

SHAREHOLDERS' AGREEMENT

AMONG

**PACE DEVELOPMENTS INC.
("Optionholder")**

AND

**NAHEEL SULEMAN
("Shareholder")**

AND

**2462357 ONTARIO INC.
(the "Company")**

MADE AS OF APRIL 20, 2015

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SHAREHOLDERS' AGREEMENT

THIS SHAREHOLDERS' AGREEMENT is made as of ●, 2015

AMONG

PACE DEVELOPMENTS INC ("Optionholder")

- and -

NAHEEL SULEMAN ("Shareholder")

- and -

2462357 ONTARIO INC. (the "Corporation")

a corporation existing under the laws of the Province of Ontario (the
"Corporation")

WHEREAS the authorized capital of the Corporation consists of an unlimited number of common shares and an unlimited number of preference shares, of which 100 common shares and certain stock options are issued and outstanding as follows:

- (a) 100 common shares held by the Shareholder (the **"Suleman Shares"**); and
- (b) an option to acquire the Suleman Shares pursuant to an Option Agreement dated April 20, 2015 held by the Optionholder.

AND WHEREAS the Shareholders (as defined herein), the Principals (as defined herein) and the Corporation have agreed to enter into this Agreement as being in their respective best interests and for the purpose of providing for the operation of the Corporation;

NOW THEREFORE, in consideration of the premises and the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

"Affiliate" means, with respect to any person, any other person that controls or is controlled by or is under common control with such person.

"Agreement" means this agreement, including its recitals and schedules, as amended from time to time.

"Arbitration Notice" has the meaning set out in Section 6.06(2).

"arm's length" has the meaning attributed thereto in the Tax Act.

"Board" means the board of directors of the Corporation.

"Business Day" means a day other than a Saturday, Sunday or statutory or civic holiday in Ontario.

“Designated Spouse” means a person that is the spouse, a former spouse or dependent of a Shareholder or, where the Shareholder is a Holding Company, Designated Spouse means the spouse, former spouse or dependent of the Principal thereof.

“Director” means any individual who has been elected or appointed to the Board.

“Dispute” has the meaning set out in Section 6.06(1).

“Event of Default” means, when used in relation to a Shareholder, that such Shareholder has: (i) defaulted in the performance of its obligations pursuant to this Agreement and such default has not been cured within 30 days after receipt by such Shareholder of a notice from the Board requesting such Shareholder to cure such default; (ii) sold, transferred or assigned Shares to a Permitted Entity pursuant to the provisions of Section 5.03(1) and has failed to comply with any of the provisions of Section 5.03(2); (iii) in the case of a Shareholder that is a corporation, the Shareholder ceases to be wholly owned by its Principal; or (iv) in the case of a Shareholder that is a trust, the Shareholder ceases to have its Principal as its sole trustee or ceases to have as beneficiaries only such Shareholder’s Principal or Members of the Immediate Family of such Shareholder’s Principal.

“Fair Market Value” has the meaning set out in Section 5.11(1).

“Family Law Notice” has the meaning set out in Section 5.07(1).

“Family Law Proceeding” means any application or proceeding, regardless of its merits, commenced in or before any court or other tribunal of competent jurisdiction where, in connection with such application or proceeding, such court or tribunal would have jurisdiction to make a decision, order or judgment which could have the effect of:

- (i) transferring or issuing or obligating any person to transfer or issue any Voting Shares to a Designated Spouse;
- (ii) vesting any Voting Shares in a Designated Spouse;
- (iii) transferring or issuing or obligating any person to transfer or issue, any securities to a Designated Spouse which transfer or issue of securities would be in breach or contravention of this Agreement; or
- (iv) vesting any securities in a Designated Spouse which vesting of securities would effect a transfer of such securities that would be in breach or contravention of this Agreement.

“Holding Company” means a body corporate that is wholly owned by an individual or a trust in respect of which the sole trustee is an individual.

“Holding Company Shares” means the shares, other securities or ownership interests, as the case may be, of a Holding Company that is a party to this Agreement.

“IAR” has the meaning set out in Section 6.06(2).

“IFRS” means International Financial Reporting Standards (IFRS).

“information” has the meaning set out in Section 6.04.

“Initiating Party” has the meaning set out in Section 6.06(2).

“IPO” has the meaning set out in Section 5.10(2).

“Liquidation Transaction” has the meaning set out in Section 5.08(1).

“Majority Shareholders” has the meaning set out in Section 5.09(1).

“Members of the Immediate Family” means, in respect of a Shareholder, any of a spouse, parent, child or grandchild of that Shareholder (or, in the case of a Shareholder that is a Holding Company, the Principal) provided that such individual is then legally competent to manage his or her own affairs.

“Non-Voting Shares” means any class of shares that may be created in the future that do not provide the holder a right to attend and vote at all meetings of the shareholders of the Corporation, except meetings at which only holders of another class or series of shares of the Corporation are entitled to vote separately as a class or series.

“Notice” has the respective meanings set out in Sections 5.05(1) and 5.08(2).

“Offer to Purchase” has the respective meanings set out in Sections 5.08(1) and 5.09(1).

“Offered Shares” has the respective meanings set out in Sections 5.05(1) and 5.06(1).

“Offerees” has the respective meanings set out in Sections 5.05(1), 5.06(1), 5.07(2), 5.08(1) and 5.09(1).

“Offering Documents” has the meaning set out in Section 5.10(2).

“Offeror” has the respective meanings set out in Sections 5.05(1), 5.06(1) and 5.08(1).

“Original Shareholder” has the meaning set out in Section 5.03(2);

“Permitted Entity” means, in respect of a Shareholder:

- (i) a corporation in respect of which the voting shares are solely owned by such Shareholder; and
- (ii) a trust in respect of which the sole trustee is such Shareholder and which has no beneficiaries other than such Shareholder or Members of the Immediate Family of the Shareholder.

“Permitted Transferee” has the meaning set out in Section 5.04(1).

“Personal Representative” means the executor or estate trustee of a deceased individual named in the last will and testament of the deceased individual or, failing the naming of such person or the refusal or inability of such person to act or if there is no last will and testament of the deceased individual, the administrator or estate trustee without a will of a deceased individual duly appointed by a court or public authority having jurisdiction to do so or, if no such administrator or estate trustee without a will has been appointed, the heirs at law of the deceased individual.

“Principals” means any individual whose Holding Company, from time to time, is a party to this Agreement.

“Proceeding” has the meaning set out in Section 5.07(1).

“Purchase Price” has the respective meanings set out in Sections 5.06(1), 5.07(2) and 5.08(1).

“Rejected Shares” has the respective meanings set out in Sections 5.05(3) and 5.06(3).

“Relevant Shareholder” has the meaning set out in Section 5.07(1).

“Relevant Shares” has the meaning set out in Section 5.07(2).

“Responding Parties” has the meaning set out in Section 6.06(2).

“Selling Shareholder” has the respective meanings set out in Section 5.09(2).

“Shareholder Parties” has the meaning set out in Section 5.11(1).

“Shareholders” means, collectively, the parties to this Agreement named as shareholders in the recitals hereto at the date hereof together with such other persons as may become (a) beneficial owners of shares of the Corporation, including the Shares, in accordance with the terms of this Agreement, (b) holders of any unexpired stock options to acquire Shares as if such options have been fully exercised, and (c) parties to this Agreement.

“Shares” means the common shares of the Corporation that the Shareholders beneficially own at the date hereof or hereafter which, for greater certainty, includes the common shares of the Corporation issuable upon exercise of any stock options of the Corporation outstanding at any given time, whether or not such stock options have been exercised. The common shares underlying such unexercised stock options shall in all respects be treated as exercised for the purposes hereof and included in this definition of “Shares”.

“Special Majority Approval” means a resolution passed at, and entered in the minutes of, a meeting of the Shareholders duly called and held by the affirmative votes of persons holding or representing by proxy not less than 90% of the Shares.

“Subsidiary” means, with respect to any person, an entity that is controlled by such person.

“Tax Act” means the *Income Tax Act* (Canada).

“Third Party Offer” has the meaning set out in Section 5.05(1).

“Third Party Offeror” has the meaning set out in Section 5.09(1).

“Transfer” means any sale, exchange, transfer, assignment, gift, mortgage, pledge, encumbrance, hypothecation, alienation or other transaction, whether voluntary, involuntary or by operation of law, whether in whole or in part, by which the legal or beneficial ownership of, or any security interest or other interest in, a security passes from one person to another, or to the same person in a different capacity, whether or not for value, and “to Transfer”, “Transferred” and similar expressions have corresponding meanings.

“Valuator” means an individual who is a member of a national firm of chartered accountants and a member of the Canadian Institute of Chartered Business Valuators or any successor organization thereto and selected in accordance with Section 5.11.

“Voting Shareholders” means, collectively, the parties to this Agreement named as holders of Voting Shares in the recitals hereto at the date hereof together with such other persons as may become beneficial owners of Voting Shares of the Corporation and parties to this Agreement.

“Voting Shares” means the Shares together with any class of shares that may be created in the future that provide the holder a right to attend and vote at all meetings of the shareholders of the Corporation, except meetings at which only holders of another class or series of shares of the Corporation are entitled to vote separately as a class or series.

1.02 **Headings**

The division of this Agreement into Articles, Sections and Schedules and the insertion of a table of contents and headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section, Schedule or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of and Schedules to this Agreement.

1.03 **Extended Meanings**

In this Agreement, words importing the singular number include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and governmental authorities. The term “including” means “including without limiting the generality of the foregoing”.

1.04 **Statutory References**

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder.

1.05 **Accounting Principles**

Wherever in this Agreement reference is made to a calculation to be made or an action to be taken in accordance with IFRS, such reference will be deemed to be to the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which such calculation or action is made or taken or required to be made or taken.

1.06 **Currency**

All references to currency herein are to lawful money of Canada.

1.07 **Control**

(1) For the purposes of this Agreement:

- (a) a person controls a body corporate if securities of the body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate are beneficially owned by the person and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate;
- (b) a person controls an unincorporated entity, other than a limited partnership, if more than 50% of the ownership interests, however designated, into which the entity is divided are beneficially owned by that person and the person is able to direct the business and affairs of the entity; and
- (c) the general partner of a limited partnership controls the limited partnership.

(2) A person who controls an entity is deemed to control any entity that is controlled, or deemed to be controlled, by such entity.

(3) A person is deemed to control, within the meaning of Section 1.07(a) or 1.07(b), an entity if the aggregate of:

- (a) any securities of the entity that are beneficially owned by that person; and
- (b) any securities of the entity that are beneficially owned by any entity controlled by that person,

is such that, if that person and all of the entities referred to in Section 1.07(3)(b) that beneficially own securities of the entity were one person, that person would control the entity.

1.08 **Schedules**

The following is the sole Schedule to this Agreement:

Schedule “A” – Form of Assumption Agreement

ARTICLE 2 - IMPLEMENTATION OF AGREEMENT

2.01 **Unanimous Shareholder Agreement**

To the extent that this Agreement specifies that any matter must be dealt with or approved by, or requires action by, the Shareholders or otherwise has the effect of restricting in whole or in part the powers of the Directors to manage or to supervise the management of the business and affairs of the Corporation, the powers of the Directors to manage and to supervise the management of the business and affairs of the Corporation with respect to such matters are correspondingly restricted to the maximum extent permitted by law.

2.02 **Carrying Out of the Agreement**

(1) Each Shareholder will at all times exercise the votes attached to its Shares and otherwise act, and cause the Corporation to act, to carry out the provisions of this Agreement. The Corporation will at all times carry out and be governed by the provisions of this Agreement to the full extent that it has the capacity and power at law to do so.

(2) Each Principal will at all times cause the Shareholder which it controls to perform its obligations under, and to comply with the provisions of, this Agreement. The preceding covenants by the Principals are absolute and unconditional and will not be affected by any law or circumstances that might otherwise constitute a defence available to, or a discharge of, a guarantor.

(3) Holding Company Shares will be subject to this Agreement and no Holding Company Shares will be Transferred except in accordance with the provisions of this Agreement, which will apply, the necessary changes being made, as if such Holding Company Shares are Voting Shares or Non-Voting Shares, as applicable.

(4) All certificates representing securities of a Holding Company that is party to this Agreement will bear the legend described in Section 2.05 with the necessary changes being made.

2.03 **Paramountcy**

If any provision of this Agreement conflicts with the articles or by-laws of the Corporation or a Subsidiary or any shareholder agreement executed by any Shareholder dealing with any matter referred to herein, the provisions of this Agreement will prevail and the parties will take and cause to be taken all

actions necessary to amend the articles, by-laws or other agreement so as to eliminate any conflict.

2.04 **Assumption**

Notwithstanding any other provision of this Agreement, any proposed new shareholder of the Corporation not a party to this Agreement at the date hereof, including any transferee to whom shares are to be Transferred by a Shareholder and any new shareholder who acquires newly issued shares, must, prior to being registered as a shareholder of the Corporation, sign, and have the Principal in respect thereof (if applicable) sign, an assumption agreement substantially in the form attached hereto as Schedule "A" together with such other instruments and documents as the Board may require.

2.05 **Endorsement on Certificates**

Share certificates of the Corporation will note conspicuously the following language:

"The shares represented by this certificate are subject to all the terms and conditions of a shareholders' agreement made as of ●, 2015, a copy of which is on file at the registered office of the Corporation."

2.06 **Principal Liability**

Each Principal and the respective Shareholder that such Principal controls, from time to time, shall be jointly and severally liable under this Agreement.

ARTICLE 3 - REPRESENTATIONS AND WARRANTIES

3.01 **Representations and Warranties**

Each Shareholder hereby represents and warrants to the other Shareholders, and acknowledges and confirms that the other Shareholders are relying on such representations and warranties in connection with entering into this Agreement, that:

- (a) it is the beneficial owner of the Shares as set out in the recitals to this Agreement, free and clear of all liens, charges encumbrances and any other rights of others (except as provided in this Agreement);
- (b) if such Shareholder is a corporation, it is duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation with the corporate power to own its assets;
- (c) if such Shareholder is a trust or a partnership, it is validly established under the laws of its jurisdiction of establishment with the power to own its assets;
- (d) such Shareholder has the power, authority and right to enter into and deliver this Agreement and to carry out its obligations hereunder;
- (e) this Agreement constitutes a valid and legally binding obligation of such Shareholder, enforceable against such Shareholder in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court;
- (f) there is no contract, option or any other right of another binding upon or which at any

time in the future may become binding upon such Shareholder to Transfer or in any other way dispose of or encumber any of the Shares other than pursuant to the provisions of this Agreement; and

- (g) neither the entering into nor the delivery of this Agreement nor carrying out by such Shareholder of its obligations hereunder will result in the violation of:
 - (i) any of the provisions of the constating documents, by-laws or establishing documents (as the case may be) of such Shareholder;
 - (ii) any agreement or other instrument to which such Shareholder is a party or by which such Shareholder is bound; or
 - (iii) any applicable law in respect of which such Shareholder or such Shareholder must comply.

ARTICLE 4 - MANAGEMENT

4.01 Directors

(1) The Board will initially consist of one (1) person as Director, who shall be a resident Canadian, or such other number of persons who may otherwise be determined from time to time by unanimous agreement of each of the holders of no less than twenty-five (25%) percent of the outstanding Voting Shares, a majority of which persons shall be resident Canadians. Initially, until he resigns or is replaced, the sole member of the Board and Director will be Dino Sciavella. In the event that any director resigns or is replaced as sole member of the Board, his or her replacement shall be selected by unanimous agreement of each of the holders of no less than twenty-five (25%) percent of the outstanding Voting Shares.

(2) Where there is more than one (1) Director, meetings of the Board will be held on such day and at such time and place as the Chair or Secretary of the Corporation or, if there are three (3) or more Directors, any two (2) Directors may determine. Notice of meetings of the Board will be given to each Director not less than 48 hours before the time when the meeting is to be held. The quorum for all meetings of the Board will be a majority of Directors present in person or by means of such telephone, electronic or other communication facilities whereby all persons participating in such meeting can hear and speak to each other simultaneously and instantaneously.

(3) At all meetings of the Board, every question will be decided by a majority of the votes cast on the question and in the case of an equality of votes the chair of the meeting shall be entitled to a second or casting vote.

4.02 Meetings of Shareholders

(1) At any meeting of Shareholders, a quorum will be one (1) person present in person or by telephonic or electronic means and each entitled to vote at the meeting and holding or representing by proxy not less than 50% of the votes entitled to be cast at the meeting.

(2) In the case of an equality of votes at any meeting of Shareholders the chair of the meeting will not be entitled to a second or casting vote.

(3) A meeting of the Shareholders may be held by telephonic or electronic means. The Board may determine the procedures to be followed at any meeting of Shareholders including, without limitation, the rules of order. Subject to the foregoing, the chair of a meeting may determine the

procedures of the meeting in all respects.

4.03 **Approval of Matters**

Notwithstanding any provision to the contrary in the articles or the bylaws of the Corporation, and in addition to any requirements required by law, the Corporation may not perform any of the following matters without Special Majority Approval:

- (a) the provision of financial assistance, whether by loan, guarantee or otherwise, to any Shareholder or any person not dealing at arm's length with a Shareholder;
- (b) the issuance of Shares or any securities, rights, warrants or options convertible into or exchangeable for or carrying the right to subscribe for Shares;
- (c) any amendment to equity incentive plans established by the Corporation to increase the aggregate number of securities of the Corporation issuable thereunder to more than the limit specified in Section 4.09;
- (d) the conversion, reclassification, subdivision, consolidation, exchange, redesignation or any other change to any of the shares in the capital of the Corporation;
- (e) the sale, lease, exchange or other disposition of all or substantially all of the assets or undertaking of the Corporation other than in connection with any *bona fide* corporate reorganization approved by the Board;
- (f) the enactment, revocation or amendment of any by-laws of the Corporation;
- (g) the making of any contract between the Corporation and any person not dealing at arm's length with a Shareholder or the making of any payment to any person not dealing at arm's length with a Shareholder, in each case, unless such contract is an employment agreement or a contract on market terms, as determined by the Board;
- (h) the redemption or purchase by the Corporation of its issued shares or securities convertible into shares or cancellation of the subscription rights in respect of its shares or securities convertible into its shares, except in accordance with the terms attaching to the shares of the Corporation or any equity incentive plan established by the Board;
- (i) a merger, amalgamation, plan of arrangement, continuance, reorganization or consolidation other than in connection with any *bona fide* internal corporate reorganization approved by the Board;
- (j) the taking or instituting of proceedings for the winding-up, re-organization or dissolution of the Corporation; and
- (k) any material change in the business carried on by the Corporation, being asset and investment management, financial services and any related or ancillary businesses.

4.04 **Officers**

The officers of the Corporation will be such officers as the Board may determine from time to time.

4.05 **Advisory Committee**

The Board may appoint an advisory committee to provide strategic advice to the Board from time to time. Such advisory committee will be comprised of such members as the Board may designate from time to time, provided that no Director shall be designated as a member of such advisory committee.

4.06 **Accountant**

The Shareholders will appoint the accountant of the Corporation and such accountant shall remain the accountant of the Corporation on a go-forward basis unless, prior to the appointment of any other person as accountant of the Corporation, all the Shareholders consent in writing to such person being appointed and a copy of such consent is filed with the Corporation. The Shareholders will in each financial year of the Corporation consent to exempt the Corporation from the requirement to appoint an auditor of the Corporation pursuant to the provisions of the *Business Corporations Act* (Ontario).

4.07 **Financial Year**

The financial year of the Corporation will end on ● in each year.

4.08 **Books and Records**

Proper books and records will be kept by the Corporation. Each Shareholder or its nominee or other authorized representative will have free access at all times to examine and copy such books and records.

4.09 **Equity Incentives**

The Board will be entitled to establish equity incentive plans from time to time without the approval of the Voting Shareholders, provided, however, that unless authorized by Special Majority Approval, the aggregate number of securities of the Corporation issuable thereunder will not exceed 15% of the issued and outstanding Voting Shares from time to time. Any person who is not already a Shareholder and is to receive such incentive securities by the Corporation must, as a condition precedent to the transfer or issuance to such person of such incentive securities, enter into a written agreement with the Corporation and the Shareholders in form and substance acceptable to the Board agreeing to be bound by the terms and conditions of this Agreement. All grants of equity incentives and the terms of any incentive securities agreement will be subject to approval by the Board from time to time. The Board will be entitled to appoint an administrator who will administer the equity incentive plan or plans on a day-to-day basis.

4.10 **Monthly Reporting**

Management of the Corporation shall prepare a monthly report in a form acceptable to the Shareholders and deliver same to the Shareholders for their review and comment within ten (10) days of the end of the relevant month.

ARTICLE 5- DEALING WITH SHARES

5.01 **Pre-Emptive Rights**

(1) Subject to the provisions of Section 5.01(2), if any additional shares of the Corporation are to be issued from treasury, the Corporation will first offer such shares to the Voting Shareholders by notice given to them of the Corporation's intention to issue additional shares, the number and class thereof to be so issued and the proposed price and terms of the shares so offered. The Voting Shareholders will have the right to purchase the shares so offered *pro rata* based upon the number of Voting Shares beneficially owned by the Voting Shareholders at the date notice is given. Each Voting

Shareholder will have 60 Business Days from the date such notice is given to take up and pay for any of the shares so offered to the Voting Shareholder. The shares that have not been taken up and paid for within the 60 Business Days will be offered again by the Corporation by notice given to those Voting Shareholders who took up and paid for all the shares initially offered to them, and each of such Voting Shareholders will have the right to purchase the shares so offered *pro rata* based upon the number of Voting Shares beneficially owned by such Voting Shareholders at the date notice is given of such subsequent offer. Such Voting Shareholders will have 10 Business Days from the date such subsequent notice is given to take up and pay for any of the shares so offered, and so on from time to time until all the shares have been taken up or until all the Voting Shareholders have refused to take up any more, in which latter event the shares not so taken up may be issued to such persons as the directors in their discretion determine, provided that such persons agree to be bound by this Agreement and to become parties hereto and the subscription price and terms of the shares so offered will be the same as the subscription price and terms offered to the Voting Shareholders.

(2) The pre-emptive rights described in Section 5.01(1) will not apply to an issuance of shares to the extent that the Board determines that the shares so offered are being issued pursuant to, or upon the exercise of securities granted under, equity incentive plans of the Corporation established by the Board in accordance with Section 4.09.

5.02 **Transfer of Shares**

(1) Except as expressly provided in this Article 5, (i) no Shareholder may Transfer any Shares that such Shareholder beneficially owns and (ii) no Principal may Transfer the Holding Company Shares that such Principal beneficially owns. The provisions of this Section 5.02(1) will apply to any Transfer of Shares even if the Shareholder is disposing of or encumbering such Shares together with or in conjunction with other assets.

(2) No Shareholder shall Transfer any of its Shares without approval of the Board, which approval may be unreasonably withheld. The foregoing requirement shall be in addition to and not in lieu of any other requirements of this Agreement relating to Transfers of Shares.

(3) Notwithstanding any other provision of this Article 5, no Transfer of Shares may be made if:

- (a) as a result, any Shares are owned by a corporation that is not wholly owned by an individual who is a party to this Agreement as a Principal or a trust in respect of which the sole trustee is not an individual who is a party to this Agreement as a Principal, unless (in both instances) Special Majority Approval is obtained, which Special Majority Approval may be unreasonably withheld;
- (b) as a result, the remaining Shareholders or the Corporation would become subject to any governmental controls or regulations to which they were not subject prior to the proposed sale by reason of the nationality or residence of the proposed purchaser or transferee;
- (c) as a result, the remaining Shareholders or the Corporation would become subject to any taxation or additional taxation to which they were not subject prior to the proposed sale;
- (d) the Transfer is not permitted by applicable law or any term of any agreement or other instrument affecting the Corporation, unless any required consent or approval is obtained; or
- (e) the proposed purchaser or transferee does not have the power and capacity, including financial, to carry out its obligations under this Agreement to the satisfaction of the

Board, acting reasonably.

(4) No proposed dealing with any Shares (including the issuance thereof) in violation of this Agreement shall be valid, and the Corporation shall not record or transfer any of the Shares dealt with in violation of this Agreement in the records of the Corporation nor shall any voting rights attached to such Shares be exercised, and any dividends be paid on such Shares during the period of such violation shall be placed in trust and released as the Board determines appropriate. Such disqualification shall be in addition to and not in lieu of any other remedies to enforce the provisions of this Agreement.

5.03 **Permitted Transfer - Individuals**

(1) Notwithstanding any other provision of this Agreement other than Sections 2.04, 5.02(2), 5.02(3) and 5.02(5), each Shareholder who is an individual will be entitled, after giving notice to the Corporation, to sell, transfer and assign any of the Shares beneficially owned by such Shareholder to a Permitted Entity of such Shareholder, provided that:

- (a) such Permitted Entity, as applicable, has entered into an agreement prior to such transaction to otherwise be bound by this Agreement and to become a party hereto in place of the Shareholder; and
- (b) such Permitted Entity executes and delivers such other instruments as the Corporation may advise are appropriate to ensure that control of such Shares transferred to the Permitted Entity remain controlled by the transferor.

(2) Notwithstanding the completion of any sale or transfer of the Shares by a Shareholder (the “**Original Shareholder**”) to a Permitted Entity pursuant to Section 5.03(1), the Original Shareholder will:

- (a) not sell or Transfer the shares or other securities of the Permitted Entity held by the Original Shareholder;
- (b) at all times control the Permitted Entity; and
- (c) continue to be bound by all the obligations as a Principal hereunder and as if the Original Shareholder continued to be a Shareholder of the Corporation and perform such obligations to the extent that the Permitted Entity fails to do so.

5.04 **Permitted Transfer – Non-Individuals**

(1) Notwithstanding any other provision of this Agreement other than Sections 2.04, 5.02(2), 5.02(3) and 5.02(5), each Shareholder that is a corporation or trust will be entitled, after giving notice to the Corporation, to sell or transfer all, but not less than all, of the Shares beneficially owned by such Shareholder to the individual controlling such Shareholder (the “**Permitted Transferee**”), provided that the Permitted Transferee has entered into an agreement prior to such transaction to be bound by this Agreement and to become a party hereto in place of the Shareholder.

(2) Notwithstanding the completion of any sale or transfer of the Shares by a Shareholder to a Permitted Transferee pursuant to Section 5.04(1), that Shareholder will continue to be bound by all the obligations hereunder as if that Shareholder continued to be a Shareholder of the Corporation and perform such obligations to the extent that the Permitted Transferee fails to do so.

5.05 **Right of First Refusal**

(1) If any Voting Shareholder (the “**Offeror**”) receives a *bona fide* written offer (a “**Third Party Offer**”) from any person dealing at arm’s length with the Offeror to purchase any of the Voting Shares that the Offeror beneficially owns (the “**Offered Shares**”), which Third Party Offer is acceptable to the Offeror, the Offeror must give notice of the Third Party Offer (the “**Notice**”) to the Corporation and to the Shareholders other than the Offeror, as the case may be (the Shareholders other than the Offeror are defined as the “**Offerees**”). The Third Party Offer must be an offer to purchase only Voting Shares and no other assets. The Notice must contain a copy of the Third Party Offer, disclose the identity of the person making the Third Party Offer and provide evidence sufficient to establish that such person has the power and capacity, including financial, to complete the purchase of the Offered Shares and that the conditions set out in Section 5.02(3) will be satisfied. Upon the Notice being given, the Offerees will have the right to purchase any or all of the Offered Shares at the same price and upon the same terms and conditions as are contained in the Third Party Offer.

(2) The Offerees will be entitled to purchase the Offered Shares *pro rata* based upon the number of Voting Shares beneficially owned by the Offerees at the date the Notice was given or in such other proportion as the Offerees may agree in writing. Each Offeree who desires to purchase any or all of the Offered Shares that such Offeree is entitled to purchase in accordance with the provisions of this Section 5.05(2) will give notice of such desire to the Offeror, to the Corporation and to the other Offerees within 10 Business Days of having been given the Notice.

(3) If any Offeree does not give notice as provided in Section 5.05(2) or provides such notice but indicates therein that it wishes to purchase less than such Offeree’s *pro rata* share of the Offered Shares, the Offered Shares that such Offeree had been entitled to purchase but not so purchased (the “**Rejected Shares**”) may instead be purchased by the Offerees who did give such notice *pro rata* based upon the number of Voting Shares beneficially owned by such Offerees at the date the Notice was given or in such other proportion as such Offerees may agree in writing, and, within five Business Days of the expiry of the 10 Business Day period specified in Section 5.05(2), each Offeree who desires to purchase any or all of the Rejected Shares that such Offeree is entitled to purchase in accordance with the provisions of this Section 5.05(3) will give an additional notice to the Offeror, to the Corporation and to the other Offerees. If any Offeree entitled to give the additional notice does not do so or provides such notice but indicates therein that it wishes to purchase less than such Offeree’s *pro rata* share of the Rejected Shares, the Rejected Shares that such Offeree had been entitled to purchase but were not so purchased may instead be purchased by the Offerees who did give such additional notice, *pro rata* based upon the number of Voting Shares beneficially owned by such Offerees at the date the Notice was given or in such other proportion as such Offerees may agree in writing, and so on from time to time until the Offerees are willing to purchase all the Offered Shares or until they are not willing to purchase any more Offered Shares.

(4) If the Offerees are willing to purchase any or all of the Offered Shares, the transaction of purchase and sale will be completed in accordance with the terms set out in the Third Party Offer by delivery of the Offered Shares by the Offeror with good title, free and clear of all liens, charges, encumbrances and any other rights of others, against payment by certified cheque, bank draft or wire transfer by the Offerees. If, at the time of completion, any Offered Shares are subject to any lien, charge, encumbrance or other right of others, the Offerees will be entitled to deduct from the purchase money to be paid to the Offeror the amount required to discharge all such liens, charges, encumbrances or other rights of others and will apply such amount to the repayment, on behalf of the Offeror, of the obligations secured thereby.

(5) If the Offeror defaults in transferring the Offered Shares to the Offerees as provided in this Section 5.05, the Corporation is authorized and directed to receive the purchase money and thereupon to record the transfer of the Offered Shares, to enter the names of the Offerees in the registers of the Corporation as the holders of the Voting Shares purchased by them, and to cause to be issued to the Offerees share certificates for the Offered Shares in the names of such Offerees. The Corporation

will hold the purchase money received by it in trust on behalf of the Offeror and will not commingle the purchase money with the Corporation's assets, except that any interest thereon will be for the account of the Corporation. The receipt by the Corporation of the purchase money will be a good discharge to the Offerees and, after their names have been entered in the registers of the Corporation, the transaction of purchase and sale will be deemed completed at the price and on the other terms and conditions contemplated herein and the Offerees will for all purposes own the Offered Shares purchased by them. Upon such registration, the Offeror will cease to have any right to or in respect of the Offered Shares except the right to receive, without interest, the purchase money received by the Corporation upon surrender of any certificates that previously represented the Offered Shares.

(6) If, after the application of Section 5.05(3), all of the Offered Shares have not been accepted for purchase by the Voting Shareholders, the rights of the Voting Shareholders, except as hereinafter provided, to purchase the Offered Shares will terminate and, subject to Section 2.04, 5.02(2), 5.02(3) and 5.02(5) and approval in writing by the Board (which approval may be withheld without reason), the Offeror may sell the Offered Shares that have not been accepted for purchase to the person who made the Third Party Offer within four months after the later of the expiry of the last of the 10 Business Day periods specified in Section 5.05(2) and the last of the five Business Day periods specified in Section 5.05(3), as the case may be. Any such sale must be at a price not less than the purchase price contained in the Third Party Offer and on other terms no more favourable to such third party than those contained in the Third Party Offer. If the Offered Shares are not sold within such four month period on such terms, the rights of the Corporation and the Shareholders other than the Offeror pursuant to this Section 5.05 will again take effect.

(7) If the Offeror is entitled to sell the Offered Shares to the person who made the Third Party Offer following compliance with this Section 5.05, the Offeror will be entitled to provide such financial information and documents to the person who made the Third Party Offer as would be reasonable in the circumstances, provided that the person who made the Third Party Offer enters into a confidentiality agreement with the Corporation in form and substance acceptable to the Board.

5.06 **Death, Default or Insolvency of a Shareholder or Principal**

(1) If any Shareholder or Principal in respect thereof: (i) that is an individual dies; (ii) causes or commits an Event of Default; or (iii) makes an assignment for the benefit of creditors or is the subject of any proceedings under any bankruptcy or insolvency law or if any Shareholder that is a corporation takes steps to wind-up or terminate its corporate existence other than in connection with a *bona fide* corporate reorganization to which the Shareholders have consented, then the Shareholders other than the Offeror (as defined below), as the case may be, (the Shareholders other than the Offeror, the "**Offerees**") will have the right to purchase any or all of the Shares (the "**Offered Shares**") beneficially owned by such Shareholder or, in the case of the death of such Shareholder or Principal, his or her Personal Representative (such Shareholder or Personal Representative, the "**Offeror**"). The purchase price (the "**Purchase Price**") for each of the Offered Share will be the Fair Market Value thereof as of the date of the death, the Event of Default or assignment, as the case may be, determined in accordance with the provisions of Section 5.11, subject to adjustments set out in Section 5.06(4).

(2) The Offerees will be entitled to purchase the Offered Shares *pro rata* based upon the number of Voting Shares beneficially owned by the Offerees at the date of the event referred to in Section 5.06(1) or to purchase in such other proportion as the Offerees may agree in writing, at the Purchase Price for each Offered Share. Each Offeree who desires to purchase any or all the Offered Shares that such Offeree is entitled to purchase in accordance with the provisions of this Section 5.06(2) will give notice of such desire to the Offeror, to the Corporation and to the other Offerees within 10 Business Days of the determination of Fair Market Value.

(3) If any Offeree does not give notice as provided in Section 5.06(2) or provides such notice but indicates therein that it wishes to purchase less than such Offeree's *pro rata* share of the Offered Shares, the Offered Shares that such Offeree had been entitled to purchase but were not so purchased (the "**Rejected Shares**") may instead be purchased by the Offerees who did give such notice, *pro rata* based upon the number of Voting Shares beneficially owned by such Offerees at the date of the event referred to in Section 5.06(1) or in such other proportion as such Offerees may agree in writing, and, within five Business Days of the expiry of the 10 Business Day period specified in Section 5.06(2), each Offeree who desires to purchase any or all of the Rejected Shares that such Offeree is entitled to purchase in accordance with the provisions of this Section 5.06(3) will give an additional notice to the Offeror, to the Corporation and to the other Offerees. If any Offeree entitled to give the additional notice does not do so or provides such notice but indicates therein that it wishes to purchase less than such Offeree's *pro rata* share of the Rejected Shares, the Rejected Shares that such Offeree had been entitled to purchase but were not so purchased may instead be purchased by the Offerees who did give such additional notice, *pro rata* based upon the number of Voting Shares beneficially owned by such Offerees at the date of the event referred to in Section 5.06(1) or in such other proportion as such Offerees may agree in writing, and so on from time to time until the Offerees are willing to purchase all the Offered Shares or until they are not willing to purchase any more Offered Shares.

(4) If the Offerees are willing to purchase any or all of the Offered Shares, the transaction of purchase and sale must be completed within 20 Business Days (or such longer period as may reasonably be required to comply with all applicable statutory and regulatory requirements) of the expiry of the 10 Business Day period specified in Section 5.06(2), or the last of the five Business Day periods specified in Section 5.06(3), as the case may be. The transaction of purchase and sale will be completed at the Corporation's registered office where delivery of the Offered Shares must be made by the Offeror with good title, free and clear of all liens, charges, encumbrances and any other rights of others, against payment by certified cheque, bank draft or wire transfer by the Offerees. If, at the time of completion, any Offered Shares are subject to any lien, charge, encumbrance or other right of others, the Offerees will be entitled to deduct from the purchase money to be paid to the Offeror the amount required to discharge all such liens, charges, encumbrances or other rights of others and will apply such amount to the repayment, on behalf of the Offeror, of the obligations secured thereby.

(5) If the Offeror defaults in transferring the Offered Shares to the Offerees as provided for in this Section 5.06, the Corporation is authorized and directed to receive the purchase money and thereupon to record the transfer of the Offered Shares, to enter the names of the Offerees in the registers of the Corporation as the holders of the Shares purchased by them, and to cause to be issued to the Offerees share certificates for the Offered Shares in the names of such Offerees. The Corporation will hold the purchase money received by it in trust on behalf of the Offeror and will not commingle the purchase money with the Corporation's assets, except that any interest accruing thereon will be for the account of the Corporation. The receipt by the Corporation of the purchase money will be a good discharge to the Offerees and, after their names have been entered in the registers of the Corporation, the transaction of purchase and sale will be deemed completed at the price and on the other terms and conditions contemplated herein and the Offerees will for all purposes own the Offered Shares purchased by them. Upon such registration, the Offeror will cease to have any right to or in respect of the Offered Shares except the right to receive, without interest, the purchase money received by the Corporation upon surrender of any certificates that previously represented the Offered Shares.

(6) If after the application of Section 5.06(3), all of the Offeree Shares have not been accepted for purchase by the Shareholders, the Corporation will be entitled to purchase the remaining Offered Shares in accordance with Sections 5.06(1) to 5.06(5) as if it were the sole Offeree, *mutatis mutandis*.

(7) If after the application of Section 5.06(6), all of the Offeree Shares have not been accepted for purchase by the Shareholders or the Corporation, subject to Sections 2.04, 5.02(2), 5.02(3)

and 5.02(5), the Offeror may sell all, but not less than all, of the Offered Shares not so purchased to any person within four months after the later of the expiry of the last of the 10 Business Day periods specified in Section 5.06(2) and the last of the five Business Day periods specified in Section 5.06(3), as the case may be. Any such sale must be at a price not less than the price that would have been payable by the Offerees, and on other terms no more favourable to such person than those that would have been applicable had the Offerees agreed to purchase all the Offered Shares in accordance with the provisions of this Section 5.06.

5.07 **Family Law Matters**

(1) If at any time, any Shareholder or its Principal (such Shareholder, the “**Relevant Shareholder**”) becomes a party to a Family Law Proceeding (the “**Proceeding**”), the Relevant Shareholder will promptly give written notice (the “**Family Law Notice**”) to the Corporation and each of the Shareholders of the commencement of the Proceeding.

(2) The Corporation and the Shareholders other than the Relevant Shareholder, as applicable (together, the “**Offerees**”), will each have a right, exercisable by written notice to the Relevant Shareholder within 10 Business Days after delivery of the Family Law Notice to purchase, at Fair Market Value (the “**Purchase Price**”), all, but not less than all, of the Voting Shares beneficially owned by the Relevant Shareholder (the “**Relevant Shares**”). The Relevant Shares may be purchased by the Corporation and the Shareholders in such proportion as they agree in writing.

(3) In the event that the Relevant Shareholder fails to deliver the Family Law Notice, the Offerees may still exercise their right to purchase, at Fair Market Value, all, but not less than all, of the Relevant Shares. The transaction of purchase and sale will be completed at the Corporation’s registered office where delivery of the Relevant Shares must be made by the Relevant Shareholder with good title, free and clear of all liens, charges, encumbrances and any other rights of others, against payment by certified cheque, bank draft or wire transfer by the Offerees. If, at the time of completion, any Relevant Shares are subject to any lien, charge, encumbrance or other right of others, the Offerees will be entitled to deduct from the purchase money to be paid to the Relevant Shareholder the amount required to discharge all such liens, charges, encumbrances or other rights of others and will apply such amount to the repayment, on behalf of the Relevant Shareholder, of the obligations secured thereby.

(4) If the Relevant Shareholder defaults in transferring the Relevant Shares to the Offerees as provided for in this Section 5.07, the Corporation is authorized and directed to retain the purchase money and to record the transfer of the Relevant Shares to the Offerees in the registers of the Corporation. The Corporation will hold the purchase money received by it in trust on behalf of the Relevant Shareholder and will not commingle the purchase money with the Corporation’s assets, except that any interest accruing thereon will be for the account of the Corporation. The receipt by the Corporation of the purchase money will be a good discharge to the Offerees and, after their names have been entered in the registers of the Corporation, the transaction of purchase and sale will be deemed completed at the price and on the other terms and conditions contemplated herein and the Offerees will for all purposes own the Relevant Shares purchased by them. Upon such registration, the Relevant Shareholder will cease to have any right to or in respect of the Relevant Shares except the right to receive, without interest, the purchase money received by the Corporation upon surrender of any certificates that previously represented the Relevant Shares.

(5) Upon a final and binding decision being issued with respect to the Proceeding and the determination of the entitlement of the Designated Spouse in relation to the Proceeding, the Relevant Shareholder will have the right, exercisable by written notice to the Corporation and the Shareholders, as applicable, within 90 days of such decision, to subscribe for or purchase from, as the case may be, up to such number and class of Voting Shares as was purchased by the Offerees from the Relevant Shareholder pursuant to Section 5.07(2) at a price per Voting Share equal to the Purchase Price per

Voting Share referred to in Section 5.07(2).

(6) The rights of the Corporation set out in this Section 5.07 will apply regardless of the merits of the Proceeding and even if the Relevant Shareholder is able to provide evidence that the claims of such spouse, former spouse or dependent to such payment or support can be settled without in any way, directly or indirectly, effecting, encumbering or interfering with the holding or voting of Voting Shares by the Relevant Shareholder.

5.08 **Mandatory Offer to Purchase - Piggyback Rights**

(1) Notwithstanding any other provision hereof other than Sections 2.04, 5.02(2), 5.02(3), 5.02(5), 5.03, 5.04 and 5.09, if any person (including any Shareholder) (the “**Offeror**”), agrees to acquire Voting Shares from any Shareholder and, following such acquisition, the Offeror would directly or indirectly beneficially own 50% or more of the issued and outstanding Voting Shares (the “**Liquidation Transaction**”), the Offeror will only be permitted to acquire such Voting Shares, and the Shareholders who are to sell such Voting Shares to the Offeror will only be permitted to sell them, if the Offeror first makes an offer (an “**Offer to Purchase**”) to the other Voting Shareholders (the “**Offerees**”) to purchase all, but not less than all, of the Voting Shares then outstanding that the Offeror does not then own or have a right to acquire for cash at the same price per Voting Shares (the “**Purchase Price**”) and upon the same terms and conditions as under the Liquidation Transaction.

(2) The Offer to Purchase described in Sections 5.08(1) must be given to the other Shareholders in a notice (the “**Notice**”).

(3) Within 10 Business Days of the Notice being given, each Offeree will be entitled to accept the Offer to Purchase by giving notice of the acceptance thereof to the Offeror, to the other Offerees and to the Corporation.

(4) The Offeror will purchase the number of Voting Shares beneficially owned by each Offeree who accepts the Offer to Purchase as prescribed in Section 5.08(1) at the Purchase Price and the transaction of purchase and sale will be completed within 20 Business Days (or such longer period as may reasonably be required to comply with all applicable statutory and regulatory requirements) of the expiry of the 10 Business Day period specified in Section 5.08(1). The transaction will be completed at the Corporation’s registered office where delivery of the Voting Shares must be made by the Offerees accepting the Offer to Purchase with good title, free and clear of all liens, charges, encumbrances and any other rights of others, against payment by certified cheque, bank draft or wire transfer by the Offeror. If, at the time of completion, any offered Voting Shares are subject to any lien, charge, encumbrance or other right of others, the Offeror will be entitled to deduct from the purchase money to be paid to the applicable Offeree the amount required to discharge all such liens, charges, encumbrances or other rights of others and will apply such amount to the repayment, on behalf of the Offeree, of the obligations secured thereby.

(5) For the purposes of this Section 5.08, the Corporation and the Shareholders acknowledge that no Transfer of Voting Shares from the Offerees to any Offeror will be authorized or permitted and no such person (unless already a Shareholder) will be entitled to become a party to this Agreement unless and until the Offer to Purchase is made and, if accepted by one or more Voting Shareholders, the purchase and sale of such Voting Shares is completed.

5.09 **Obligation to Sell - Drag-Along Rights**

(1) If, after complying with the provisions of Section 5.05, any Shareholders or group of Voting Shareholders holding more than 50% of the outstanding Voting Shares (together the “**Majority Shareholders**”) desire to sell all, but not less than all, of the Voting Shares held by the Majority

Shareholders, the Majority Shareholders may secure from an arm's length third party (the "**Third Party Offeror**") a *bona fide* offer (an "**Offer to Purchase**") to all the Shareholders (the "**Offerees**") to purchase all the Shares for cash. Upon receipt of the Offer to Purchase, together with notification from the Majority Shareholders of their intention to accept the Offer to Purchase, all the Offerees will be deemed to have accepted the Offer to Purchase in accordance with its terms and conditions.

(2) If any Shareholder obligated to sell in accordance with the foregoing provisions of this Section 5.09 (the "**Selling Shareholder**") defaults in transferring any of the Shares that the Selling Shareholder is obligated to transfer to the Third Party Offeror as provided for in this Section 5.09, the Corporation is authorized and directed to receive the purchase money and thereupon to record the transfer of Shares, to enter the name of the Third Party Offeror in the registers of the Corporation as the holder of the Shares purchased by the Third Party Offeror, and cause to be issued to the Third Party Offeror share certificates for such Shares in the name of the Third Party Offeror. The Corporation will hold the purchase money received by it in trust on behalf of the Selling Shareholder and will not commingle the purchase money with the Corporation's assets, except that any interest accruing thereon will be for the account of the Corporation. The receipt by the Corporation of the purchase money will be a good discharge to the Third Party Offeror and, after the name of the Third Party Offeror has been entered in the registers of the Corporation as the holder of the Shares purchased by it, the purchase and sale will be deemed completed at the price and on the terms and conditions contemplated herein and the Third Party Offeror will for all purposes own the Shares purchased by it. Upon such registration, the Selling Shareholder will cease to have any right to or in respect of the Shares except the right to receive, without interest, the purchase money received by the Corporation upon surrender of any certificates that previously represented such Shares.

5.10 Initial Public Offering

(1) Subject to Section 5.10(5), all of the Shareholders will take all such actions as may be necessary or advisable to undertake an IPO if Special Majority Approval is obtained.

(2) For purposes of this Agreement, "**IPO**" means the first distribution to the public by the Corporation of equity securities of the Corporation, which distribution is qualified for sale by the filing of such documents ("**Offering Documents**") as may be necessary to be filed under the securities laws of one or more jurisdictions in Canada in order for the distributed securities to become freely tradable to the public.

(3) Each of the Shareholders acknowledges and agrees that the share and/or corporate structure of the Corporation may need to be restructured (including, for greater certainty, the creation of a holding company and/or creation of a single class of shares) prior to the completion of the IPO and each agrees to use its best efforts to effect, and to cause the Corporation to effect, transactions to optimize the tax treatment to the Corporation and the Shareholders in connection with the IPO. Each of the Shareholders agrees to vote its Shares in favour of any resolution required to be passed by the Shareholders in order to give effect to any decisions taken and recommendations made by the Board in connection with the IPO.

(4) Within 30 days after receipt of the approval described in Section 5.10(1), the Corporation will engage one or more underwriters selected by the Board to provide customary investment banking and related advisory services in connection with an IPO, including advice regarding an estimated offering price and the number of securities of the Corporation which should be offered in order to assist in the marketing of the IPO and to provide sufficient distribution and market capitalization to facilitate coverage of the Corporation by financial analysts.

(5) If the Board determines that the terms and conditions of any IPO (including estimated offering price and offering size) proposed by the underwriters engaged by the Corporation pursuant to

Section 5.10(4) are acceptable and that it wishes to proceed with an IPO, then the Corporation will prepare and file Offering Documents with one or more securities regulatory authorities or otherwise to qualify securities of the Corporation for distribution in one or more jurisdictions, as determined by the Board, and will otherwise take or cause to be taken all actions as may be necessary or desirable, in order to effect an IPO. Each of the Shareholders agrees that it will enter into lock-up agreements with respect to the securities of the Corporation that it holds with the underwriters engaged by the Corporation in connection with the IPO in such customary form as may be reasonably required by such underwriters.

5.11 **Determination of Fair Market Value**

(1) Where any Share is to be purchased and sold pursuant to this Article 5 at fair market value (“**Fair Market Value**”), then such value will be determined by unanimous written agreement by the parties to such purchase and sale transaction (the “**Shareholder Parties**”) within 30 days following written request for such valuation by any Shareholder Party to the other Shareholder Party or Shareholder Parties. If the Shareholder Parties fail to agree on a valuation within 30 days of the applicable event, then the Offeror or Relevant Shareholder, as applicable, selects a valuator and the other Shareholders collectively select a valuator and those two valutors will select a valuator to determine Fair Market Value. The decision of such valuator shall be binding. Fair Market Value will be determined on the basis of the monetary consideration that, in an open, liquid and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm’s length with the other and under no compulsion to act. Fair Market Value will not include any downward adjustment to reflect the fact that the shares do not form part of a controlling interest.

(2) In determining Fair Market Value, the Valuator will be instructed to determine Fair Market Value on the basis of the monetary consideration that, in an open, liquid and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm’s length with the other and under no compulsion to act. When determining the Fair Market Value, the Valuator will be permitted to take into consideration any *bona fide* third party offer for the Shares or any material assets of the Corporation (provided, in each case, that such offer contemplates a cash-only purchase price payable immediately upon the transfer of such Shares or material assets and that such third party has made adequate arrangements prior to making the offer to ensure that the required funds are available to effect payment in full for such Shares or material assets) although such offer may not necessarily constitute the sole factor taken into consideration when determining such Fair Market Value. In its determination of the Fair Market Value the Valuator will not include any downward adjustment to reflect the fact that the Shares do not form part of a controlling interest. The determination of the Valuator as to Fair Market Value will be final and binding upon the Shareholder Parties.

(3) The Valuator will have access to the books, accounts, records, vouchers, cheques, papers and documents of, or which may relate to, the Corporation. The Shareholders will cooperate with the Valuator and will provide all information and documents reasonably requested by the Valuator. The Shareholder Parties will equally bear all costs associated with such valuation, including the Valuator’s fees.

5.12 **Exclusivity of Sections**

Each of Sections 5.05, 5.06, 5.07, 5.08, 5.09 and 5.10 are exclusive and the provisions thereof may only be relied upon by any party if the provisions of one of the other of such Sections are not at the same time being relied upon by the same or another party.

ARTICLE 6- GENERAL

6.01 **Non-Competition**

No Shareholder (or Principal thereof, as applicable) may, without the prior written consent of the Board, at any time while such Shareholder is a shareholder of the Corporation and for a period expiring on the later to occur of (i) 12 months following the date such Shareholder ceases to be a shareholder of the Corporation and (ii) the date that such Shareholder (or Principal thereof, as applicable) ceases to be an employee, officer or director of the Corporation for any reason, either individually, or in partnership or jointly or in conjunction with any person as principal, agent, trustee, employee or shareholder or in any other manner whatsoever:

- (a) carry on, engage in or be concerned with or interested in; or
- (b) lend money to, guarantee the debts or obligations of or permit the name of such Shareholder (or Principal thereof, as applicable) or any part thereof to be used or employed by any person engaged in or concerned with or interested in,

any business that is the same as, substantially similar to or competitive with the business carried on by the Corporation or its Subsidiaries or, if such Shareholder has ceased to be a shareholder of the Corporation, any business that is the same as, substantially similar to or competitive with the business carried on by the Corporation or its Subsidiaries at the time such Shareholder ceased to be a shareholder of the Corporation within, in either case, Canada. Notwithstanding the foregoing, this Section 6.01 shall not prevent a Shareholder from purchasing as a passive investor up to 2% of the outstanding publicly-traded shares of any issuer listed on a Canadian or United States stock exchange.

6.02 **Non-Solicitation**

No Shareholder (or Principal thereof, as applicable) may, without the prior written consent of the Board, at any time while such Shareholder is a shareholder of the Corporation and for a period expiring on the later to occur of (i) 12 months following the date such Shareholder ceases to be a shareholder of the Corporation and (ii) the date that such Shareholder (or Principal thereof, as applicable) ceases to be an employee, officer or director of the Corporation for any reason, either individually or in partnership or jointly or in conjunction with any person as principal, agent, trustee, employee or shareholder or in any other manner whatsoever:

- (a) induce or endeavour to induce any employee of the Corporation to leave his or her employment with the Corporation;
- (b) employ or attempt to employ or assist any person to employ any employee of the Corporation; or
- (c) solicit, endeavour to solicit or gain the business of, canvass or interfere with the relationship of the Corporation with any person that:
 - (i) is a customer or a client of the Corporation while the Shareholder is a shareholder of the Corporation or at the date such Shareholder ceases to be a shareholder of the Corporation;
 - (ii) was a customer or a client of the Corporation at any time within six months prior to the date such Shareholder ceases to be a shareholder of the Corporation; or
 - (iii) had been pursued as a prospective customer or a client by or on behalf of the Corporation at any time within six months prior to the date such Shareholder ceases to be a shareholder of the Corporation and in respect of whom the Corporation has not determined to cease all such pursuit.

Notwithstanding the foregoing, this Section 6.02 shall not prevent a Shareholder from purchasing as a passive investor up to 2% of the outstanding publicly-traded shares of any issuer listed on a Canadian or United States stock exchange.

6.03 **Confirmation**

Each of the Shareholders and Principals confirms that all restrictions in Sections 6.01 and 6.02 are reasonable and valid and waives all defences to the strict enforcement thereof.

6.04 **Confidentiality**

The Shareholders and Principals agree to treat all information, data, reports and other records, in whatever form (oral, written, electronic or otherwise) pertaining to the business, affairs or operations of the Corporation (“**information**”) as confidential and will not disclose such information to any other person without the prior written consent of the Corporation; provided, however, that no Shareholder or Principal shall be liable for any such disclosure of such information if such information:

- (a) becomes generally available to the public other than as a result of a disclosure by such Shareholder or Principal or their representatives in violation of this Agreement;
- (b) was available to such Shareholder or Principal on a non-confidential basis without violation of this Agreement prior to its disclosure by the Corporation or its representatives;
- (c) becomes available to such Shareholder or Principal on a non-confidential basis without violation of this Agreement from a source other than the Corporation or its representatives provided that such source is not bound by a confidentiality agreement with the Corporation or a duty of confidentiality to or in respect of the Corporation to the knowledge of such Shareholder or Principal; or
- (d) is required by law to be disclosed by such Shareholder or Principal, provided that such Shareholder or Principal first notifies the Corporation that it believes it is required to disclose such information and it allows the Corporation a reasonable period of time to contest the disclosure of such information.

6.05 **Insurance**

The Corporation may maintain such life insurance policies as the Board may from time to time determine. The Corporation will obtain such Director and officer liability insurance policies as the Board may from time to time determine.

6.06 **Disputes**

(1) If any dispute, claim, question or difference (the “**Dispute**”) arises out of or in relation to this Agreement or any breach thereof, the parties subject to the Dispute shall use their best efforts to settle the Dispute. To this effect, they shall consult and negotiate with each other, in good faith and understanding of their mutual interests, to reach a just and equitable solution satisfactory to all Shareholders subject to the Dispute.

(2) Except as is expressly provided in this Agreement, if the parties subject to the Dispute do not reach a solution pursuant to Section 6.06(1) within a period of 60 days following written notice of the Dispute being given by a party to the other, then, upon written notice by any party to the others, the Dispute shall be resolved by arbitration in accordance with the International Arbitration Rules (the

“**IAR**”) of the International Centre for Dispute Resolution. The party initiating arbitration (“**Initiating Party**”) shall give written notice of arbitration (the “**Arbitration Notice**”) to the administrator (as defined under the IAR) and at the same time to the party against whom a claim is being made (the “**Responding Parties**”) in accordance with the IAR.

(3) The Initiating Party and the Responding Parties shall endeavour to agree upon an arbitrator. In the event that the Initiating Party and the Responding Parties are unable to agree upon an arbitrator within 10 Business Days after the delivery of the Arbitration Notice, the Initiating Party and the Responding Parties shall each appoint an arbitrator, and the two arbitrators so appointed shall thereupon meet and select a third arbitrator and the third arbitrator alone shall be the arbitrator to hear and arbitrate the Dispute.

(4) In respect of the arbitration proceedings set out in Section 6.06(2):

- (a) the number of arbitrators shall be one;
- (b) the seat of arbitration shall be Toronto, Ontario;
- (c) the language of arbitration shall be English; and
- (d) the governing law of the contract shall be the substantive law of Ontario.

(5) All notices required for any arbitration proceeding shall be deemed properly given if sent in accordance with Section 6.16.

(6) The decision of the arbitrator appointed in accordance with Section 6.06(3) shall be final and binding on the parties involved in the Dispute and shall not be subject to appeal, but shall not be binding as a precedent with respect to any subsequent disputes between any of the parties hereto.

(7) Notwithstanding Section 6.06(2), each party shall have the right to specific performance of the obligations of the other parties hereto and if any party hereto shall institute any action or proceeding seeking specific performance, each of the other parties hereto hereby waives the claim or defence that the party instituting the action or proceeding has an adequate remedy at law by making a claim for damages.

(8) Other than as provided in Section 6.06(7), no party shall commence legal proceedings in respect of any Dispute arising out of or in relation to this Agreement or any breach thereof until the matter has been submitted to arbitration and an arbitration award has been rendered as provided in Section 6.06(2).

6.07 **Further Assurances**

Each of the parties will from time to time execute and deliver all such further documents and instruments and do all acts and things as another party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

6.08 **Benefit of the Agreement**

This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrators, other legal representatives, successors and permitted assigns of the parties.

6.09 **Entire Agreement**

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement.

6.10 **Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and Special Majority Approval is obtained. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

6.11 **Time of the Essence**

Time shall be of the essence of this Agreement.

6.12 **Truth of Recitals**

The parties acknowledge, represent and warrant to each other that each of the recitals set out above are true in substance and in fact.

6.13 **Assignment**

Except as may be expressly provided in this Agreement, none of the parties may assign such party's rights or obligations under this Agreement without the prior written consent of all the other parties.

6.14 **Termination**

This Agreement will terminate upon:

- (a) the written agreement of holders of at least 90% of outstanding Voting Shares;
- (b) the dissolution or bankruptcy of the Corporation or the making by the Corporation of an assignment under the provisions of the *Bankruptcy and Insolvency Act* (Canada);
- (c) one Shareholder becoming the beneficial owner of all the Shares; or
- (d) the date on which the Corporation completes an IPO.

6.15 **Severability**

In the event that any provisions contained in this Agreement, in whole or in part, shall be declared invalid, illegal or unenforceable by a court or other lawful authority of competent jurisdiction, this Agreement shall continue in force with respect to the enforceable provisions, or part thereof, and all rights and remedies accrued under the enforceable provisions shall survive any such declaration, and any non-enforceable provision shall to the extent permitted by law be replaced by a provision which, being valid, comes closest to the intention underlying the invalid, illegal and unenforceable provision.

6.16 **Notices**

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery, by registered mail or by electronic means of communication addressed to the recipient as follows:

To the Optionee at:

Pace Developments Inc.
30 Wertheim Cr.
Richmond Hill, ON
L4B 1B9

Attention: Dino Sciavilla
Telephone: 905-731-5069 x30
Email: dino@pacedev.ca

with a copy (for information purposes only and not to constitute notice)

David Chong
Barrister and Solicitor
Suite 202
1370 Don Mills Road
Don Mills, Ontario
M3B 3N7

Fax: (416) 510-2234 - facsimile
Email: David@DavidChong.ca
Attention: David Chong

To the Shareholder:

Naheel Suleman
c/oHUSH Homes Inc.
75 International Blvd #400,
Toronto, ON
M9W 6L9

Email: naheel@hush.ca
Attention: Naheel Suleman

with a copy (but not as notice) to:

Wildeboer Dellelce Place
365 Bay Street, Suite 800
Toronto, ON
M5H2V1

Email: aapps@wildlaw.ca
Attention: W. Alfred Apps

To the Corporation:

2462357 Ontario Inc.
30 Wertheim Cr.
Richmond Hill, ON
L4B 1B9

Attention: Dino Sciavilla
Telephone: 905-731-5069 x30
Email: dino@pacedev.ca

with a copy (for information purposes only and not to constitute notice)

David Chong
Barrister and Solicitor
Suite 202
1370 Don Mills Road
Don Mills, Ontario
M3B 3N7

Fax: (416) 510-2234 - facsimile
Email: David@DavidChong.ca
Attention: David Chong

or such other street address, individual or electronic communication number or address as may be designated by notice given by any party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the fifth Business Day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day. If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication may not be mailed but must be given by personal delivery or by electronic communication.

6.17 Governing Law

This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

6.18 Acknowledgement.

Each of the parties to this Agreement acknowledge that: (i) the party has been advised by the other parties to seek independent legal advice; (ii) the party has sought such independent legal advice or deliberately decided not to do so; (iii) the party understands the rights and obligations under this Agreement as applicable to that party; and (iv) is executing this Agreement voluntarily.

6.19 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.

6.20 **Electronic Execution**

Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

6.21 **Effective Date**

This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties have executed this Agreement.

PACE DEVELOPMENTS INC.

Per:



Authorized Signing Officer

WITNESS

NAHEEL SULEMAN

2462357 ONTARIO INC.

Per:



Authorized Signing Officer

IN WITNESS WHEREOF the parties have executed this Agreement.

PACE DEVELOPMENTS INC.

Per:

Authorized Signing Officer



NAHEEM SULEMAN

2462357 ONTARIO INC.

Per:

Authorized Signing Officer

WITNESS

Schedule "A"

Form of Assumption Agreement

TO: [THE COMPANY] (the "Corporation")

AND TO: THE SHAREHOLDERS OF THE CORPORATION

RE: Acquisition by • of • [common shares][preference shares] in the capital of the Corporation and compliance with the Shareholders' Agreement dated •, 2015 between the Corporation and its shareholders (the "Agreement")

Unless otherwise defined herein, all words and terms with the initial letter or letters thereof capitalized in this certificate and not defined herein but defined in the Agreement shall have the meanings given to such capitalized words and terms in the Agreement.

The undersigned, in consideration of being permitted to own • [common shares][preference shares] in the capital of the Corporation or for being permitted to having his/her Holding Company own [common shares][preference shares] in the capital of the Corporation and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), covenants and agrees as follows:

- (a) The undersigned agrees to be bound by all of the provisions of the Agreement as a Shareholder or Principal (as applicable) as if the undersigned were an original signatory thereto as a Shareholder or Principal (as applicable) and hereby agrees to be a party to the Agreement.
- (b) Without limiting the generality of the foregoing, the undersigned hereby covenants and agrees that all of the representations and warranties set out in Section 3.01 of the Agreement shall be true and correct as of the date hereof.
- (c) Without limiting the generality of the foregoing, the provisions of Article 1 and Section 6.06 to 6.20 of the Agreement apply to this agreement *mutatis mutandis*.

DATED as of this ____ day of _____, 20__.

(for individual Shareholder or Principal)

)
)
)
Signature and Name of Witness

Name:

*(for Holding Company Shareholder (note that
Principal of Holding Company must also sign))*

Name of signatory:
Title: