securities in the capital of 142 BC.
- (i) **142 BC Assets.** The assets of 142 BC consist of C\$85,789 in cash; and (ii) US\$2,893,022 promissory note receivable from the Company pursuant to the Loan Agreement.
- (j) **Business Conduct and Operations.**
- (i) 142 BC does not conduct any business operations.
  - (ii) Acquireco was incorporated on November 7, 2023 for the sole purpose of completing the transactions contemplated by this Agreement and has not at any time conducted any business operations.

**(k) Subsidiaries.**

- (i) 142 BC is, directly or indirectly, the registered and beneficial owner of all of the outstanding shares or other equity interests of each of its Subsidiaries (including Acquireco), free and clear of any Liens (other than Permitted Liens), and all such shares or other equity interests so owned by 142 BC have been duly authorized and validly issued as fully paid and non-assessable, as the case may be, in material compliance with all applicable Laws, and no such shares or other equity interests have been issued in violation of any pre-emptive or similar rights.
- (ii) Neither 142 BC nor its Subsidiaries, beneficially or of record, owns any equity interest of any kind in any other Person.
- (iii) Acquireco has no Subsidiaries.

(l) **Auditors.** 142 BC's current auditors are independent with respect to 142 BC within the meaning of the rules of professional conduct applicable to auditors in Canada and there has never been a "reportable event" (within the meaning of NI 51-102) with the current auditors of 142 BC.

**(m) Reporting Issuer Status and Securities Law Matters.**

- (i) 142 BC is not a "reporting issuer" in any jurisdiction in Canada.
- (ii) 142 BC is in compliance, in all material respects, with all applicable Securities Laws and there are no current, pending or, to the knowledge of 142 BC, threatened Proceedings before any securities regulatory authorities or other Governmental Entity relating to any alleged noncompliance with any Securities Laws.
- (iii) 142 BC has filed all documents required to be filed by it in accordance with Securities Laws with the applicable securities regulatory authorities. 142 BC has timely filed or furnished all filings required to be filed or furnished by 142 BC with any Governmental Entity. Each of 142 BC's filings complied as filed in all material respects with Securities Laws and did not, as of the date filed (or, if amended or superseded by a subsequent filing prior to the date of this Agreement, on the date of such filing), contain any Misrepresentation. 142 BC has not filed any confidential material change report which at the date of this Agreement remains confidential.

**(n) Financial Statements.**

- (i) 142 BC's audited financial statements (including any of the notes or schedules thereto, the auditor's report thereon and the related management's discussion and analysis) for the period from incorporation to March 31, 2024 were prepared in accordance with IFRS and applicable Laws and fairly present, in all material respects, the financial position of 142 BC and its Subsidiaries at the respective date thereof and the results of 142 BC's operations and cash flows for the periods indicated therein (except as may be expressly indicated in the notes to such financial statements). 142 BC does not intend to correct or restate, nor, to the knowledge of 142 BC, is there any basis for any correction or restatement of, any aspect of 142 BC's financial statements. There are no, nor are there any commitments to become party to any, off-balance sheet transaction, arrangement, obligation (including contingent obligations) or other similar relationships of 142 BC or any of its Subsidiaries with unconsolidated entities or other Persons.
- (ii) The financial books, records and accounts of 142 BC and each of its Subsidiaries: (a) have been maintained in accordance with commercially reasonable business practices in all material respects; (b) are stated in reasonable detail; (c) accurately and fairly reflect all the

material transactions, acquisitions and dispositions of 142 BC and its Subsidiaries; and (d) accurately and fairly reflect the basis of 142 BC's financial statements.

- (o) **Internal Controls and Financial Reporting.** 142 BC has (i) designed disclosure controls and procedures to provide reasonable assurance that material information relating to 142 BC and its Subsidiaries is made known to the Chief Executive Officer and Chief Financial Officer of 142 BC on a timely basis, particularly during the periods in which the annual or interim filings are being prepared; (ii) designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS; (iii) has evaluated the effectiveness of 142 BC's disclosure controls and procedures; and (iv) has evaluated the effectiveness of 142 BC's internal control over financial reporting and, if applicable, the necessary disclosure relating to any material weaknesses. To the knowledge of 142 BC, as of the date of this Agreement:
- (i) there are no material weaknesses in, the internal controls over financial reporting of 142 BC that could reasonably be expected to adversely affect 142 BC's ability to record, process, summarize and report financial information; and
  - (ii) there is and has been no fraud, whether or not material, involving management or any other employees who have a significant role in the internal control over financial reporting of 142 BC. Since its incorporation, 142 BC has received no: (x) complaints from any source regarding accounting, internal accounting controls or auditing matters; or (y) expressions of concern from employees of 142 BC regarding questionable accounting or auditing matters.
- (p) **Absence of Undisclosed Liabilities.** There are no liabilities or obligations of 142 BC or any of its Subsidiaries of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, other than liabilities or obligations: (i) disclosed in 142 BC's audited financial statements as at March 31, 2024; (ii) incurred in the ordinary course of business since March 31, 2024; (iii) incurred in connection with this Agreement; or (iv) that would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.
- (q) **Absence of Certain Changes or Events.** As at March 31, 2024, other than the transactions contemplated in this Agreement, the business of 142 BC and its Subsidiaries has been conducted only in the ordinary course of business and there has not been any event, occurrence, fact, effect or circumstance that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.
- (r) **Compliance with Laws.** 142 BC and each of its Subsidiaries is and has been in compliance with applicable Laws and, to the knowledge of 142 BC, none of 142 BC or any of its Subsidiaries is under any investigation with respect to, has been charged or threatened to be charged with, or has received notice of, any violation or potential violation of any applicable Laws, except for failures to comply or violations that have not had or would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.
- (s) **Licences and Authorizations.** Except as would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect: (i) all Authorizations which are necessary for 142 BC and its Subsidiaries to own its assets or conduct its business as presently owned or conducted have been obtained and are in full force and effect in accordance with their terms; (ii) 142 BC and its Subsidiaries have complied with all such Authorizations and are not in breach or default under any such Authorizations; (iii) 142 BC and its Subsidiaries have not received written, or to the knowledge of 142 BC, other notice, of any alleged breach of or alleged default under any such Authorization or of any intention of any Governmental Entity to revoke or not renew any such Authorizations; and (iv) no Proceedings are pending or, to the knowledge of 142 BC, threatened which could reasonably be expected to result in the revocation of such Authorizations.



- (t) **Material Contracts.** Except as would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect: (i) each Material Contract is legal, valid and binding and in full force and effect and is enforceable by 142 BC or a Subsidiary, as applicable, in accordance with its terms subject only to any limitation under bankruptcy, insolvency or other Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction; (ii) 142 BC and its Subsidiaries, as applicable, have performed the obligations required to be performed by 142 BC or a Subsidiary, as applicable, under each Material Contract; (iii) none of 142 BC or any of its Subsidiaries is in breach or default under any Material Contract, nor does 142 BC have knowledge of any condition that with the passage of time or the giving of notice or both would result in such a breach or default; and (iv) as of the date of this Agreement, none of 142 BC or any of its Subsidiaries knows of, or has received any notice (whether written or oral) of, any breach, default, cancellation, termination or non-renewal under any Material Contract by any party to a Material Contract.
- (u) **Litigation.** There are no claims, actions, suits, arbitrations, inquiries, investigations or Proceedings pending or, to the knowledge of 142 BC, threatened against or relating to 142 BC or any of its Subsidiaries, the business of 142 BC or any of its Subsidiaries or affecting any of their respective current or former properties or assets by or before any Governmental Entity that, if determined adverse to the interests of 142 BC or its Subsidiaries would have, or be reasonably expected to have, a Material Adverse Effect or would restrain, enjoin or otherwise prohibit or delay or otherwise adversely affect the consummation of the Arrangement, nor, to the knowledge of 142 BC, are there any events or circumstances which could reasonably be expected to give rise to any such claim, action, suit, arbitration, inquiry, investigation or Proceeding.
- (v) **Related Party Transactions.** Neither 142 BC nor any of its Subsidiaries is indebted to any director, officer, employee or agent of, or independent contractor to, 142 BC or any of its Subsidiaries or any of their respective affiliates or associates (except for amounts due in the ordinary course of business as salaries, bonuses, directors' fees or the reimbursement of ordinary course expenses). There are no Contracts (other than employment arrangements) with, or advances, loans, guarantees, liabilities or other obligations to, on behalf or for the benefit of, any shareholder, officer or director of 142 BC or any of its Subsidiaries, or any of their respective affiliates or associates.
- (w) **Restrictions on Business Activities.** There is no agreement, judgment, injunction, order or decree binding upon 142 BC or any of its Subsidiaries that has or would reasonably be expected to have the effect of prohibiting, restricting or materially impairing any business practice of 142 BC or its Subsidiaries or the conduct of business by 142 BC or any of its Subsidiaries as currently conducted other than such agreements, judgments, injunctions orders or decrees as would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.
- (x) **Real Property.** None of 142 BC, Acquireco, or their Subsidiaries currently owns or leases, nor has it at any time owned or leased, any real property.
- (y) **Taxes.**
- (i) 142 BC and its Subsidiaries, as applicable, have duly and timely filed with the appropriate Governmental Entity all material Tax Returns required by Law to be filed by them prior to the date hereof, and all such Tax Returns are complete and correct in all material respects.
- (ii) 142 BC and its Subsidiaries, as applicable, have paid as required by Law on a timely basis all material Taxes that are due and payable (including instalments required by Law on account of Taxes for the current year) and all assessments and reassessments of material Taxes due and payable by them, other than Taxes that are being or have been contested in good faith and in respect of which adequate reserves have been provided in the most recently published consolidated financial statements of 142 BC and its Subsidiaries, as applicable, (where required in accordance with applicable accounting standards). 142 BC and its Subsidiaries, as applicable, have provided adequate accruals in accordance with

their books and records and in the most recently published consolidated financial statements of 142 BC and its Subsidiaries, as applicable, for any Taxes of 142 BC and its Subsidiaries for the period covered by such financial statements that have not been paid whether or not shown as being due in any Tax Returns. Since the date of publication of the most recent consolidated financial statements of 142 BC and its Subsidiaries, as applicable, no liability in respect of material Taxes not reflected in such financial statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued.

- (iii) 142 BC and its Subsidiaries, as applicable, have withheld or collected all amounts required by Law to be withheld or collected by them on account of Taxes (including Taxes and other amounts required to be withheld by them in respect of any amount paid or credited or deemed to be paid or credited by them to or for the benefit of any Person, and all amounts on account of any sales, use or transfer Taxes, including goods and services, harmonized sales, provincial and territorial Taxes, and state and local Taxes required by Law to be collected by them) and have remitted all such amounts to the appropriate Governmental Entity when required by Law to do so.
- (iv) No claims, suits, audits, assessments, reassessments, deficiencies, litigation, proposed adjustments or other matters in controversy exist or have been asserted or threatened with respect to material Taxes of 142 BC and its Subsidiaries, as applicable, and 142 BC and its Subsidiaries are not parties to any material action or Proceeding for assessment or collection of Taxes, and no such event has been asserted or threatened against 142 BC and its Subsidiaries, or any of their assets.
- (v) No claim has been made by any Governmental Entity in a jurisdiction where 142 BC and its Subsidiaries, as applicable, are required to file Tax Returns that 142 BC and its Subsidiaries may be subject to Tax by that jurisdiction.
- (vi) There are no Liens with respect to Taxes upon any of the assets of 142 BC and its Subsidiaries.
- (vii) 142 BC and its Subsidiaries, as applicable, are not bound by, are party to or have any obligation under any Tax sharing, allocation, indemnification, or similar agreement with respect to Taxes that could give rise to a payment or indemnification obligation.
- (viii) There are no outstanding agreements, waivers or objections extending the statutory period or providing for any extension of time with respect to the assessment or reassessment of any material Taxes or of the payment or remittance of material Taxes by 142 BC and its Subsidiaries, as applicable.
- (z) **Insolvency.** No act or Proceeding has been taken by or against 142 BC or any of its Subsidiaries in connection with the dissolution, liquidation, winding up, bankruptcy or reorganization of 142 BC or any of its Subsidiaries or for the appointment of a trustee, receiver, manager or other administrator of 142 BC or any of its Subsidiaries or any of its properties or assets nor, to the knowledge of 142 BC, is any such act or Proceeding threatened. 142 BC (nor any of its Subsidiaries) has not sought protection under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation. Neither 142 BC nor any of its Subsidiaries nor any of their respective properties or assets are subject to any outstanding judgment, Order, writ, injunction or decree that involves or may involve, or restricts or may restrict, the right or ability of 142 BC or any of its Subsidiaries to conduct its business in all material respects as it has been carried on prior to the date hereof, or that would reasonably be expected to prevent or significantly impede or materially delay the completion of the Arrangement.
- (aa) **Money Laundering Laws.** The operations of 142 BC and its Subsidiaries are and have been conducted at all times in material compliance with applicable financial recordkeeping and reporting

requirements of the Money Laundering Laws and no action, suit or Proceeding by or before any regulatory authority involving 142 BC or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of 142 BC, threatened.