

COMBINATION AGREEMENT

AMONG

HOSTPAPA, INC.

AND

1241017 B.C. LTD.

AND

DATA DEPOSIT BOX INC.

February 18, 2020

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COMBINATION AGREEMENT

THIS COMBINATION AGREEMENT made as of the 18th day of February, 2020.

AMONG:

HOSTPAPA, INC., a corporation incorporated under the laws of the Province of Ontario,

(“**HostPapa**”),

- and -

1241017 B.C. LTD., a corporation incorporated under the laws of British Columbia,

(“**Subco**”)

- and -

DATA DEPOSIT BOX INC., a corporation incorporated under the laws of British Columbia

(“**DDB**”)

WHEREAS:

- A. The authorized capital of DDB consists of an unlimited number of DDB Shares, of which, as at February 14, 2020, 98,559,577 DDB Shares are issued and outstanding as fully paid and non-assessable.
- B. Except for the DDB Options, there are no options, warrants or other securities or rights, agreements, arrangements, commitments or obligations outstanding that require the issue or sale of any securities of DDB.
- C. HostPapa is the registered and beneficial owner of all of the issued and outstanding common shares of Subco.
- D. HostPapa, Subco and DDB desire Subco and DDB to effect the Amalgamation with the result that HostPapa will become the registered and beneficial owner of all of the outstanding Amalco Common Shares and each of the DDB Shareholders will receive one Amalco Redeemable Preferred Share for each DDB Share held by them, on the terms and conditions set forth herein.
- E. The board of directors of DDB, after receiving legal advice and after considering the fairness of the transaction, the cash payout to the DDB Shareholders, the lack of other reasonable merger and acquisition options, and other factors, has unanimously determined that it would be advisable and in the best interests of DDB for DDB to enter into this Agreement, to support and implement the Transaction and to recommend that DDB Shareholders vote in favour of the Amalgamation.

NOW THEREFORE in consideration of the mutual covenants set out in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, HostPapa, Subco and DDB agree that:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Wherever used in this Agreement, unless there is something inconsistent in the subject matter or context, the following words and terms shall have the meanings set out below:

“**Affiliate**” has the meaning ascribed to it in the *Business Corporations Act* (Ontario);

“**Aggregate DDB Shares**” equals the total number of DDB Shares issued and outstanding on the Determination Date assuming the exercise of all In-the-Money Options into the number of DDB Shares into which they are exercisable prior to the amendments required by section 2.1.3 of this Agreement and assuming the exercise of any other securities rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise), other than pursuant to the DDB Stock Option Plan, obligating DDB or the DDB Subsidiary to issue or sell any shares of DDB or the DDB Subsidiary, respectively, outstanding at the Determination Date;

“**Agreement**” means this combination agreement and any amendment or variation hereto made in accordance with Article 8, including all Schedules hereto, any instrument or agreement supplementary or ancillary hereto;

“**Amalco**” means the corporation resulting and continuing from the Amalgamation;

“**Amalco Common Shares**” means the common shares in the capital of Amalco having the rights, privileges, restrictions and conditions set forth in the articles of Amalco, a copy of which are attached as Appendix II to the Amalgamation Agreement;

“**Amalgamation**” means the proposed Amalgamation of DDB and Subco under the provisions of BCBCA section 269 pursuant to this Agreement and the Amalgamation Agreement;

“**Amalgamation Agreement**” means the amalgamation agreement to be entered into among HostPapa, Subco and DDB, in accordance with this Agreement and in the form attached hereto as Schedule B;

“**Amalgamation Application**” means Form 13 Amalgamation Application, substantially in the form attached as Appendix I to the Amalgamation Agreement, to be filed by DDB and Subco with the Registrar in accordance with section 275(1)(a) of the BCBCA in order to effect the Amalgamation;

“**Applicable Regulatory Approvals**” means the authorization, approvals, orders, consents or filings of Governmental Entities set forth on Schedule A attached hereto;

“**ASC**” means the Alberta Securities Commission;

“**Authorized HostPapa Representatives**” means each of Jamie Opalchuk and HostPapa’s external legal counsel;

“**BCBCA**” means the *Business Corporations Act* (British Columbia);

“**Business Day**” means a day, that is not a Saturday, Sunday or civic or statutory holiday, in Ontario or British Columbia;

“**Certificate of Amalgamation**” means the certificate to be issued by the Registrar pursuant to section 281 of the BCBCA in respect of the Amalgamation;

“**Client Lists**” has the meaning ascribed thereto in section 3.1.26;

“**Closing**” means the consummation of the Amalgamation pursuant to this Combination Agreement;

“**Closing Date**” means the date to be agreed by the Parties, but in any event shall be as soon as practicable following the DDB Meeting;

“**Computer Dependent Equipment**” means machinery and equipment which incorporates or relies upon Computer Systems Hardware or Computer Systems Software;

“**Computer Systems Hardware**” means computer or communications hardware, including all machinery, equipment, parts and accessories that is owned or operated by or on behalf of DDB or its DDB Subsidiary;

“**Computer Systems Software**” means computer software and all Intellectual Property rights therein (including, where applicable, documentation and source code, back-ups, and information stored off-site) owned or used by or on behalf of the DDB or its DDB Subsidiary;

“**Confidentiality Provisions**” means the provisions of the confidentiality agreement dated November 18, 2019, as executed by DDB and HostPapa;

“**Contracts**” means all contracts, licences, leases, agreements, commitments, entitlements, engagements, warranties or guarantees to which DDB or the DDB Subsidiary is a party or pursuant to which DDB or the DDB Subsidiary is obligated to provide a benefit to, or is entitled to receive a benefit from, any other Person;

“**DDB**” means Data Deposit Box Inc., a company incorporated under the laws of the Province of British Columbia, together with, unless the context implies otherwise, the DDB Subsidiary;

“**DDB Amalgamation Resolution**” means the special resolution approving the Amalgamation and the Amalgamation Agreement to be considered at the DDB Meeting in the form attached hereto as Schedule C;

“**DDB Balance Sheet**” means the balance sheet of DDB as at January 31, 2019, forming part of the DDB Financial Statements;

“**DDB Disclosure Documents**” means, collectively, all of the documents required to be filed by DDB with the Securities Regulators in connection with its status as a “reporting issuer”, as such term is defined in the *Securities Act*;

“**DDB Disclosure Letter**” means the disclosure letter of DDB delivered to HostPapa prior to the execution of this Agreement, which disclosure letter shall state with particularity the representation or warranty qualified thereby or with respect to which disclosure is being made;

“DDB Employees” means (i) all persons employed or retained by DDB or the DDB Subsidiary, including, for greater certainty, those employees on long term disability leave or any other leaves of absence; and (ii) all independent contractors who have been engaged by DDB or the DDB Subsidiary;

“DDB Employee Plans” has the meaning ascribed thereto in section 3.1.24;

“DDB Financial Statements” means the unaudited financial statements of DDB for the fiscal period ended January 31, 2019 consisting of the DDB Balance Sheet and the statements of operations and deficit and changes in financial position for the fiscal period ended January 31, 2019, and all notes thereto, delivered prior to the execution of this Agreement;

“DDB Meeting” means the annual and special meeting of DDB Shareholders to be held to consider, among other things, the DDB Amalgamation Resolution;

“DDB Options” means options outstanding under the DDB Stock Option Plan;

“DDB Shareholder” means a holder of DDB Shares;

“DDB Shareholder Approval” means the approval of DDB Shareholders of the DDB Amalgamation Resolution at the DDB Meeting;

“DDB Shareholders” means the registered holders of DDB Shares;

“DDB Shares” means the common shares in the capital of DDB;

“DDB Stock Option Plan” means DDB Share Option Plan dated 2014, approved by the then shareholders of DDB on December 30, 2016, as amended, which permits grants of stock options to directors, management, employees and consultants of DDB;

“DDB Subsidiary” means 1932713 Ontario Inc., an Ontario company wholly-owned by DDB and the only subsidiary of DDB;

“DDB’s Net Liability Position” means, as at the Effective Date, DDB’s cash amount plus its accounts receivable less its trade accounts payable, estimated employee severance costs, facility lease commitment, legal costs to complete the Amalgamation, year-end accruals and all of DDB’s other liabilities;

“Determination Date” has the meaning ascribed thereto in 2.1.3;

“Dissenting Shares” shall have the meaning ascribed to it in section 2.8;

“Dissenting Shareholder” means a holder of Dissenting Shares;

“Effective Date” means the date shown in the Certificate of Amalgamation;

“Effective Time” means 12:01 a.m. (Vancouver time) on the Effective Date;

“Encumbrance” means any encumbrance including any mortgage, pledge, assignment, charge, lien, security interest, adverse interest in property, other third party interest or encumbrance of any kind whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

“Environment” means the environment or natural environment as defined in any Environmental Law and includes, without limitation, air, surface, water, ground water, land surface, soil, subsurface strata, a sewer system and the environment in the workplace;

“Environmental Approvals” means all permits, certificates, licences, authorizations, consents, instructions, registrations, directions or approvals issued or required by Governmental Entities pursuant to Environmental Laws with respect to the operation of DDB or the DDB Subsidiary or their businesses, including the control or ownership of leased property or real property;

“Environmental Laws” means all applicable Laws, including applicable civil or common law, relating to the protection or enhancement of the environment and employee and public health and safety;

“HostPapa” means HostPapa, Inc., a company organized under the laws of Ontario;

“Governmental Authorizations” means all authorizations, approvals, including environmental approvals, licences, permits, certificates, waivers, consents or franchises issued by any Governmental Entity or under applicable Laws;

“Governmental Entity” means any:

- (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign;
- (b) subdivision, agent, commission, board or authority of any of the foregoing; or
- (c) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

“Hazardous Substance” means any pollutant, contaminant, waste of any nature, hazardous substance, hazardous material, toxic substance, dangerous substance or dangerous good as defined, judicially interpreted or identified in any Environmental Law and includes any constituents or breakdown product related to such material, substance or goods;

“In-the-Money Option” means any outstanding DDB Options as of the Determination Date whose exercise price is less than \$0.012491639;

“Inconsistent Transaction” means any merger, arrangement, amalgamation, take-over bid, recapitalization, liquidation, winding-up, sale of 20% or more of the assets on a consolidated basis (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale), sale of 20% or more of the DDB Shares or rights or interests therein or thereto, or similar business combination or transactions, of or involving DDB or the DDB Subsidiary, or a proposal to do so, other than with HostPapa;

“Indebtedness” of any Person shall mean and include:

- (a) Indebtedness for borrowed money or Indebtedness issued or incurred in substitution or exchange for Indebtedness for borrowed money;
- (b) amounts owing as deferred purchase price for property or services, including all seller notes and “earn-out” payments;

- (c) Indebtedness evidenced by any note, bond, debenture, mortgage or other debt instrument or debt security;
- (d) commitments or obligations by which such Person insures a creditor against loss (including contingent reimbursement obligations with respect to letters of credit);
- (e) Indebtedness secured by an Encumbrance on assets or properties of such Person;
- (f) obligations or commitments to repay deposits or other amounts advanced by and owing to third parties;
- (g) obligations under any interest rate, currency or other hedging agreement; or
- (h) guarantees or other contingent liabilities (including so called take-or-pay or keep-well agreements) with respect to any Indebtedness, obligation, claim or liability of any other Person of a type described in clauses (a) through (g) above;

“Information Circular” means the notice of the DDB Meeting and accompanying management proxy circular, including all schedules thereto, to be sent to the DDB Shareholders in connection with the DDB Meeting;

“Intellectual Property” means industrial and intellectual property under Canadian, United States, foreign law or international conventions, including:

- (a) all inventions (whether patentable or not), all improvements thereto, and all patents (including utility and design patents and industrial and other designs), patent applications, patent and invention disclosures and all other rights of inventorship, including all past, present and future rights to sue or take other actions for infringement;
- (b) trade-marks, trade names, services marks, business names, logos, trade dress, distinguishing guises, Internet domain names and any other source or business identifiers, and all goodwill associated with the foregoing;
- (c) copyrights, including all copyrights in software and moral rights; and
- (d) trade secrets, proprietary know-how, formulas, processes, algorithms, technology, design methodologies, design tools, confidential information, ideas, prototypes and research and development data and materials,

and all registrations, applications for registration, reissues, extensions, renewals, divisions, continuations, continuations-in-part, documentation and licences relating to the foregoing;

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

“Letter Agreement” means the letter agreement executed by HostPapa and DDB on February 6, 2020;

“Material Adverse Change” means, (i) in relation to a Person, any change in the business, operations, affairs, assets, properties, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), capitalization, results of operations, cash flows, condition (financial or otherwise), licenses, permits, rights or privileges of the Person or its Subsidiary which would reasonably be expected to materially and adversely affect the Person and its Subsidiaries, taken as a whole, other than any change resulting from or relating to general political, financial or economic conditions; and (ii) in relation to DDB, DDB’s Net Liability Position as of the Effective Date shall not exceed \$297,223;

“Material Adverse Effect” when used in relation to a Person means any matter, condition, event, development or action that has, or would reasonably be expected to have, a material and adverse effect upon the business, operations, affairs, assets, properties, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), capitalization, results of operations, cash flows, condition (financial or otherwise), licenses, permits, rights or privileges of the Person or its Subsidiary, considered as a whole, other than any matter, condition, event, development or action resulting from or relating to general political, financial or economic conditions;

“material change” has the meaning ascribed thereto in the *Securities Act*;

“Material Contract” means:

- (a) any Contract involving aggregate payments to or by DDB or its DDB Subsidiary in excess of \$75,000;
- (b) any Contract with annual payments to or by DDB or its DDB Subsidiary in excess of \$75,000, with a term or commitment to or by DDB or its DDB Subsidiary that may reasonably extend beyond one year and which cannot be terminated without penalty on less than 30 days’ notice or which is outside the ordinary course of business;
- (c) any Contract relating to the employment of any Person by DDB or its DDB Subsidiary or any bonus, deferred compensation, pension, profit sharing, stock option, employee stock purchase, retirement or other employee benefit plan of DDB or its DDB Subsidiary (including any Contract under which DDB or its DDB Subsidiary is obligated to make any payment to any Person as a result of a change in control of DDB or its DDB Subsidiary or under which any Person may require DDB or its DDB Subsidiary to make a payment to any Person as a result of a change in control of DDB or its DDB Subsidiary);
- (d) any Contract which contains restrictions with respect to payment of dividends or any other distribution in respect of DDB’s capital stock;
- (e) any Contract relating to capital expenditures by DDB or its DDB Subsidiary;
- (f) any Contract involving Indebtedness of DDB or its DDB Subsidiary;
- (g) any loan or advance to, or investment in, any Person by DDB or its DDB Subsidiary or any Contract relating to the making of any such loan, advance or investment by DDB or its DDB Subsidiary;

- (h) any guarantee by or other contingent liability of DDB or its DDB Subsidiary in respect of any Indebtedness or obligation of any Person;
- (i) any management service, consulting or any other similar type contract or arrangement to which DDB or its DDB Subsidiary is a party;
- (j) any Contract limiting the ability of DDB or its DDB Subsidiary to engage in any line of business or to compete with any Person;
- (k) any Contract which by its operation or termination would have a Material Adverse Effect on DDB or its DDB Subsidiary;
- (l) any Contract not entered into in the ordinary course of business which is not cancelable without penalty within 30 days; and
- (m) any other contract which is material to DDB or its DDB Subsidiary;

“**non-arm’s length**” has the meaning ascribed to it in the *Tax Act*;

“**OSC**” means the Ontario Securities Commission;

“**Parties**” means, collectively, all of the parties to this Agreement, and “**Party**” means any one of them;

“**Permitted Encumbrances**” means (i) encumbrances arising by operation of law in the ordinary course of business that, individually and in the aggregate, do not in any material respect interfere with the use or value of any of the assets subject thereto, (ii) imperfections of title which do not materially detract from the value of the property affected or materially impair the operations of DDB or the DDB Subsidiary, (iii) liens for taxes not yet due and payable or not being contested, or (iv) encumbrances arising under DDB’s credit facilities with its banks existing on the date hereof;

“**Person**” means any individual, sole proprietorship, partnership, unlimited liability company, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Entity, and a natural person in such person’s capacity as trustee, executor, administrator or other legal representative;

“**Redeemable Preferred Shares**” means the redeemable preferred shares in the capital of Amalco having the rights, privileges, restrictions and conditions set out in the articles of Amalco, a copy of which are attached as Appendix II to the Amalgamation Agreement;

“**Redemption Price**” means an amount in Canadian dollars, calculated to four decimal places, equal to the Total Share Consideration divided by the number of Aggregate DDB Shares;

“**Registrar**” means the Registrar of Companies appointed pursuant to section 400 of the BCBCA;

“**Release**” has the meaning prescribed in any Environmental Law and includes, without limitation, any release, spill, leak, pumping, pouring, emission, emptying, discharge, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage, or placement;

“**Remedial Order**” means any administrative complaint, direction, order or sanction issued, filed or imposed by any Governmental Entity pursuant to any Environmental Laws and includes, without limitation, any order requiring any remediation, clean-up, investigation, monitoring or other action

relating to any Hazardous Substance, or requiring that any Release or any other activity be reduced, modified or eliminated;

“**Securities Act**” means the Securities Act (Ontario);

“**Securities Regulators**” means the OSC, BCSC and the ASC;

“**Services Invoices**” has the meaning ascribed to it in section 2.9;

“**Subco**” means , 1241017 B.C. Ltd., a corporation incorporated under the laws of the Province of British Columbia, being a wholly-owned subsidiary of HostPapa;

“**Subco Shareholders**” means the registered holders of shares of Subco;

“**Subsidiary**” means, with respect to a specified body corporate, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such specified body corporate and shall include any body corporate, partnership, joint venture or other entity over which it exercises direction or control or which is in a like relation to a Subsidiary;

“**Superior Proposal**” means an offer or a proposal for an Inconsistent Transaction, that is made prior to receipt of DDB Shareholder Approval, to DDB, in writing (i) to purchase or otherwise acquire, directly or indirectly (including by means of a take-over bid, amalgamation, plan of arrangement, business combination, purchase of assets or similar transaction), 50% or more of the DDB Shares or assets of DDB or its DDB Subsidiary representing more than 50% of the book value of DDB’s total assets on a consolidated basis (ii) that is reasonably capable of being completed without undue delay, taking into account all legal, financial, regulatory and other aspects of such proposal and the party making such proposal, (iii) that the board of directors of DDB determines in good faith (after consultation with financial advisors and outside counsel) would, if consummated in accordance with its terms, result in a transaction (x) more favourable from a financial point of view to DDB’s shareholders than the Transaction, having regard to all circumstances, and (y) having a value per DDB Share greater than the per DDB Share value attributable thereto under the transactions contemplated by this Agreement, and (iv) that the board of directors of DDB has determined to recommend to the DDB Shareholders;

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

“**Taxes**” means all taxes, duties, levies, imposts and charges however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed by any Governmental Entity, including all income or profits taxes (including federal income taxes and provincial and state income taxes), capital taxes, payroll and employee withholding taxes, employment insurance, social insurance taxes (including Canada and Québec Pension Plan payments), sales and use taxes, *ad valorem* taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, goods and services taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, workers’ compensation, pension assessment and other obligations of the same or of a similar nature to any of the foregoing;

“**Tax Returns**” includes, without limitation, all returns, reports, declarations, elections, notices, filings, information returns and statements in respect of Taxes;

“**Termination Date**” means June 30, 2020;

“Total Share Consideration” means \$0.012491639 per outstanding DDB Share;

“Transfer Agent” means Capital Transfer Agency Inc., 390 Bay St., Suite 920, Toronto ON M5H 2Y2, transfer agent for the DDB Shares;

“Transaction” means collectively, the transactions contemplated herein and in the Amalgamation Agreement; and

“Transaction Documents” means collectively, this Agreement and the Amalgamation Agreement.

1.2 Headings and References

The division of this Agreement into Articles and sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. Unless otherwise specified, references to Articles, sections and Schedules are to Articles and sections of, and Schedules to, this Agreement.

1.3 Date for Any Action

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

1.4 Entire Agreement

The Transaction Documents and the confidentiality and non-solicitation provisions in section 12 of the Letter Agreement constitute the entire agreement among the Parties pertaining to the Transaction and supersedes all prior agreements, arrangements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof.

1.5 Currency

All references to cash or currency in this Agreement are to Canadian dollars unless otherwise indicated.

1.6 Time

Unless otherwise indicated, all times expressed herein are local time in Toronto, Ontario.

1.7 Construction

In this Agreement:

- 1.7.1 words denoting the singular include the plural and vice versa and words denoting any gender include all genders;
- 1.7.2 the word “including” shall mean “including without limitation”; and
- 1.7.3 any reference to a statute shall mean the statute in force as at the date hereof and any regulation in force thereunder, unless otherwise expressly provided.

1.8 Schedules

Schedule A – Applicable Regulatory Approvals;

Schedule B – Amalgamation Agreement, including

Appendix I – Amalgamation Application; and

Appendix II – Articles of Amalco; and

Schedule C – DDB Amalgamation Resolution

that are attached hereto form part of this Agreement.

1.9 Knowledge

Wherever a representation or warranty contained in this Agreement is qualified as being to the “knowledge” of DDB or HostPapa, that means to the knowledge of any member of DDB’s management or HostPapa’s management after reasonable investigation and each member of DDB Management or HostPapa Management shall be deemed to have knowledge of all facts, matters and circumstances which would or ought to have been known to them had full and diligent enquiries of all such Persons who might have known of such matters been made and had a full and diligent investigation of all relevant sources of information been made.

1.10 Accounting Principles

All references to generally accepted accounting principles, unless otherwise stated, are to the principles recommended, from time to time, in the Handbook of the Canadian Institute of Chartered Accountants and all accounting terms not otherwise defined in this Agreement have the meanings assigned to them in accordance with Canadian generally accepted accounting principles.

ARTICLE 2 THE AMALGAMATION

2.1 Implementation Steps by DDB

DDB covenants in favour of HostPapa that DDB shall:

- 2.1.1 as soon as reasonably possible, convene and hold the DDB Meeting for the purpose of considering the DDB Amalgamation Resolution (and for any other proper purpose as may be set out in the notice for such meeting and agreed to by HostPapa acting reasonably);
- 2.1.2 following receipt of shareholder approvals of DDB and Subco and subject to obtaining the DDB Shareholder Approval, and further subject to the satisfaction or waiver of the other conditions herein contained in favour of each Party, on the Closing Date DDB shall execute the Amalgamation Agreement and such other documents as may be required in connection therewith under the BCBCA to give effect to the Amalgamation, and prior to the Effective Time, DDB, on behalf of the Parties, shall file with the Registrar the Amalgamation Application duly executed by each of DDB and Subco, which form shall indicate that the Amalgamation is to be effected at the Effective Time;
- 2.1.3 DDB will amend the terms of the DDB Stock Option Plan to provide that:

2.1.3.1 each In-the-Money Option will be deemed to be exercised at 5:00 pm on the day prior to the Closing Date (the “**Determination Date**”) in exchange for an amount equal to the difference between:

- (i) the Redemption Price; minus
- (ii) the exercise price of such DDB Option or portion thereof,

which amount will be satisfied by (a) the withholding and remittance of any amount required to be withheld and remitted by applicable Laws and (b) as to any aggregate balance in respect of a holder of DDB Options by the issuance to such holder of the number of Common Shares determined by dividing such aggregate balance by the Redemption Price payable in respect of each In-the-Money Option so exchanged (and provided that any fractions will be rounded down to the nearest whole number); and

2.1.3.2 that all other DDB Options will be cancelled and the DDB Stock Option Plan will be terminated at 5:00 pm on the Determination Date.

2.2 Implementation Steps by HostPapa

HostPapa covenants in favour of DDB that HostPapa shall:

- 2.2.1 subject to the satisfaction or waiver of the conditions herein contained in favour of each Party, on the Closing Date execute, and cause Subco to execute, the Amalgamation Agreement and such other documents as may be required in connection therewith under the BCBCA to give effect to the Amalgamation;
- 2.2.2 subscribe for 100 common shares in the capital of Subco for a subscription price equal to \$1.00 and lend to Subco an amount of money equal to the Total Share Consideration;
- 2.2.3 Cause Subco to direct HostPapa to deliver the Total Share Consideration to the Transfer Agent; and
- 2.2.4 immediately following the Amalgamation and in accordance with the terms of the Redeemable Preferred Shares cause Amalco to redeem each of the Redeemable Preferred Shares for the Redemption Price.

2.3 Steps of Amalgamation

- 2.3.1 DDB and Subco shall amalgamate by way of statutory amalgamation under section 269 of the BCBCA on the terms and subject to the conditions contained in the Transaction Documents.
- 2.3.2 The Amalgamation shall be effected at the Effective Time, pursuant to which:
 - 2.3.2.1 DDB and Subco shall amalgamate under the provisions of the BCBCA and continue as one amalgamated corporation, being Amalco;

- 2.3.2.2 subject to subsection 2.3.3., each issued and outstanding DDB Share, other than DDB Shares held by a Dissenting Shareholder, shall be cancelled and replaced by one issued and fully paid Redeemable Preferred Share;
 - 2.3.2.3 the one issued and outstanding common share in the capital of Subco shall be cancelled and replaced by one issued and fully paid Amalco Common Share;
 - 2.3.2.4 all of the property and assets of each of DDB and Subco shall be the property and assets of Amalco and Amalco shall be liable for all of the liabilities and obligations of each of DDB and Subco; and
 - 2.3.2.5 Amalco shall be a wholly-owned Subsidiary of HostPapa.
- 2.3.3 In accordance with section 2.8 below, DDB Shares which are held by a Dissenting Shareholder shall not be converted as prescribed by subsection 2.3.2.2. However, if a Dissenting Shareholder fails to perfect or effectively withdraws its claim under section 238 of the BCBCA or forfeits its right to make a claim under section 238 of the BCBCA or if its rights as a DDB Shareholder are otherwise reinstated, such Dissenting Shareholder's Dissenting Shares shall thereupon be deemed to have been converted as of the Effective Time as prescribed by subsection 2.3.2.2 above.

2.4 DDB Information Circular and Related Materials

- 2.4.1 DDB shall use reasonable efforts to prepare the Information Circular, together with any other documents required by the *Securities Act* or other applicable Laws and DDB shall use reasonable efforts to cause the Information Circular and other documentation required to be sent to each holder of DDB Shares in respect of the DDB Meeting, and filed as required by applicable Laws as soon as reasonably practicable; provided that the Information Circular and other documentation shall not be sent except with the prior written consent of HostPapa (such consent not to be unreasonably withheld).
- 2.4.2 DDB shall permit HostPapa and its counsel to review and comment on any other documents sent with the Information Circular.

2.5 Securities and Corporate Compliance

- 2.5.1 DDB shall (with HostPapa and HostPapa's counsel) diligently do all such acts and things as may be necessary to comply, in all material respects, with National Instrument 54-101 of the Canadian Securities Administrators and Ontario Securities Commission Rule 61-501 in relation to the DDB Meeting and all other applicable Laws.

2.6 Preparation of Filings

- 2.6.1 HostPapa and DDB shall cooperate in:
 - 2.6.1.1 the preparation of any application for the orders and the preparation of any other documents reasonably considered by HostPapa or DDB to be necessary to discharge their respective obligations under applicable Laws in connection with the Transaction; and

- 2.6.1.2 the taking of all such action as may be required under applicable Laws in connection with the Transaction.
- 2.6.2 Each of HostPapa and DDB shall furnish to the other all such information concerning it, its Affiliates and its shareholders as may be required to effect the actions described in sections 2.4 and 2.5 and the foregoing provisions of this section 2.6, and each covenants that no information furnished by it in connection with such actions or otherwise in connection with the consummation of the Amalgamation and the transactions contemplated thereby will contain any untrue statement of a material fact or omit to state a material fact required to be stated in any such document or necessary in order to make any information so furnished for use in any such document not misleading in the light of the circumstances in which it is furnished or to be used.
- 2.6.3 HostPapa and DDB shall each promptly notify the other if at any time before the Effective Time it becomes aware that the Information Circular or an application for an order described in subsection 2.6.1 contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Information Circular or such application. In any such event, HostPapa and DDB shall cooperate in the preparation of a supplement or amendment to the Information Circular or such other document, as required and as the case may be, and, if required, shall cause the same to be distributed to the DDB Shareholders and/or filed with the applicable Securities Regulators.
- 2.6.4 DDB shall ensure that the Information Circular complies with all applicable Laws and, without limiting the generality of the foregoing, that the Information Circular does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made (other than with respect to any information relating to and provided by HostPapa). Without limiting the generality of the foregoing, DDB shall ensure that the Information Circular provides DDB Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the DDB Meeting.

2.7 Approvals

The requisite majority for the approval of the Amalgamation by the DDB Shareholders at the DDB Meeting shall be two-thirds of the votes cast in person or by proxy at the DDB Meeting and any majority of the minority approval required by applicable Laws.

2.8 Dissenting Shares

- 2.8.1 DDB Shareholders may exercise rights of dissent with respect to such DDB Shares held by them in connection with the Amalgamation (shares held by such DDB Shareholders referred to as “**Dissenting Shares**”).
- 2.8.2 On the earlier of the Effective Date, the making of an agreement between a Dissenting Shareholder and DDB for the purchase of their Dissenting Shares or the pronouncement of a court order pursuant to section 238 of the BCBCA, a Dissenting Shareholder shall cease to have any rights as a DDB Shareholder other than the right to be paid the fair

value of its Dissenting Shares in the amount agreed to or as ordered by the court, as the case may be. Notwithstanding anything in this Agreement to the contrary, Dissenting Shares which are held by a Dissenting Shareholder shall not be exchanged for Redeemable Preferred Shares on the Effective Date as provided in subsection 2.3.2.2 above. However, in the event that a Dissenting Shareholder fails to perfect or effectively withdraws the Dissenting Shareholder's claim or otherwise forfeits the Dissenting Shareholder's right to make a claim in accordance with the provisions set out in Division 2 of Part 8 of the BCBCA, the Dissenting Shareholder's Dissenting Shares shall thereupon be deemed to have been exchanged as of the Effective Date for Redeemable Preferred Shares on the basis set forth in subsection 2.3.2.2 above.

- 2.8.3 DDB shall give HostPapa prompt notice of any written notice of a dissent, withdrawal of such notice, and any other instruments served pursuant to such rights of dissent and received by DDB.

2.9 Services Invoices

On the Determination Date, DDB will cause its legal advisors that rendered services in connection with the Transaction to present HostPapa with final invoices addressed to DDB for services rendered, and to be rendered, to DDB through the Effective Date (the "**Services Invoices**"). The aggregate amount of the Services Invoices for Ontario legal counsel shall not exceed \$75,000 (exclusive of disbursements and taxes). The aggregate amount of the Services Invoices for British Columbia legal counsel shall not exceed \$10,000 (exclusive of disbursements and taxes).

2.10 HostPapa Approval

- 2.10.1 HostPapa represents as of the date hereof that its management committee, after considering the Transaction, has determined:

- 2.10.1.1 to authorize HostPapa and Subco to consummate the Transaction on the terms set forth herein and in the Amalgamation Agreement; and
- 2.10.1.2 to authorize HostPapa and Subco to execute and deliver this Agreement and the Amalgamation Agreement;

2.11 DDB Approval

- 2.11.1 DDB represents as of the date hereof that its board of directors has:

- 2.11.1.1 determined that the Transaction is fair to the DDB Shareholders as a whole;
- 2.11.1.2 resolved to recommend that the DDB Shareholders vote in favour of the DDB Amalgamation Resolution;
- 2.11.1.3 resolved to authorize DDB and its DDB Subsidiary to consummate the Transaction on the terms set forth herein and in Amalgamation Agreement; and
- 2.11.1.4 resolved to authorize DDB to execute and deliver this Agreement.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of DDB

DDB hereby represents and warrants to HostPapa as follows and acknowledges that HostPapa is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- 3.1.1 **Incorporation and Registration** – DDB is a corporation duly incorporated and validly existing under the laws of British Columbia. The DDB Subsidiary is a corporation duly incorporated and validly existing under the laws of Ontario. Each of DDB and its DDB Subsidiary have all necessary corporate power, authority and capacity to own its property and assets and to carry on business as presently conducted.
- 3.1.2 **Due Authorization** – Other than the DDB Shareholder Approval, no vote, or other approval or consent or other evidence of approval of the DDB Shareholders is necessary in order for DDB to enter into the Transaction Documents and to consummate the transactions contemplated herein and therein. Subject to DDB Shareholder Approval, DDB has all necessary corporate power, authority and capacity to enter into the Transaction Documents and to carry out its obligations under each such agreement. Subject to receipt of DDB Shareholder Approval, the execution and delivery of the Transaction Documents and the consummation of the transactions contemplated herein and therein by DDB, have been duly authorized by all necessary corporate action on the part of DDB.
- 3.1.3 **Enforceability of Obligations** – The Transaction Documents shall, once executed and delivered by it, constitute valid and binding obligations of DDB enforceable against it in accordance with their respective terms, subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.
- 3.1.4 **Absence of Conflicting Agreements** – Neither DDB nor its DDB Subsidiary is a party to, bound or affected by, or subject to, any Contract indenture, mortgage, charge, lease, sublease, indefeasible right of use, agreement, obligation, instrument, charter or by-law provision, statute, regulation, order, judgment, decree, licence, permit or law which would be violated, contravened, breached by, or under which a default would occur or an Encumbrance would be created or any rights or obligations of a party would be accelerated or become unassignable as a result of the execution and delivery of the Transaction Documents, or any other agreement to be entered into under the terms of the Transaction Documents, or the performance by DDB of its obligations under the Transaction Documents.
- 3.1.5 **Regulatory Approvals** – Except for the Applicable Regulatory Approvals, no governmental or regulatory authorization, approval, order, consent, registration or filing is required on the part of either DDB or its DDB Subsidiary, in connection with the execution and delivery of the Transaction Documents, or the performance of the obligations of either DDB or its DDB Subsidiary, as applicable, under such agreements or under any other documents and agreements to be delivered pursuant hereto or thereto.
- 3.1.6 **DDB Capital Structure** –

3.1.6.1 The authorized capital of DDB consists of an unlimited number of DDB Shares. As of the date hereof, there were issued and outstanding:

- (i) 98,559,577 DDB Shares; and
- (ii) 15,900,000 DDB Options.

The maximum number of DDB Shares reserved for issue under the DDB Stock Option Plan at any point in time may not exceed 20% of the number of DDB Shares issued and outstanding. The DDB Disclosure Letter sets out a list of the DDB Options and the material terms of each such security, including the name of the holder, term, vesting schedule, date of issue/grant, date of expiry and exercise price.

3.1.6.2 Except as described in section 3.1.6, there are, and there will be on the Effective Date, no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating DDB or its DDB Subsidiary to issue or sell any shares of DDB or its DDB Subsidiary or securities or obligations of any kind convertible into or exchangeable for any shares of DDB or its DDB Subsidiary, nor are there outstanding any stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments. There have been no DDB Shares issued since the date of the DDB Balance Sheet. All outstanding DDB Shares have been duly authorized and are validly issued and outstanding as fully paid and non-assessable common shares, free of pre-emptive rights. There are no outstanding bonds, debentures or other evidences of Indebtedness of DDB or its DDB Subsidiary having the right to vote (or that are convertible for or exercisable into securities having the right to vote) with the DDB Shareholders on any matter. There are no outstanding contractual obligations of DDB or of its DDB Subsidiary to repurchase, redeem or otherwise acquire any of its outstanding securities or Indebtedness or with respect to the voting or disposition of any outstanding securities of its DDB Subsidiary. All of the outstanding common shares and other ownership interests of its DDB Subsidiary are validly issued, fully paid and non-assessable and all such common shares and other ownership interests are owned directly or indirectly by DDB, free and clear of all Encumbrances except for Permitted Encumbrances. DDB has disclosed in the DDB Disclosure Letter the names of the directors and officers, the jurisdiction of incorporation and the capitalization of its DDB Subsidiary.

3.1.7 **Public Disclosure Documents** – DDB has duly prepared and filed all DDB Disclosure Documents and such documents, when filed, contained full, true and plain disclosure of all material facts and did not fail to state a material fact required to be stated in order to make the statements contained therein not misleading in light of the circumstances in which they were made. DDB is a reporting issuer in good standing in British Columbia, Alberta and Ontario and is not in default in any material respect in those provinces of its obligations as a reporting issuer.

3.1.8 **No Undisclosed Material Change or Material Fact** – As of the date of this Agreement, DDB has no knowledge of any material fact or material change (as such terms are defined in the *Securities Act*) relating to DDB which has not been disclosed in the DDB Disclosure Documents or the disclosure documents of its DDB Subsidiary.

- 3.1.9 **Financial Statements** – The DDB Financial Statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis and present fairly in all material respects for the respective periods indicated:
- 3.1.9.1 all of the assets, liabilities and financial position of DDB and its DDB Subsidiary; and
 - 3.1.9.2 the sales, earnings, results of operation and changes in financial position of DDB and its DDB Subsidiary.
- 3.1.10 **No Material Adverse Change** – Since the date of the DDB Balance Sheet, except as set forth in the DDB Disclosure Letter, there has not been a Material Adverse Change in respect of DDB or its DDB Subsidiary.
- 3.1.11 **Absence of Unusual Transactions** – Since the date of the DDB Balance Sheet and other than as contemplated in any of the Transaction Documents, each of DDB and the DDB Subsidiary has not:
- 3.1.11.1 transferred, assigned, sold or otherwise disposed of any of its assets or cancelled any debts or entitlements except, in each case, in the ordinary and usual course of business in a manner consistent with past practice;
 - 3.1.11.2 incurred or assumed any obligation or liability, (fixed or contingent) except unsecured current obligations and liabilities incurred, or contracts entered into, in the ordinary and usual course of business none of which individually or in the aggregate would have a Material Adverse Effect;
 - 3.1.11.3 discharged or satisfied any lien or Encumbrance, or paid any obligation or liability (fixed or contingent) except those liabilities incurred in the ordinary and usual course of business, in a manner consistent with past practice, none of which individually or in the aggregate would have a Material Adverse Effect;
 - 3.1.11.4 other than as disclosed on the DDB Disclosure Letter, suffered an extraordinary loss, waived or omitted to take any action in respect of any rights of substantial value, or entered into any commitment or transaction not in the ordinary and usual course of business, in a manner consistent with past practice, where such loss, rights, commitment or transaction would have a Material Adverse Effect;
 - 3.1.11.5 other than as disclosed in the DDB Disclosure Letter, granted any bonuses, whether monetary or otherwise, or made or committed to make any general wage or salary increases in respect of the DDB Employees, or changed the terms of employment for any DDB Employee except in the ordinary course of business, in a manner consistent with past practice;
 - 3.1.11.6 made or committed to make any enhancements or improvements to any DDB Employee Plan, except as required by applicable Laws, or required herein;
 - 3.1.11.7 other than as disclosed in the DDB Disclosure Letter, hired or dismissed any senior DDB Employees except in the ordinary course of business and consistent with past practice;

- 3.1.11.8 except for Permitted Encumbrances, and other than in the ordinary and usual course of business, mortgaged, pledged, subjected to lien, granted a security interest in or otherwise encumbered any of its assets or property, whether tangible or intangible;
 - 3.1.11.9 directly or indirectly, declared or paid any dividends or declared or made any other payments or distributions on or in respect of any of its DDB Shares and has not, directly or indirectly, purchased or otherwise acquired any of its shares;
 - 3.1.11.10 increased its Indebtedness for borrowed money or made any loan to any Person;
 - 3.1.11.11 other than as disclosed in the DDB Disclosure Letter, otherwise conducted its business or entered into any material transaction, except in the ordinary and usual course of business; or
 - 3.1.11.12 authorized, agreed or otherwise become committed to do any of the foregoing.
- 3.1.12 **Title to Assets** – Except as disclosed in the DDB Disclosure Letter, each of DDB and its DDB Subsidiary is the sole beneficial owner of all of its assets and interests in assets, real and personal, with good and valid title, free and clear of all Encumbrances other than Permitted Encumbrances and there are no claims adverse to such assets.
- 3.1.13 **Non-Arm's Length Transactions** – Neither DDB nor its DDB Subsidiary is a party to any Material Contract with any Person, nor indebted to any Person, who is non-arm's length to such party.
- 3.1.14 **No Joint Venture Interests** – Neither DDB nor its DDB Subsidiary is a partner, beneficiary, trustee, co-tenant, joint venturer or otherwise a participant in any partnership, trust, joint venture, co-tenancy or other similar jointly-owned business material to its business and neither DDB nor its DDB Subsidiary have any significant investment interests in any business owned or controlled by any third party.
- 3.1.15 **Absence of Guarantees** – Except as disclosed in the DDB Disclosure Letter, neither DDB nor its DDB Subsidiary have given or agreed to give, nor are DDB or its DDB Subsidiary parties to or bound by, any guarantee or indemnity in respect of material Indebtedness or other material obligations, of any Affiliate or any Person not at arm's length with it, or any other material commitment by which DDB or its DDB Subsidiary is, or is contingently, responsible for such Indebtedness or other obligations.
- 3.1.16 **Business in Compliance with Law** – The operations of DDB and its DDB Subsidiary have been and are now being conducted in compliance in all material respects, with all applicable Laws of each jurisdiction in which DDB or its DDB Subsidiary carries on or has carried on business and DDB and its DDB Subsidiary have not received any notice of any alleged breach of any such Laws in respect of its business or the assets thereof. The Governmental Authorizations held by DDB and its DDB Subsidiary are all such authorizations required to enable DDB and its DDB Subsidiary to carry on its business in compliance with applicable Laws other than those Governmental Authorizations the absence of which would not have a Material Adverse Effect. Such Governmental Authorizations held by DDB and its DDB Subsidiary are in full force and effect in accordance with their terms, and there have been no material violations thereof and no

proceedings are pending or, to the knowledge of DDB, threatened, which could result in their revocation or limitation.

3.1.17 **Restrictive Covenants** — Other than as set forth in the DDB Disclosure Letter, neither DDB nor its DDB Subsidiary is a party to or bound or affected by any commitment or agreement containing any covenant expressly limiting its freedom to compete in any line of business which DDB or its DDB Subsidiary currently conducts.

3.1.18 **Insurance** – DDB and its DDB Subsidiary, as applicable, maintain insurance with responsible and reputable insurers in those amounts and covering those risks and with those deductibles as are generally maintained by like businesses. The coverage under each such policy is in full force and effect and DDB and its DDB Subsidiary, as applicable, is in good standing under those policies. Neither of DDB nor its DDB Subsidiary have received notice of, or have any knowledge of, any fact, condition or circumstance which might reasonably form the basis of any action, suit or claim against either of them which is not fully covered by insurance (subject to standard deductibles) maintained by either of them, as applicable.

3.1.19 **Intellectual Property**

3.1.19.1 All registrations and applications filed with the relevant authorities with respect to Intellectual Property owned by DDB or its DDB Subsidiary and all Intellectual Property assigned or licensed to DDB or its DDB Subsidiary (other than commercial-off-the-shelf software programs having a value of \$25,000 per licence or less and software programs embedded in equipment used by DDB or its DDB Subsidiary) are completely and correctly described in the DDB Disclosure Letter and complete and correct copies of all such registrations and applications and all agreements whereby the rights in respect of the Intellectual Property listed in the DDB Disclosure Letter have been granted or licensed to DDB or its DDB Subsidiary have been provided or made available to HostPapa. The DDB Disclosure Letter lists all Intellectual Property that is material to DDB's, or its DDB Subsidiary's business (other than commercial-off-the-shelf software programs having a value of \$25,000 per licence or less and software programs embedded in equipment used by DDB or its DDB Subsidiary).

3.1.19.2 All employees, contractors, authors, inventors, contributors or creators retained at any time by DDB or its DDB Subsidiary have executed an agreement pursuant to which they have agreed to retain in confidence any trade secrets or other confidential information acquired during their employment or in connection with their performance of work and have also assigned to and in favour of DDB or its DDB Subsidiary and have waived their moral rights in, all right, title and interest in and to all Intellectual Property developed in connection with their employment with or work for DDB or its DDB Subsidiary. To the knowledge of DDB, the performance by any of DDB's or its DDB Subsidiary's employees or contractors of their obligations does not violate any non-disclosure, proprietary rights or similar obligation which the employee or contractor owes to any third party.

3.1.19.3 Except as disclosed in the DDB Disclosure Letter, DDB or its DDB Subsidiary are the sole and exclusive owners of all right, title and interest in and to all Intellectual Property created or acquired or owned by DDB or its DDB Subsidiary free and clear of all Encumbrances except Permitted Encumbrances

and DDB or its DDB Subsidiary either own or have appropriate licences permitting them to use all Intellectual Property required for them to carry on the business as currently carried on. Except as disclosed in the DDB Disclosure Letter, neither DDB or its DDB Subsidiary has assigned, encumbered, or granted any interest or licence in any of its Intellectual Property rights to third parties.

- 3.1.19.4 Except as disclosed in the DDB Disclosure Letter, the Intellectual Property owned by DDB or its DDB Subsidiary is in full force and effect and has not been used or enforced or failed to be used or enforced in a manner that would result in the abandonment, cancellation, invalidation or unenforceability of any such Intellectual Property. Other than to the extent disclosed in the DDB Disclosure Letter, DDB and its DDB Subsidiary have not done any act or omitted to do any act which would result in the non-renewal, modification, abandonment, cancellation, termination or unenforceability of any licences of Intellectual Property to them.
- 3.1.19.5 There has been no claim of or notice asserting adverse ownership, invalidity or other opposition to or conflict with respect to any Intellectual Property owned by or licensed to DDB or its DDB Subsidiary nor, to the knowledge of DDB, is there any DDB for such claim, nor is there any pending or, to the knowledge of DDB, threatened suit, proceeding, claim, demand, action or investigation of any nature or kind against DDB or its DDB Subsidiary relating to the use by DDB or its DDB Subsidiary of any Intellectual Property.
- 3.1.19.6 To the knowledge of DDB, no activity in which DDB or its DDB Subsidiary is engaged nor any product that DDB or its DDB Subsidiary develops, uses or licenses, nor any process, method, packaging, advertising or material that DDB or its DDB Subsidiary employs in the development, marketing or licensing of any such product, nor the use by DDB or its DDB Subsidiary of any Intellectual Property owned by DDB or its DDB Subsidiary breaches, violates, infringes or interferes with any rights in respect of Intellectual Property rights of any third party or requires payment for the use of any Intellectual Property of another.
- 3.1.19.7 To the knowledge of DDB, the Intellectual Property that is confidential to DDB or its DDB Subsidiary has not been disclosed to any third party, except pursuant to a non-disclosure agreement or any other agreements containing confidentiality provisions protecting DDB's or its DDB Subsidiary's confidential information, and DDB or its DDB Subsidiary has used and continues to use its commercially reasonable efforts to ensure that all Intellectual Property that is confidential to DDB or its DDB Subsidiary has been kept confidential in a manner consistent with industry practice.
- 3.1.19.8 All applications for registration in respect of Intellectual Property owned by DDB or its DDB Subsidiary are in good standing, are recorded in the name of DDB or its DDB Subsidiary and have been filed in a timely manner in the appropriate offices to preserve the rights thereto. DDB and/or its DDB Subsidiary have prosecuted, and are prosecuting, such applications diligently. All currently due filing, examination, grant and maintenance fees for applications for registration have been properly paid and the correct fees have been paid according to the large entity, small entity or other fee determining criteria in each applicable jurisdiction. There has been no public disclosure, use, sale, offer for

sale or other activity anywhere in the world by or on behalf of DDB or its DDB Subsidiary that could invalidate the registration of any such applications for registration.

- 3.1.19.9 All registrations in respect of Intellectual Property owned by DDB or its DDB Subsidiary are in good standing and are recorded in the name of DDB or its DDB Subsidiary in the offices listed in the DDB Disclosure Letter to preserve the rights thereto. All such registrations have been filed, prosecuted and obtained in accordance with all applicable legal requirements and are currently in effect and in compliance with all applicable legal requirements. Without limiting the generality of any of the foregoing, DDB or its DDB Subsidiary have timely paid all currently due filing, examination, grant, post registration and maintenance fees, annuities and the like associated with or required with respect to any registrations of Intellectual Property owned by DDB or its DDB Subsidiary and the correct fees have been paid according to the large entity, small entity or other fee determining criteria in each applicable jurisdiction. No registration in respect of Intellectual Property owned by DDB or its DDB Subsidiary has expired, become abandoned, been cancelled or expunged, or has lapsed for failure to be renewed or maintained. There has been no public disclosure, use, sale, offer for sale or other activity anywhere in the world by or on behalf of DDB or its DDB Subsidiary that could invalidate any registration in respect of Intellectual Property owned by DDB.
- 3.1.19.10 Each of the material computer software programs used or held for use in the business of DDB or its DDB Subsidiary (other than commercial-off-the-shelf software programs having a value of \$25,000 per license or less and software programs embedded in equipment used by DDB or its DDB Subsidiary) runs in a commercially reasonable manner. With respect to each of such computer software programs owned by DDB or its DDB Subsidiary, but excluding any computer software programs or versions thereof that is in development stage, such applications (i) can be compiled from their associated source code without undue burden; (ii) is free from any material software defect or material programming error (“**Bugs**”) other than Bugs the existence of which is consistent with commercially reasonable standards of software program operations; and (iii) conforms in all material respects to the specifications thereof. DDB has made all documentation relating to the use, maintenance and operation of the material computer software programs used or held for use in the businesses of DDB or its DDB Subsidiary available to HostPapa, all of which are true, accurate and complete.
- 3.1.20 **Computer Systems** – DDB’s and its DDB Subsidiary’s computer systems are in good working order and are sufficient to carry on DDB’s and its DDB Subsidiary’s businesses. Except as disclosed in the DDB Disclosure Letter, the original media for any Computer Systems Software purchased or licensed by DDB and its DDB Subsidiary, together with proofs of purchase, are available to facilitate upgrades. All Computer Systems Hardware and Computer Dependent Equipment has been installed and operated at all times in accordance with applicable manufacturers’ or suppliers’ maintenance or warranty requirements.
- 3.1.21 **Real Property** – Neither DDB nor its DDB Subsidiary own any real property.

3.1.22 **Environmental Matters** – All operations of DDB and its DDB Subsidiary have been conducted, and continue to be conducted, in compliance with all Environmental Laws. All Environmental Approvals required to held by DDB and its DDB Subsidiary in order to operate their businesses in the manner which they are currently conducted have been obtained, are valid and in full force and effect, are being complied with in all respects, and there have been and are no material proceedings commenced or to the knowledge of DDB threatened to revoke or amend any Environmental Approvals. Neither DDB nor its DDB Subsidiary nor any of their operations has been or are now the subject of any Remedial Order, nor does DDB have any knowledge of any investigation or evaluation commenced as to whether any such Remedial Order is necessary or any underlying facts that would likely result in a Remedial Order. Neither DDB nor its DDB Subsidiary have been charged with, prosecuted for nor convicted of any offence under Environmental Laws, nor has any such party been found liable in any proceeding to pay any fine or judgment to any Person as a result of any Release or threatened Release of any Hazardous Substance into the Environment or the breach of any Environmental Law. DDB has no knowledge of any Hazardous Substance in, on, under or migrating toward any real property.

3.1.23 **Employment Matters**

- 3.1.23.1 The DDB Disclosure Letter sets out a complete and accurate list of the DDB Employees as at the date hereof; together with their salary or hourly pay, benefits entitlement, vacation entitlement, position, bonus and commission entitlement and date of hire.
- 3.1.23.2 Except for those employment contracts with DDB Employees set forth in the DDB Disclosure Letter, there are no contracts of employment entered into by DDB or its DDB Subsidiary with any DDB Employees which would entitle the Employee to receive benefits or payments upon DDB entering into any of the Transaction Documents, or upon the completion of the transactions contemplated herein or therein. Except as described in the DDB Disclosure Letter, there are no agreements or practices which limit DDB's ability to discharge any DDB Employee with the giving of reasonable notice in accordance with applicable Law; there are no agreements, oral or written, obligating DDB to provide any salary, wages, bonuses, incentive pay or compensation, performance compensation, deferred compensation, profit sharing or deferred profit sharing, share purchase, share option, stock appreciation, vacation or vacation pay, sick pay, severance or termination pay, employee loans or any termination or severance compensation (other than as required by applicable Law).
- 3.1.23.3 Neither DDB nor its DDB Subsidiary is a party to any collective bargaining agreement.
- 3.1.23.4 There are no outstanding or, to DDB's knowledge, threatened efforts to organize any DDB Employees, unfair labour practices or complaints, related employer proceedings or applications of any kind that are related to the same course of conduct.
- 3.1.23.5 Except as set forth on the DDB Disclosure Letter, there are no outstanding claims or complaints against DDB before any tribunal dealing with employment related issues with respect to DDB or its DDB Subsidiary or any DDB Employee in any

jurisdiction or, to DDB's knowledge, any threatened employment or labour claims or complaints of any kind that are related to the same course of conduct.

3.1.23.6 Neither DDB nor its DDB Subsidiary is subject to any claim for wrongful dismissal, constructive dismissal or any other tort claim, actual or to DDB's knowledge threatened, or any litigation, actual or to DDB's knowledge threatened, relating to employment or termination of employment of employees or independent contractors, other than those claims or such litigation which are disclosed in the DDB Disclosure Letter.

3.1.23.7 DDB and its DDB Subsidiary have operated in all material respects in accordance with all applicable Laws with respect to employment, including, but not limited to, employment and labour standards, occupational health and safety, pay equity, workers' compensation, human rights and labour relations and to DDB's knowledge there are no current, pending or threatened proceedings before any court, board or tribunal with respect to any employment or labour matters.

3.1.23.8 DDB has provided HostPapa with true and complete copies of all employment agreements and all related documents applicable to DDB or its DDB Subsidiary.

3.1.24 **Employee Benefit Plans**

3.1.24.1 The DDB Disclosure Letter lists all the employee benefit, health, welfare, supplemental employment, bonus, pension, retirement, supplemental retirement, profit sharing, deferred compensation, incentive compensation, stock option or purchase, savings, life, accident insurance, hospitalization insurance, medical, dental treatment or expenses, legal subsidy, disability, vacation pay, severance or termination pay, and similar plans or arrangements or practices applicable to present or former employees, directors or independent contractors of DDB or its DDB Subsidiary or any of their dependants which are currently maintained or participated in by DDB or its DDB Subsidiary or to which either of DDB or its DDB Subsidiary are required to contribute and each loan to a non-officer of DDB or its DDB Subsidiary and each loan to an officer or director of DDB or its DDB Subsidiary (the "**DDB Employee Plans**").

3.1.24.2 All of the DDB Employee Plans are and have been, established and registered where required by, and are in good standing under, all applicable Laws or other legislative, administrative or judicial promulgations applicable to the DDB Employee Plans and there are no actions, claims, proceedings or, except as set out in the DDB Disclosure Letter, governmental audits pending (other than routine claims for benefits) against DDB or its DDB Subsidiary relating to the DDB Employee Plans.

3.1.24.3 Except as set out in the DDB Disclosure Letter, all of the DDB Employee Plans have been administered, invested and funded in compliance with their terms including the terms of the material documents that support such DDB Employee Plans, understandings with participants and all applicable Laws or other legislative, administrative or judicial promulgations applicable to the DDB Employee Plans, except where failure to do so would not have a Material Adverse Effect on DDB or its DDB Subsidiary. There are no unfunded liabilities, including, without limitation, on a going concern or solvency DDB based on

reasonable actuarial assumptions determined as at the date of this Agreement in respect of the DDB Employee Plans and all required contributions thereunder have been made in accordance with all applicable Laws or other legislative, administrative or judicial promulgations applicable to the DDB Employee Plans and the terms of such DDB Employee Plan. No contribution holidays have been taken and no surplus has been withdrawn from any DDB Employee Plan. All expenses paid from any DDB Employee Plan, have been paid in accordance with applicable Laws, the terms of such plan. There have been no mergers of any DDB Employee Plan with any other plan and no conversion of any DDB Employee Plan.

- 3.1.24.4 No amendments to any DDB Employee Plan have been promised by DDB or its DDB Subsidiary and no amendments to any DDB Employee Plan will be made or promised by DDB or its DDB Subsidiary prior to the Effective Date except as required by applicable Laws.
- 3.1.24.5 True and complete copies of all the DDB Employee Plans as amended and, if available, current plan summaries and employee booklets in respect thereof as are applicable to the employees of DDB or its DDB Subsidiary and all related documents or, where oral, written summaries of the terms thereof, have been made available for review to HostPapa; for the purpose of the foregoing, related documents means all current plan documentation and amendments relating thereto, summary plan descriptions and summaries of material modifications, if any, all related trust agreements, funding agreements and similar agreements, the most recent annual reports filed with any Governmental Entity, and the three most recent actuarial reports, if any, related thereto.
- 3.1.24.6 There are no agreements or undertakings by DDB or its DDB Subsidiary to provide post-retirement profit sharing, medical, health, life insurance or other benefits to any present or former employee of DDB or its DDB Subsidiary. For greater certainty, none of the DDB Employee Plans provide benefits beyond retirement or other termination of service to DDB Employees or former DDB Employees or to the beneficiaries or dependents of such employees.
- 3.1.24.7 To the knowledge of DDB, no event has occurred respecting any DDB Employee Plan which would result in the revocation of the registration of such DDB Employee Plan or entitle any Person (without consent of DDB) to wind up or terminate any DDB Employee Plan, in whole or in part, or which could otherwise reasonably be expected to adversely affect the tax status of any such DDB Employee Plan.
- 3.1.24.8 Other than the acceleration of vesting on a change of control as provided in the DDB Option agreements, none of the DDB Employee Plans provide for benefit increases or the acceleration of, or an increase in, funding obligations that are contingent upon, or will be triggered by the completion of the transaction contemplated herein.
- 3.1.24.9 There is no liability for vacation pay and sick leave for any period prior to December 31, 2019.

- 3.1.24.10 There is no proceeding, action, suit or claim (other than routine claims for payments of benefits) pending or threatened involving any DDB Employee Plan or its assets.
- 3.1.24.11 Except as set out in the DDB Disclosure Letter, all reports, returns and similar documents with respect to the DDB Employee Plans required to be filed with any governmental agency have been timely filed.
- 3.1.24.12 All amendments required to bring the DDB Employee Plans into conformity with applicable Laws, have been timely adopted.
- 3.1.25 **Material Contracts** – The DDB Disclosure Letter sets forth a true, complete and accurate list of all Material Contracts. All Material Contracts are in full force and effect. Except as disclosed in the DDB Disclosure Letter, neither DDB nor its DDB Subsidiary is in default of any Material Contract and DDB has no knowledge of any default under such Material Contracts on the part of any of the other parties to such Material Contracts.
- 3.1.26 **Client Lists** – All client lists, including the client name, address, telephone number, account type, account number, and account code have been disclosed by DDB to the Authorized HostPapa Representatives, are the sole property of DDB and its DDB Subsidiary and, to the knowledge of DDB, are accurate and complete listings of the clients of DDB and its DDB Subsidiary (the “**Client Lists**”). The Client Lists set forth a true, complete and accurate list of all customers of DDB or its DDB Subsidiary which account for 0.5% or more of the consolidated revenue of DDB and its DDB Subsidiary for the twelve month period ending December 31, 2019. Neither DDB nor its DDB Subsidiary is in default of any Contract with any such customer and DDB has no knowledge of any default under any Contract with any such customer by the other parties thereto. The DDB Disclosure Letter sets forth a true, complete and accurate list of all Persons which supplied data to DDB or its DDB Subsidiary during the twelve month period ending December 31, 2019. Neither DDB nor its DDB Subsidiary is in default of any Contract with any such data supplier and DDB has no knowledge of any default under any Contract with any such data supplier by the other parties thereto.
- 3.1.27 **Litigation** – Except as disclosed in the DDB Disclosure Letter, there is no suit, action, litigation, grievance or other proceeding, including appeals and applications for review, in progress, and to the knowledge of DDB, there is no claim, investigation or complaint in progress, pending or threatened against or relating to DDB and its DDB Subsidiary, before any court, Governmental Entity, commission, board, bureau, agency or arbitration panel.
- 3.1.28 **Orders, Judgments, Decrees** – Except as set forth in the DDB Disclosure Letter, there is not presently outstanding against DDB and its DDB Subsidiary any judgment, decree, injunction, rule or order of any court, Governmental Entity, commission, board, bureau, agency or arbitrator.
- 3.1.29 **Tax Matters**
 - 3.1.29.1 DDB and its DDB Subsidiary have duly and timely filed all material Tax Returns required to be filed with the appropriate Governmental Entity and have duly, completely and correctly reported all material income, loss and all other amounts and information required to be reported thereon.

- 3.1.29.2 DDB and its DDB Subsidiary have duly and timely paid or provided for all material Taxes, including all installments on account of Taxes for the current year, that are due and payable by it and such party has established reserves, as reflected on its latest DDB Balance Sheet, that are adequate for the payment by such party of all Taxes that are not yet due and payable (and that will not be due and payable by the Effective Date) and that relate to periods covered by such DDB Balance Sheet.
- 3.1.29.3 Except as set out in the DDB Disclosure Letter, there are no actions, suits, proceedings, investigations, audits or claims now pending or, to the knowledge of DDB, threatened in writing, against DDB and its DDB Subsidiary in respect of any Taxes which could be reasonably likely to have a Material Adverse Effect, and there are no material matters under discussion, audit or appeal with any Governmental Entity relating to Taxes.
- 3.1.29.4 DDB and its DDB Subsidiary have duly and timely withheld from any amount paid or credited by it to or for the account or benefit of any Person, including any of its DDB Employees, officers and directors and any non-resident Person, the amount of all material Taxes and other deductions required by any applicable Law to be withheld from any such amount and such party has duly and timely remitted the same to the appropriate Governmental Entity.
- 3.1.30 **Corporate Records and Minute Books** – The corporate records and minute books of DDB and its DDB Subsidiary have been delivered or made available to HostPapa. The minute books, the share certificate book, central securities register, register of shareholders, register of transfers and register of directors and officers of each of DDB and its DDB Subsidiary, as applicable, are complete and accurate in all material respects.
- 3.1.31 **Notice of Articles and Articles** – The notice of articles and articles of DDB, and the articles of the DDB Subsidiary, including any and all amendments thereto, have been delivered or made available to HostPapa and such notice of articles and articles, as applicable, and as so amended, are in full force and effect and no amendments are being made to the same.
- 3.1.32 **Leases** – The DDB Disclosure Letter contains an accurate and complete list of each real and personal property lease to which DDB or its DDB Subsidiary is a party (as lessee or lessor) for which total annual rent payments equal or exceed \$10,000. Each real and personal property lease to which DDB or its DDB Subsidiary is a party (as lessee or lessor) is in full force and effect; all rents and additional rents due to date on each such lease have been paid; in each case, the lessee has been in peaceable possession since the commencement of the original term of such lease and is not in material default thereunder and no waiver, indulgence or postponement of the lessee's obligations thereunder has been granted by the lessor; and there exists no material default or event of default or event, occurrence, condition or act (including the consummation of the transactions contemplated by this Agreement) which, with the giving of notice, the lapse of time or the happening of any further event or condition, would become a material default or event of default under such lease. Neither DDB nor its DDB Subsidiary has violated any of the terms or conditions under any such lease in any material respect, and, to the knowledge of DDB, all of the covenants to be performed by any other party under any such lease have been fully performed. The tangible personal property leased by DDB or its DDB Subsidiary is in a state of good maintenance and repair, reasonable wear and tear

excepted. DDB has delivered to HostPapa true and complete copies, including all amendments, of each such lease.

- 3.1.33 **Indebtedness** – Neither DDB nor its DDB Subsidiary has any claims, obligations, liabilities or Indebtedness, whether absolute, accrued, contingent or otherwise, except for (a) claims, obligations, liabilities or Indebtedness set forth in the DDB Balance Sheet or specifically disclosed in the footnotes thereto and (b) accounts payable to trade creditors and accrued expenses incurred subsequent to the Balance Sheet Date in the ordinary and usual course of business and that would not, individually or in the aggregate, have a Material Adverse Effect with respect to DDB or its DDB Subsidiary.
- 3.1.34 **Agent Fees** – Except as set forth on the DDB Disclosure Letter, no agent, broker, Person or firm acting on behalf of DDB or its DDB Subsidiary is, or will be, entitled to any commission or broker's or finder's fees from HostPapa or any of its Affiliates (including, following the Effective Time, DDB or its DDB Subsidiary) in connection with any of the transactions contemplated by this Agreement.
- 3.1.35 **Access** – DDB has made available for inspection and copying by HostPapa and its advisers, true, complete and correct copies of all documents referred to in this Section 3.1 and in the DDB Disclosure Letter.
- 3.1.36 **Material Facts Disclosed** – DDB has disclosed to HostPapa all facts known to it relating to the business and assets of DDB and the DDB Subsidiary which could reasonably be expected to be material to an intending purchaser of the DDB Shares.

3.2 Representations and Warranties of HostPapa

HostPapa hereby represents and warrants to DDB as follows and acknowledges that DDB is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- 3.2.1 **Incorporation and Registration** – HostPapa is a limited liability company duly organized and validly existing under the laws of its jurisdiction of organization and has all necessary power, authority and capacity to own its property and assets and to carry on its business as presently conducted.
- 3.2.2 **Due Authorization** – No vote, or other approval or consent or other evidence of approval of holders of membership interests of HostPapa which has not already been received is necessary in order for HostPapa to enter into the Transaction Documents and to consummate the transactions contemplated herein and therein. HostPapa has all necessary corporate power, authority and capacity to enter into the Transaction Documents and to carry out its respective obligations under each such agreement. The execution and delivery of the Transaction Documents and the consummation of the transactions contemplated herein and therein have been duly authorized by all necessary corporate action on the part of HostPapa.
- 3.2.3 **Enforceability of Obligations** – The Transaction Documents shall, once executed and delivered by HostPapa, constitute valid and binding obligations of HostPapa enforceable against it in accordance with their respective terms, subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.

- 3.2.4 **Regulatory Approvals** – Except for the Applicable Regulatory Approvals, no governmental or regulatory authorization, approval, order, consent, registration or filing is required on the part of either HostPapa or Subco, in connection with the execution and delivery of this Agreement or the Transaction Documents to which HostPapa is a party, or the performance of the obligations of either HostPapa or Subco under such agreements or under any other documents and agreements to be delivered pursuant hereto or thereto.

ARTICLE 4 IMPLEMENTATION

4.1 Non-Waiver

No investigations made by or on behalf of any of the Parties, at any time, shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation or warranty made by either of DDB or HostPapa in or pursuant to this Agreement. No waiver of any condition or other provision in whole or in part, shall constitute a waiver of any other condition or provision (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. No waiver by any Party shall be effective unless it is in writing.

4.2 Nature and Survival

All representations and warranties contained in this Agreement on the part of each of the Parties shall terminate on the Effective Date. No Party shall be released or relieved from any liability arising from the breach by such Party of any of its covenants, representations or warranties set forth in this Agreement.

ARTICLE 5 COVENANTS

5.1 Consultation

DDB and HostPapa agree to consult with each other in issuing any press releases or otherwise making public statements with respect to the Transaction and in making any filing with any governmental or regulatory agency or with any stock exchange with respect thereto. Each of DDB and HostPapa shall use all reasonable commercial efforts to enable the other Party to review and comment on all such press releases prior to the release thereof and shall enable the other Party to review and comment on such filings prior to the filing thereof. DDB and HostPapa agree to issue jointly a press release with respect to the execution of this Agreement as soon as practicable, in a form acceptable to both Parties and each of DDB and HostPapa agrees to file a copy of this Agreement with such regulatory authorities, if any, as is required by applicable Laws. Each of DDB and HostPapa agree not to make any public statement that is inconsistent with such press release.

5.2 Operational Covenants

DDB covenants and agrees that, except as contemplated in any of the Transaction Documents, from the date hereof until the Effective Date or the day upon which this Agreement is terminated, whichever is earlier:

- 5.2.1 Its board of directors will adopt all necessary resolutions, and it shall take all other actions as may be necessary to give effect to section 2.1.2 hereto and so that all of the

outstanding DDB Options shall terminate and expire at 5:00 p.m. on the Determination Date;

- 5.2.2 Its board of directors will adopt all necessary resolutions, and it shall take all other actions as may be necessary, so that any employee stock purchase plan or incentive warrant arrangement is terminated after the date of this Agreement and prior to the Closing Date;
- 5.2.3 It shall conduct its business only in, and not take any action except in, the ordinary and usual course of business, in a manner consistent with past practice and will use its reasonable commercial efforts to preserve intact its business organizations and goodwill, to keep available the services of its officers and employees as a group and to maintain satisfactory relationships with its suppliers, agents, distributors, customers and others having business relationships with it;
- 5.2.4 Without limiting the generality of subsection 5.2.3, it shall not, directly or indirectly, do or permit to occur any of the following:
 - 5.2.4.1 issue, sell, pledge, lease, dispose of, encumber or agree to issue, sell, pledge, lease, dispose of or encumber or agree to accelerate the vesting of or re-price, any DDB Shares or shares of its DDB Subsidiary, or any security options, warrants, calls, conversion privileges or rights of any kind to acquire any DDB Shares or shares of its DDB Subsidiary, as the case may be, except pursuant to the exercise of DDB Options outstanding on the date hereof;
 - 5.2.4.2 amend or propose to amend DDB's notice of articles or articles;
 - 5.2.4.3 redeem, purchase or offer to purchase any DDB Shares or other securities of its own issue, unless otherwise required by the terms of such securities as of the date hereof;
 - 5.2.4.4 reorganize, amalgamate or merge with any other Person, whatsoever or otherwise enter into any joint venture, strategic alliance or other strategic transaction;
 - 5.2.4.5 except in the ordinary and usual course of business, in a manner consistent with past practice:
 - 5.2.4.5.1 satisfy or settle any claims or liabilities, except such as have been reserved against in its financial statements, which are individually or in the aggregate material;
 - 5.2.4.5.2 relinquish any contractual rights, which are individually or in the aggregate material, except with the prior written consent of HostPapa; or
 - 5.2.4.5.3 enter into any interest rate, currency or commodity swaps, hedges or other similar financial instruments;
 - 5.2.4.6 materially change its accounting methods, principles or practices except as required by generally accepted accounting practices; or

- 5.2.4.7 except in the usual, ordinary and regular course of business and consistent with past practice, incur or commit to provide guarantees, incur any Indebtedness for borrowed money or issue any amount of debt securities, which are individually or in the aggregate, material;
 - 5.2.4.8 declare or pay any dividends on or make any other distributions on or in respect of the DDB Shares;
 - 5.2.4.9 split, combine, consolidate or reclassify any of its outstanding shares;
- 5.2.5 Without the prior written consent of HostPapa, it shall not:
- 5.2.5.1 other than pursuant to existing employment, pension, supplemental pension, termination, compensation arrangements or policies, enter into or modify any employment, severance, collective bargaining or similar agreements, policies or arrangements with, or grant any bonuses, salary increases, stock options, pension or supplemental pension benefits, profit sharing, retirement allowances, deferred compensation, incentive compensation, severance or termination pay to, or make any loan to, any Employees or directors of it or its DDB Subsidiary;
 - 5.2.5.2 other than pursuant to existing employment, pension, supplemental pension, termination, compensation arrangements or policies, in the case of its Employees and directors, take any action with respect to the entering into or modification of any employment, severance, collective bargaining or similar agreements, policies or arrangements or with respect to the grant of any bonuses, salary increases, stock options, pension or supplemental pension benefits, profit sharing, retirement allowances, deferred compensation, incentive compensation, severance or termination pay or any other form of compensation or profit sharing or with respect to any increase of benefits payable;
 - 5.2.5.3 incur or commit to capital expenditures individually exceeding \$20,000, or in the aggregate exceeding \$70,000;
 - 5.2.5.4 enter into any Contract to sell products or services at prices lower or otherwise more favourable to customers than those terms and prices set-forth in the DDB price list provided to HostPapa on the date hereof;
 - 5.2.5.5 enter into any Contract to provide any products or services to customers on any basis other than on a cost per transaction basis;
 - 5.2.5.6 enter into any Contract that does not specify that the products or services that are to be delivered will be only those of DDB and the DDB Subsidiary; and
 - 5.2.5.7 enter into any Contract unless specifically authorized and executed by Jamie Opalchuk;
- 5.2.6 It shall use its reasonable commercial efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, 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 provided under the

cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

- 5.2.7 It will, in all material respects, conduct itself so as to keep HostPapa fully informed as to the material decisions or actions required to be made or undertaken with respect to the operation of DDB's business, provided that such disclosure is not otherwise prohibited by operation of applicable Laws or by reason of a confidentiality obligation owed to a third party for which a waiver could not be obtained or is in respect of customer specific or competitively sensitive information;
- 5.2.8 It will promptly notify HostPapa of any Material Adverse Change, or any change which could reasonably be expected to become a Material Adverse Change, in respect of its business or properties, and of any material Governmental Entity or third party complaints, investigations or hearings (or communications indicating that the same may be contemplated); and
- 5.2.9 It will, prior to the Closing Date, terminate any defined pension plan of DDB or its DDB Subsidiary or their successors, or in which any of DDB's or its DDB Subsidiary's employees participate, and provide evidence of the termination to HostPapa.

5.3 Mutual Covenants

Each of DDB and HostPapa covenants and agrees that, except as contemplated in the Transaction Documents and except as set out in Section 5.4 and 5.5, from the date hereof until the Effective Date or the day upon which this Agreement is terminated, whichever is earlier, to do the following:

- 5.3.1 It shall not take any action that would interfere with or be inconsistent with the completion of the transactions contemplated pursuant to the Transaction Documents which would render, or that reasonably may be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect at any time prior to the Effective Date if then made;
- 5.3.2 It shall use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to the obligations of the Parties set forth in Article 7 to the extent the same is within its control and to take, or cause to be taken, all other reasonable action and to do, or cause to be done, all other things reasonably necessary, proper or advisable under all applicable Laws to complete the Transaction, including using all of its commercially reasonable efforts to:
 - 5.3.2.1 obtain or co-operate in obtaining all necessary waivers, consents and approvals required to be obtained to consummate the Transaction;
 - 5.3.2.2 effect or co-operate in effecting all Applicable Regulatory Approvals and any other necessary registrations and filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the transactions contemplated in the Transaction Documents and participate and appear in any proceedings of any Party before Governmental Entities in connection therewith;
 - 5.3.2.3 oppose, lift or rescind or co-operate in opposing, lifting or rescinding any injunction or restraining order or other order or action seeking to stop, or

otherwise adversely affecting the ability of any Party to consummate, the transactions contemplated in the Transaction Documents;

- 5.3.2.4 fulfill all conditions and satisfy all provisions of the Transaction Documents, including, where applicable, delivery of the certificates of their respective officers contemplated by section 7.2.1 and section 7.2.3; and
 - 5.3.2.5 otherwise cooperate with the other Party in connection with the performance by it of its obligations under the Transaction Documents; and
- 5.3.3 Subject in the case of DDB to those actions it is permitted to do in compliance with sections 5.4 and 5.5, it shall not take any action or refrain from taking any action which would reasonably be expected to significantly impede the consummation of the Transaction.

5.4 DDB Covenant Regarding Non-Solicitation

- 5.4.1 DDB shall not, directly or indirectly, through any officer, director, employee, representative or agent of DDB or its DDB Subsidiary, take any action of any kind which might reduce the likelihood of, or interfere with, the completion of the Transaction, including, but not limited to, any action to (i) solicit, assist, initiate or knowingly encourage (including by way of furnishing non-public information or entering into any form of agreement, arrangement or understanding) any inquiries, proposals or offers regarding any proposed Inconsistent Transaction, (ii) except as specifically provided in section 5.4.3, participate in any discussions or negotiations regarding any proposed Inconsistent Transaction, (iii) except as set out in section 5.5.5, withdraw or modify in a manner adverse to HostPapa the approval of the board of directors of DDB of the transactions contemplated hereby, (iv) except as set out in section 5.5, approve or recommend any proposed Inconsistent Transaction, or (v) cause DDB to enter into any agreement related to any Inconsistent Transaction, other than in connection with an unsolicited bona fide proposed Inconsistent Transaction made in writing that did not otherwise constitute a breach of this section 5.4 and subject to compliance with section 5.5 and that the board of directors of DDB determines in good faith, after consultation with financial advisors and outside counsel, having regard to all circumstances, would, if consummated in accordance with its terms, constitute a Superior Proposal.
- 5.4.2 DDB shall forthwith notify HostPapa, at first orally and then in writing, of all Inconsistent Transactions currently under consideration and will cease and cause to be terminated any existing solicitation, encouragement, activity, discussion or negotiation with any Person by DDB, its DDB Subsidiary or any of its or their representatives or agents with respect to any Inconsistent Transaction, whether or not initiated by DDB, and, in connection therewith, DDB will request (and exercise all rights it has to require) the return or destruction of information regarding DDB and its DDB Subsidiary previously provided to any such Person or any other Person and will request (and exercise all rights it has to require) the destruction of all material including or incorporating any information regarding DDB and its DDB Subsidiary. DDB shall immediately notify HostPapa, at first orally and then in writing, of all future Inconsistent Transactions of which DDB's directors, officers, representatives and agents are or become aware, or any amendments to the foregoing, or any request for non-public information relating to DDB or its DDB Subsidiary in connection with an Inconsistent Transaction or for access to the properties, books or records of DDB or its DDB

Subsidiary by any Person that informs DDB or its DDB Subsidiary that such Person is considering making, or has made, an Inconsistent Transaction. Such notice shall include a description of all of the material terms and conditions of any proposal including the identity of the Person making such proposal, inquiry or contact.

- 5.4.3 If DDB receives a request for material non-public information from a Person who proposes a bona fide Inconsistent Transaction in writing in respect of DDB (the existence and content of which have been disclosed to HostPapa), and the board of directors of DDB determines in good faith that such proposal having regard to all circumstances would, if consummated in accordance with its terms, result in a Superior Proposal, having received the advice referred to in the last sentence of section 5.4.1, then, and only in such case, the board of directors of DDB may, subject to the execution by such Person of a non-disclosure agreement on terms consistent with the Letter Agreement provide such Person with access to information regarding DDB or its DDB Subsidiary; provided, however, that DDB sends a copy of any such non-disclosure agreement to HostPapa promptly upon its execution and that HostPapa is provided with a list of or, in the case of information that was not previously made available to HostPapa, copies of any information provided to such Person.
- 5.4.4 DDB shall ensure that its officers, directors, representatives and agents and the DDB Subsidiary and its officers and directors, representatives and agents and any financial advisors or other advisors or representatives retained by it are aware of the provisions of this section 5.4, and it shall be responsible for any breach of this section 5.4 by its financial advisors or other advisors or representatives.

5.5 Notice by DDB of Superior Proposal Determination

- 5.5.1 DDB shall not accept, approve, recommend or enter into any agreement relating to an Inconsistent Transaction (other than a non-disclosure agreement contemplated by section 5.4.3) unless the board of directors of DDB shall have determined in good faith that the Inconsistent Transaction constitutes a Superior Proposal and unless:
 - 5.5.1.1 it has provided HostPapa with notice in writing prior to the DDB Meeting that there is a Superior Proposal together with all documentation related to and detailing the Superior Proposal at least five clear calendar days prior to the date on which the board of directors of DDB proposes to accept, approve, recommend or enter into agreement relating to such Inconsistent Transaction; in the event that DDB provides HostPapa with such notice on a date that is less than five clear calendar days prior to the DDB Meeting, DDB shall adjourn the DDB Meeting to a date that is not less than five clear calendar days after the date DDB provided such notice; and
 - 5.5.1.2 five clear calendar days shall have elapsed from the later of the date HostPapa received notice of DDB's proposed determination to accept, approve, recommend or enter into any agreement relating to such Inconsistent Transaction, and the date HostPapa received a copy of the written proposal in respect of the Inconsistent Transaction.
- 5.5.2 During the five clear calendar day period referred to in section 5.5.1.1, DDB acknowledges that HostPapa shall have the opportunity, but not the obligation, to offer to amend the terms of this Agreement and the Transaction. The board of directors of DDB

will review any offer by HostPapa to amend the terms of this Agreement in order to determine, in its good faith in the exercise of its fiduciary duties, whether HostPapa's offer to amend the terms of this Agreement upon acceptance by DDB would result in the Inconsistent Transaction not being a Superior Proposal. If the board of directors of DDB so determines, it will enter into an amended Agreement with HostPapa reflecting HostPapa's amended proposal.

- 5.5.3 DDB shall promptly reaffirm its recommendation of the Transaction by press release after: (i) any Inconsistent Transaction (which is determined not to be a Superior Proposal) is publicly announced or made; or (ii) HostPapa and DDB enter into an amended Agreement under section 5.5.2; any such press release shall be prepared subject to compliance with section 5.1.
- 5.5.4 DDB also acknowledges and agrees that each successive modification of any Inconsistent Transaction shall constitute a new Inconsistent Transaction for purposes of this section 5.5.
- 5.5.5 The board of directors of DDB may withdraw, modify or amend, in a manner adverse to HostPapa, its recommendation that DDB Shareholders vote in favour of the Amalgamation provided that, (i) the board of directors may do so only where such withdrawal, modification or amendment is required in connection with the exercise of the fiduciary obligations of the directors of DDB after consultation with outside counsel; (ii) DDB gives HostPapa written notice of such withdrawal, modification or amendment of its recommendation immediately following the decision to take such action; and (iii) DDB complies with section 9.3.2.

5.6 Access to Information and Confidentiality

- 5.6.1 **Access to Information** — Subject to applicable Laws, upon reasonable notice, DDB shall and shall cause its DDB Subsidiary to afford HostPapa's officers, employees, counsel, accountants and other authorized representatives and advisors ("**Representatives**") access, during normal business hours from the date hereof and until the earlier of the Effective Date and the termination of this Agreement, to properties, books, contracts, tax records and other records, of DDB and its DDB Subsidiary to the extent that such information is relevant to either (i) the Amalgamation or (ii) the post-closing integration of the operations HostPapa and DDB and its DDB Subsidiary, as well as to management personnel of DDB and its DDB Subsidiary, and during such period, DDB shall and shall cause its DDB Subsidiary to furnish promptly to HostPapa all information concerning its business, properties and personnel which HostPapa may reasonably request.
- 5.6.2 **Confidentiality Provisions** — Reference is made to the confidentiality and provisions set forth in the Confidentiality Agreement dated November 18, 2019 and executed by DDB and HostPapa (the "**Confidentiality Provisions**"). The Parties covenant and agree to observe the Confidentiality Provisions as if they were set forth in this section 5.6.2 *mutatis mutandis*.

5.7 Additional Covenants of HostPapa

- 5.7.1 **Protection of Client Lists** — HostPapa will use reasonable efforts to ensure that the Client Lists delivered to the Authorized HostPapa Representatives, and the information provided

therein, are not provided, reproduced or otherwise made available to any Person other than Authorized HostPapa Representatives.

ARTICLE 6 REMEDIES

6.1 Availability of Equitable Remedies

Each Party acknowledges that the other Party will be irreparably harmed and that there will be no adequate remedy at law for a violation of any of its covenants and agreements contained in this Agreement. In addition to any other remedies that may be available to a Party upon the breach by another Party of its covenants and agreements hereunder, the first Party will have the right to seek injunctive relief to restrain any breach or threatened breach of those covenants or agreements or otherwise to obtain specific performance of any of those covenants or agreements.

ARTICLE 7 CONDITIONS

7.1 Mutual Conditions

The obligations of the Parties to complete the transactions contemplated hereby on the Effective Date are subject to fulfillment of the following conditions on or before the Termination Date or such earlier time as is specified below:

- 7.1.1 The DDB Amalgamation Resolution set forth in the Information Circular shall have been passed at the DDB Meeting;
- 7.1.2 The Effective Date shall occur prior to the Termination Date;
- 7.1.3 There shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and there shall be no proceeding of a judicial or administrative nature or otherwise, in progress or threatened, that relates to or results from the Amalgamation or the other transactions contemplated by this Agreement that could, if successful, result in an order or ruling that would preclude completion of the Amalgamation in accordance with the terms hereof or would otherwise be inconsistent with the consents, waiver, permits, orders and approvals which have been obtained;
- 7.1.4 All Applicable Regulatory Approvals shall have been obtained to the satisfaction of, and in a form satisfactory to, counsel to each Party and the expiry of any waiting periods, in connection with, or required to permit, the consummation of the Transaction, shall have been obtained or received, and reasonably satisfactory evidence thereof shall have been delivered to each Party;
- 7.1.5 No Law shall have been proposed, enacted, promulgated or applied and no legal action or proceeding shall have been commenced that enjoins, prohibits or makes illegal the consummation of the Transaction contemplated by this Agreement; and
- 7.1.6 This Agreement shall not have been terminated pursuant to Article 9.

The foregoing conditions are for the mutual benefit of the Parties and may be waived, in whole or in part, by DDB and HostPapa (on its own behalf and on behalf of Subco) at any time. If any of the said conditions precedent shall not be complied with or waived as aforesaid on or before the date required for the performance thereof, either DDB or HostPapa may rescind and terminate this Agreement by written notice to the other Party (provided such non-compliance did not arise from the acts or omissions of the Party purporting to rescind and terminate this Agreement and further provided that the Party seeking to terminate this Agreement or its Subsidiary is not then in material breach of any representation, warranty, covenant or agreement contained in this Agreement) and shall have no other right or remedy, except as set forth in Article 9.

7.2 Additional Conditions Precedent to the Obligations of HostPapa

The obligations of HostPapa to complete the transactions contemplated by this Agreement on the Effective Date shall also be subject to the fulfillment of each of the following conditions precedent (each of which is for the exclusive benefit of HostPapa and may be waived by HostPapa and any one or more of which, if not satisfied or waived, will relieve HostPapa of any obligation under this Agreement) on or before the Termination Date or such earlier time as is specified below:

- 7.2.1 all covenants of DDB under this Agreement to be performed on or before the Closing Date shall have been duly performed by DDB in all material respects;
- 7.2.2 all representations and warranties of DDB qualified by materiality shall be true and correct as of the date on which the Amalgamation Application is filed with the Registrar and as of the Effective Date and all representations and warranties not qualified by materiality shall be true and correct in all material respects as of the date on which the Amalgamation Application is filed with the Registrar and as of the Effective Date, in either case, as if made on and as of each of such dates (except to the extent such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct or true and correct in all material respects, as the case may be, as of such earlier date, or except as affected by transactions contemplated or permitted by this Agreement), and HostPapa shall have received a certificate of DDB addressed to HostPapa and dated on each of such dates, signed on behalf of DDB by two senior executive officers of DDB without personal liability, confirming the same;
- 7.2.3 after the date hereof, there shall not have occurred a Material Adverse Change with respect to DDB, and HostPapa shall not have become aware of any previously undisclosed material fact which has a Material Adverse Effect on DDB;
- 7.2.4 the board of directors of DDB shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by DDB, to permit the consummation of the Transaction, and to cause all of the DDB Options to terminate and expire at the Effective Time, if unexercised prior to the Effective Time;
- 7.2.5 no Law shall have been proposed, enacted, promulgated or applied and no legal action or proceeding shall have been commenced by any Person to cease trade, enjoin, prohibit or impose material limitations or conditions on the completion of the Amalgamation;
- 7.2.6 holders of no more than 10% of the issued and outstanding DDB Shares shall have exercised their dissent rights (and not withdrawn such exercise) in respect of the Amalgamation;

- 7.2.7 DDB shall have used commercially reasonable efforts to obtain the written consents to the Amalgamation, in form satisfactory to HostPapa, acting reasonably, of the Persons identified in the DDB Disclosure Letter which are parties to Material Contracts with DDB containing change of control provisions which would be triggered by the completion of the Amalgamation; and
- 7.2.8 neither DDB nor its DDB Subsidiary shall have issued, sold, pledged, leased or disposed of, or encumbered or agreed to sell, issue, pledge, lease or dispose of or encumber or agree to accelerate the vesting or re-price of, any DDB Shares or shares of the DDB Subsidiary, as the case may be, or any security, options, waivers, calls, conversion privileges or other right of any kind to acquire any DDB Shares or shares of the DDB Subsidiary, as the case may be, except the DDB Shares that may be issued on exercise of the DDB Options outstanding as of the date hereof.

HostPapa may not rely on the failure to satisfy any of the above conditions precedent as a basis for noncompliance by HostPapa with its obligations under this Agreement if the condition precedent would have been satisfied but for a material default by HostPapa in complying with its obligations hereunder.

7.3 Additional Conditions Precedent to the Obligations of DDB

The obligations of DDB to complete the transactions contemplated by this Agreement on the Effective Date shall also be subject to the following conditions precedent (each of which is for the exclusive benefit of DDB and may be waived by DDB and any one or more of which, if not satisfied or waived, will relieve DDB of any obligation under this Agreement), on or before the Termination Date or such earlier time as is specified below:

- 7.3.1 all covenants of HostPapa under this Agreement to be performed on or before the Closing Date shall have been duly performed by HostPapa in all material respects;
- 7.3.2 all representations and warranties of HostPapa under this Agreement that are qualified by materiality shall be true and correct as of the date on which the Amalgamation Application is filed with the Registrar and as of the Effective Date and all representations and warranties of HostPapa that are not qualified by materiality shall be true and correct in all material respects as of the date on which the Amalgamation Application is filed with the Registrar and as of the Effective Date, in either case, as if made on and as of each of such dates (except to the extent such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct or true and correct in all material respects, as the case may be, as of such earlier date, or except as affected by transactions contemplated or permitted by this Agreement) and DDB shall have received a certificate of HostPapa addressed to DDB and dated on each such dates, signed on behalf of HostPapa by two senior executive officers of HostPapa without personal liability, confirming the same; and
- 7.3.3 the Board of HostPapa shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by HostPapa to permit the consummation of the Transaction.

DDB may not rely on the failure to satisfy any of the above conditions precedent as a DDB for noncompliance by DDB with its obligations under this Agreement if the condition precedent would have been satisfied but for a material default by DDB in complying with its obligations hereunder.

7.4 Intentionally Left Blank

7.5 Notice Provisions

HostPapa and DDB will give prompt notice to the other of the occurrence, or failure to occur, at any time during the term of this Agreement, of any event or state of facts the occurrence or failure of which would, or would be likely to:

- 7.5.1 cause any of the representations or warranties of the other contained herein to be untrue or inaccurate in any material respect on the date hereof or on any date thereafter during the term of this Agreement; or
- 7.5.2 result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by the other hereunder.

Neither HostPapa nor DDB may elect not to complete the Transaction contemplated hereby pursuant to the conditions precedent contained in sections 7.1, 7.2 and 7.3, or exercise any termination right arising hereunder, unless forthwith and in any event prior to the filing of the Amalgamation Application with the Registrar, as the case may be, the Party exercising such right (the “**electing party**”) has delivered a written notice to the other specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the electing party is asserting as the basis for the non-fulfillment of the applicable condition precedent or the exercise of the termination right, as the case may be. If any such notice is delivered, provided that the electing party is proceeding diligently to cure such matter, and if such matter is susceptible to being cured in the reasonable opinion of the electing party, the electing party may not terminate this Agreement until the expiration of a period of 10 days from such notice, or if such notice is given on or after February 18, 2020 but prior to the Termination Date, until the Termination Date. If such notice has been given prior to the filing of the Amalgamation Application with the Registrar, such filing shall be postponed until the expiry of such period. For greater certainty, in the event that such matter is cured within the time period referred to herein, this Agreement may not be terminated as a result of such matter.

7.6 Satisfaction of Conditions

The conditions precedent set out in sections 7.1, 7.2 and 7.3 shall be conclusively deemed to have been satisfied, waived or released when, with the agreement of HostPapa and DDB, the Certificate of Amalgamation is issued by the Registrar.

ARTICLE 8 AMENDMENT

8.1 Amendment

This Agreement may, at any time and from time to time before or after the holding of the DDB Meeting but not later than the date on which the Amalgamation Application is filed with the Registrar, be amended by mutual written agreement of the Parties, and any such amendment may, without limitation:

- 8.1.1 change the time for performance of any of the obligations or acts of the Parties;
- 8.1.2 waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;

8.1.3 waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties; and

8.1.4 waive compliance with or modify any conditions precedent herein contained,

provided that, notwithstanding the foregoing, except as otherwise provided in this Agreement, the terms of this Agreement and the Amalgamation Agreement shall not be amended in a manner materially prejudicial to the DDB Shareholders without the approval of the DDB Shareholders given in the same manner as required by law for the approval of the Amalgamation.

8.2 Mutual Understanding Regarding Amendments

The Parties agree that if HostPapa or DDB proposes any amendment or amendments to this Agreement or to the Amalgamation Agreement, the other will act reasonably in considering such amendment and if the other and its security holders are not prejudiced by reason of any such amendment the other will co-operate in a reasonable fashion with HostPapa or DDB, as the case may be, so that such amendment can be effected subject to applicable Laws and the rights of the Parties' security holders.

ARTICLE 9 TERMINATION AND COMPENSATION

9.1 Termination

This Agreement may be terminated at any time prior to the Closing Date, whether before or after DDB Shareholder Approval:

- 9.1.1 by mutual written consent of DDB and HostPapa;
- 9.1.2 by either DDB or HostPapa pursuant to the exercise of their rights set forth in section 7.1 hereof, provided that the provisions of section 7.5 have been complied with if applicable;
- 9.1.3 by either DDB or HostPapa pursuant to the exercise of their respective rights set forth in sections 7.2 or 7.3 hereof provided the provisions of section 7.5 have been complied with if applicable;
- 9.1.4 by either DDB or HostPapa if the DDB Shareholders fail to approve the DDB Amalgamation Resolution at the DDB Meeting, but subject to compliance with section 9.3.2;
- 9.1.5 by DDB, following receipt of, and in order to accept or recommend, a Superior Proposal, but subject to compliance with sections 5.5 and 9.3.2;
- 9.1.6 by HostPapa:
 - 9.1.6.1 if the board of directors of DDB fails to recommend the Amalgamation, withdraws or modifies in a manner adverse to HostPapa its approval or recommendation of the Transaction (whether in accordance with section 5.5.5 or not), this Agreement and/or the transactions contemplated hereby, or shall fail to reaffirm such approval or recommendation within five clear days of receipt of any written request to do so by HostPapa; or

9.1.6.2 HostPapa has been notified by DDB in writing of a Superior Proposal in accordance with section 5.5 and HostPapa has not made an offer to amend the terms of this Agreement under section 5.5.2 or, HostPapa having made such an offer, HostPapa and DDB shall not have entered into an amended Agreement in accordance with section 5.5.2; and

9.1.7 by HostPapa, if any of the representations and warranties made by DDB in this Agreement shall be inaccurate as of the date of this Agreement, or shall have become inaccurate as of a date subsequent to the date of this Agreement (as if made on such subsequent date), such that the condition set forth in section 7.2.1 would not be satisfied as of the date of such inaccuracy, provided that HostPapa has complied with section 7.5, if applicable.

Where action is taken to terminate this Agreement pursuant to this section 9.1, it shall be sufficient for such action to be authorized by the board of directors of the Party taking such action. For greater certainty, and without limiting the foregoing, in the event that either Party determines that any of the conditions for its benefit set forth in sections 7.1, 7.2 or 7.3, as the case may be, cannot or will not be satisfied or complied with on or before the Termination Date, such Party shall be entitled to immediately terminate this Agreement under sections 9.1.2 and/or 9.1.3, provided the provisions of section 7.5 have been complied with, if applicable.

9.2 Effect of Termination

In the event of termination of this Agreement by either DDB or HostPapa as provided in section 9.1, this Agreement shall forthwith become void and have no further effect, and there shall be no liability or further obligation on the part of DDB or HostPapa or their respective officers or directors hereunder, except that (i) the provisions of section 9.3 (Expenses and Termination Fees) and this section 9.2 shall remain in full force and effect and shall survive any such termination and (ii) no Party shall be released or relieved from any liability arising from the breach by such Party of any of its representations, warranties, covenants, or agreements as set forth in the Transaction Documents. The covenant of the Parties with respect to confidentiality set forth in section 5.6.2 shall survive the termination of completion of the Agreement and continue in full force and effect.

9.3 Expenses and Termination Fees

9.3.1 Subject to section 9.3.2 below, whether or not the Transaction is consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby (including the fees and expenses of its advisers, accountants and legal counsel) shall be paid by the Party incurring such expense.

9.3.2 DDB shall forthwith pay to HostPapa the sum of \$100,000 (i) in the event that HostPapa terminates this Agreement pursuant to sections 9.1.3 on the grounds that DDB has breached or failed to comply with, its covenants set forth in sections 2.1, 2.4, 2.5, 2.6, 2.9, 5.1, 5.2, 5.3, 5.4, 5.5 and 5.6, provided the provisions in section 7.5 are complied with, (ii) in the event that this Agreement is terminated in accordance with subsections 9.1.5 or 9.1.6, or (iii) in the event that, notwithstanding the compliance and performance by DDB of the covenants set forth in sections 2.1, 2.4, 2.5, 2.6, 2.9, 5.1, 5.2, 5.3, 5.4, 5.5 and 5.6, the DDB Shareholders fail to approve the DDB Amalgamation Resolution at the DDB Meeting, and an Inconsistent Transaction is completed, agreed or otherwise publicly announced within six months after the date of the DDB Meeting.

ARTICLE 10 GENERAL

10.1 Notices

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party to any other Party shall be in writing and may be given by delivering same or sending same by electronic transmission where receipt is acknowledged, or by delivery addressed to the Party to which the notice is to be given at its address for service herein. Any notice, consent, waiver, direction or other communication aforesaid shall, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if a Business Day, if not, the next succeeding Business Day) and if sent by electronic transmission be deemed to have been given and received at the time of receipt unless actually received after 4:00 p.m. at the point of delivery in which case it shall be deemed to have been given and received on the next Business Day.

The address for service of each of the Parties hereto shall be as follows:

(a) if to DDB:

Data Deposit Box Inc.
1 Eglinton Avenue East, Suite 703
Toronto, ON M4P 3A1
Attention: Siva Cherla, Interim CEO, CFO
Email: scherla@datadepositbox.com

with a copy to:

Gardiner Roberts LLP
Bay Adelaide Centre – East Tower
22 Adelaide Street West, Suite 3600
Toronto, ON M5H 4E3
Attention: Richard Hoffman and Heather Zordel
Fax: (416) 865-6636
Email: rhoffman@grllp.com and hzordel@grllp.com

(b) if to HostPapa:

HostPapa, Inc.
5063 North Service Road, Suite 100,
Burlington, ON L7L 5H6
Attention: Jamie Opalchuk, President & CEO
Email: jamie@hostpapa.com

with a copy to:

Woolford Venture Law
4100 Ennisclare Drive
Rockwood, ON N0B 2K0
Attention: David Woolford
Email: dave@woolford.law

10.2 Time of Essence

Time shall be of the essence in this Agreement.

10.3 Further Assurances

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

10.4 Governing Law

This Agreement shall be governed by, and be construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each Party hereby irrevocably attorns to the non-exclusive jurisdiction of the Courts of the Province of Ontario in respect of all matters arising under or in relation to this Agreement.

10.5 Enurement and Assignment

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. This Agreement may not be assigned by any Party without the prior written consent of the other Parties, except that HostPapa may assign this Agreement to a direct or indirect wholly owned Subsidiary provided HostPapa shall continue to be bound by the provisions hereof following any such assignment.

10.6 Invalidity of Provisions

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. 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 effect 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.

10.7 Execution in Counterparts

This Agreement may be executed in identical counterparts, each of which is and is hereby conclusively deemed to be an original and the counterparts collectively are to be conclusively deemed to be one instrument and receipt of an email PDF signature of an executed signature page by a Party shall constitute satisfactory evidence of execution of this Agreement by such Party.

Each of DDB, HostPapa and Subco has executed this Agreement as of the date first written above.

DATA DEPOSIT BOX, INC.

Per: "Siva Cherla"
Name: Siva Cherla
Title: Interim CEO, CFO, Director

Per: "Paul Nicholls"
Name: Paul Nicholls
Title: Director

We have authority to bind the Corporation

1241017 B.C. LTD.

Per: "Jamie Opalchuk"
Name: Jamie Opalchuk
Title: President & CEO

I have authority to bind the Corporation

HOSTPAPA INC.

Per: "Jamie Opalchuk"
Name: Jamie Opalchuk
Title: President & CEO

I have authority to bind the Corporation

SCHEDULE A
APPLICABLE REGULATORY APPROVALS

- Any approval that may be required under the *Business Corporations Act* (British Columbia)
- Any approval that may be required under the *Competition Act* (Canada)

**SCHEDULE B
FORM OF AMALGAMATION AGREEMENT**

THIS AMALGAMATION AGREEMENT is dated as of the ____ day of _____, 2020

AMONG:

HOSTPAPA, INC., a corporation incorporated under the *Business Corporations Act* (Ontario)

(“**HostPapa**”)

- and -

1241017 B.C. Ltd., a corporation incorporated under the *Business Corporations Act* (British Columbia)

(“**Subco**”)

- and -

DATA DEPOSIT BOX INC., a corporation incorporated under the *Business Corporations Act* (British Columbia)

(“**Corporation**”)

WHEREAS:

- A. The Corporation and Subco have agreed to amalgamate and continue as one corporation to be known as “1241017 B.C. Ltd.” pursuant to the *Business Corporations Act* (British Columbia) and in accordance with the terms and conditions hereinafter set forth;
- B. The authorized capital of the Corporation consists of an unlimited number of common shares (“**Common Shares**”) of which, as of the date hereof, 98,559,577 Common Shares are issued and outstanding;
- C. The authorized capital of Subco consists of an unlimited number of common shares (“**Subco Common Shares**”) of which 1 Subco Common Share is issued and outstanding;
- D. The Corporation and Subco have each made disclosure to the other of their respective assets and liabilities; and
- E. It is desirable that the Amalgamation be effected.

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

1. Interpretation

In this Agreement, including the recitals hereto, the following words and expressions shall have the respective meanings ascribed to them below:

“**Affiliate**” has the meaning ascribed thereto in Section 1(1) of the BCBCA;

“**Agreement**” means this amalgamation agreement, including its recitals, schedules and appendices, as the same may be amended, modified or supplemented from time to time, and the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this agreement;

“**Amalco**” means the corporation resulting from the Amalgamation and continuing the corporate existence of the Amalgamating Corporations;

“**Amalco Common Shares**” means the common shares in the capital of Amalco having the rights, privileges, restrictions and conditions set forth in section 27.1 of the articles of Amalco, a copy of which articles is attached hereto as Appendix II;

“**Amalco Redeemable Preferred Shares**” means the redeemable preferred shares in the capital of Amalco having the rights, privileges, restrictions and conditions set forth in section 27.2 of the articles of Amalco, a copy of which articles is attached hereto as Appendix II;

“**Amalgamating Corporations**” means, collectively, the Corporation and Subco, and “**Amalgamating Corporation**” means either of them, as applicable;

“**Amalgamation**” means the amalgamation of the Amalgamating Corporations pursuant to the provisions of the BCBCA in the manner as contemplated in and pursuant to this Agreement;

“**Amalgamation Application**” means Form 13 Amalgamation Application to be filed with the Registrar in order to effect to the Amalgamation, in the form attached hereto as Appendix I;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), as amended;

“**Business Day**” means any day on which commercial banks are open for business in Toronto, Ontario and Vancouver, British Columbia other than a Saturday, Sunday or any other day that is treated as a statutory holiday under the provincial laws of Ontario or British Columbia, or under the federal laws of Canada;

“**Certificate of Amalgamation**” means the certificate of amalgamation to be issued by the Registrar, evidencing that the Amalgamation is effective;

“**Circular**” means the management information circular sent to Shareholders in connection with the Meeting;

“**Combination Agreement**” means the combination agreement dated February 18, 2020 between the Corporation, Subco and HostPapa;

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

“**Dissenting Shareholder**” means a registered Shareholder who, in connection with the special resolution of the Shareholders which approves and adopts this Agreement, has exercised the right to dissent pursuant to BCBCA Section 238 *Right to Dissent* in strict compliance with the provisions thereof and thereby

becomes entitled to receive, if the Amalgamation is completed, the fair value of his, her or its Common Shares and who has not withdrawn the notice of the exercise of such rights;

“Dissent Rights” means the Shareholders’ rights of dissent in respect of the Amalgamation provided pursuant to sections 238 and 272 of the BCBCA.

“Dissent Procedures” means the dissent procedures for Shareholders set out in Division 2 of Part 8 of the BCBCA, as will more particularly be described in the Information Circular provided to Shareholders in relation to the Meeting at Schedule “E”.

“Effective Date” means the date shown on the Certificate of Amalgamation;

“Effective Time” means 12:01 a.m. (Vancouver time) on the Effective Date;

“fair value” where used in relation to a Common Share held by a Dissenting Shareholder, means fair value as determined by a court under Section 238 of the BCBCA or as agreed between the Corporation and the Dissenting Shareholder;

“Meeting” means the annual and special meeting (and any adjournments or postponements thereof) of shareholders held on March 13, 2020 to consider the approval of the special resolution which approves and adopts this Agreement and the Amalgamation;

“Paid-up Capital” has the meaning assigned to the term “paid-up capital” in subsection 89(1) of the Tax Act;

“Redemption Date” means the Effective Date;

“Redemption Price” means \$0.012491639 in respect of each Amalco Redeemable Preferred Share redeemed.

“Registrar” means the Registrar of Companies appointed under Section 400 of the BCBCA;

“Shareholder” means a holder of Common Shares;

“Subco” means 1241017 B.C. Ltd., a newly incorporated corporation under the BCBCA, of which the only outstanding share is owned by the Subco Shareholder;

“Subco Common Shares” means the common shares in the capital of Subco;

“Subco Shareholder” means the registered holder of Subco Common Shares, being HostPapa; and

“Tax Act” means the *Income Tax Act* (Canada), as now in effect and as it may be amended from time to time prior to the Effective Date.

2. Paramountcy

In the event of any conflict between the provisions of this Agreement and the provisions of the Combination Agreement, the provisions of this Agreement shall prevail.

3. Agreement to Amalgamate

In accordance with the Combination Agreement, the Amalgamating Corporations hereby agree to amalgamate and to continue as one corporation under the provisions of the BCBCA, upon the terms and subject to the conditions set out in this Agreement.

4. Name

The name of Amalco shall be such designating number as may be assigned to Amalco by the Registrar followed by the words "B.C. Ltd.", or such other name as mutually agreed to by the parties hereto.

5. Registered Office

Until changed in accordance with the BCBCA, the registered office of Amalco shall be located at Suite 1100, 736 Granville Street, Vancouver, British Columbia V6Z 1G3.

6. Filing of Amalgamation Application

Following the approval of this Agreement by the shareholders of the Amalgamating Corporations in accordance with the BCBCA, and in accordance with the terms and conditions of the Combination Agreement, including the satisfaction or waiver of all conditions precedent set forth in the Combination Agreement, the Corporation shall file the Amalgamation Application with the Registrar as provided under the BCBCA.

7. Amalgamation Application

The Amalgamation Application shall be in the form attached hereto as Appendix I.

8. Effect of Amalgamation

The Amalgamation shall be effected at the Effective Time, subject to the BCBCA, at which time:

- (a) the amalgamation of the Amalgamating Corporations and their continuation as one company, Amalco, under the terms and conditions prescribed in this Agreement shall be effective and irrevocable;
- (b) each of the Amalgamating Corporations shall cease to exist as entities separate from Amalco;
- (c) each shareholder of each Amalgamating Corporation is bound by this Agreement;
- (d) all of the property, assets, rights and interests of each of the Amalgamating Corporations shall continue to be the property, assets, rights and interests of Amalco
- (e) Amalco shall be a wholly-owned subsidiary of HostPapa;
- (f) Amalco shall continue to be liable for all of the liabilities and obligations of each of the Amalgamating Corporations;
- (g) any existing cause of action, claim or liability to prosecution with respect to either or both of the Amalgamating Corporations shall be unaffected;

- (h) a legal proceeding prosecuted or pending by or against any of the Amalgamating Corporations may be prosecuted, or its prosecution may be continued, as the case may be, by or against Amalco;
- (i) any conviction against, or ruling, order or judgment in favour of or against, any of the Amalgamating Corporations may be enforced by or against Amalco;
- (j) the notice of articles of Amalco are those contained in the Amalgamation Application and are in the prescribed form as required by the BCBCA; and
- (k) the articles attached hereto as Appendix II shall be the articles of Amalco until repealed, amended or altered.

9. Authorized Capital

The authorized capital of Amalco, as set out in the notice of articles of Amalco, shall consist of an unlimited number of Amalco Common Shares and an unlimited number of Amalco Redeemable Preferred Shares. The rights, privileges, restrictions and conditions attaching to each class of shares of Amalco shall be as described in Part 27 of the Amalco articles, a copy of which articles are attached hereto as Appendix II.

10. Share Transfer Restrictions

The Amalco Shares shall be subject to restrictions on transfer as set out in Part 26 of the Amalco articles, a copy of which articles are attached hereto as Appendix II.

11. Restrictions on Business

There shall be no restrictions on the business which Amalco is authorized to carry on or the powers which Amalco may exercise.

12. Initial Directors

The first director of Amalco shall be the person whose name and residential address appears below:

Name	Residence Address
Jamie Opalchuk	249 North Shore Blvd. E, Burlington, ON L7T 1W8

The above director shall hold office from the Effective Time until the first annual meeting of shareholders of Amalco or until his successor is duly elected or appointed, and shall be responsible for the subsequent management and operation of Amalco.

13. Treatment of Issued Capital

- (a) At the Effective Time:
 - (i) each issued and outstanding Common Share, other than those held by Dissenting Shareholders, shall be cancelled and replaced by one issued and fully paid

Amalco Redeemable Preferred Share, which shall immediately thereafter be redeemed in accordance with its terms; and

- (ii) the one issued and outstanding Subco Common Share shall be cancelled and replaced by one issued and fully paid Amalco Common Share.
- (b) Each Common Share held by a Dissenting Shareholder shall be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of all liens, claims and encumbrances, to Amalco and Amalco shall thereupon be obliged to pay the amount therefor determined and payable in accordance with section 21 below, and the name of such holder shall be removed from the central securities register as a holder of Common Shares.
- (c) If a Dissenting Shareholder fails to perfect or effectively withdraws its claim under section 238 of the BCBCA or forfeits its right to make a claim under section 238 of the BCBCA or if its rights as a Shareholder are otherwise reinstated, such holder's Common Shares shall thereupon be deemed to have been converted as of the Effective Time as prescribed by subsection 13(a)(i) above.

14. **Stated Capital Accounts**

At the Effective Time:

- (a) Amalco shall add to the stated capital maintained in respect of the Amalco Redeemable Preferred Shares, an amount equal to the stated capital of DDB; and
- (b) Amalco shall add to the stated capital maintained in respect of the Amalco Common Shares, an amount equal to the Total Share Consideration.

15. **Certificates for Securities**

On the Effective Date:

- (a) the Shareholders of Common Shares shall be deemed to be the registered holders of the Amalco Redeemable Preferred Shares to which they are entitled pursuant to subsection 13(a)(i) above, and upon surrender to Amalco of the certificates representing the issued and outstanding Common Shares held by them, such Shareholders shall be entitled, in exchange, to receive payment of the Redemption Price in respect of the corresponding Amalco Redeemable Preferred Shares of which they are the deemed registered holder thereof. For clarity, a physical certificate representing the Amalco Redeemable Preferred Shares will not be issued or issuable or delivered or deliverable to the Shareholders;
- (b) HostPapa, as the registered holder of the Subco Common Share, shall be deemed to be the registered holder of the Amalco Common Share to which it is entitled hereunder and, upon surrender of the certificate(s) representing the Subco Common Share to Amalco, HostPapa shall be entitled to receive a share certificate representing the one Amalco Common Share to which it is entitled as set forth in subsection 13(a)(ii) above; and
- (c) share certificates evidencing Common Shares shall cease to represent any claim upon or interest in the Corporation or Amalco other than the right of the Shareholder thereof to

receive, pursuant to the terms hereof and the Amalgamation, the applicable Amalco Redeemable Preferred Shares in accordance with subsection 13(a)(i) above;

16. Lost Certificates

In the event any certificate, which immediately prior to the Effective Time represented one or more of the outstanding Common Shares that were exchanged for Amalco Redeemable Preferred Shares pursuant to subsection 13(a) above, shall have been lost, stolen or destroyed, then upon:

- (a) the making of an affidavit of that fact by the holder of such Common Shares claiming such certificate to be lost, stolen or destroyed;
- (b) delivery of such affidavit to Amalco; and
- (c) delivery to Amalco of a bond satisfactory to Amalco in such sum as Amalco may direct or the delivery of such other indemnification satisfactory to Amalco against any claim that may be made against Amalco with respect to the certificate alleged to have been lost, stolen or destroyed,

Amalco will pay the Redemption Price to the Shareholders in respect of the redeemed Amalco Redeemable Preferred Shares to which the Shareholder is entitled pursuant to subsection 13(a)(i) above in relation to such lost, stolen or destroyed certificate.

17. Fiscal Year End

Amalco shall have a fiscal year end of November 30.

18. Covenants

- (a) the Corporation covenants and agrees with HostPapa and Subco that it shall:
 - (i) use reasonable commercial efforts to obtain a resolution of the holders of Common Shares approving the Amalgamation, this Agreement and the transactions contemplated hereby in accordance with the BCBCA;
 - (ii) use reasonable efforts to cause each of the conditions precedent in its favour as set forth in section 19 to be complied with; and
 - (iii) subject to the approval of the shareholders of each of the Corporation and Subco being obtained for the completion of the Amalgamation and subject to all applicable regulatory approvals being obtained, thereafter jointly with Subco file with the Registrar the Amalgamation Application and such other documents as may be required to give effect to the Amalgamation upon and subject to the terms and conditions of this Agreement.
- (b) HostPapa covenants and agrees with the Corporation that it shall:
 - (i) sign a resolution as sole shareholder of Subco in favour of the approval of the Amalgamation, this Agreement and the transactions contemplated hereby in accordance with the BCBCA; and

- (ii) use reasonable efforts to cause each of the conditions precedent in its favour as set forth in section 19 to be complied with.
- (c) Subco covenants and agrees with the Corporation that it shall:
 - (i) use reasonable efforts to cause each of the conditions precedent in its favour as set forth in section 19 to be complied with; and
 - (ii) subject to the approval of the shareholders of each of the Corporation and Subco being obtained for the completion of the Amalgamation and subject to all applicable regulatory approvals being obtained, thereafter jointly with the Corporation file with the Registrar the Amalgamation Application and such other documents as may be required to give effect to the Amalgamation upon and subject to the terms and conditions of this Agreement.

19. **Conditions Precedent**

The respective obligations of HostPapa, the Corporation and Subco to consummate the Amalgamation as contemplated by this Agreement are subject to the satisfaction, on or before the Effective Date, of the following conditions any of which may be waived by the mutual consent of HostPapa, the Corporation and Subco without prejudice to their rights to rely on any other conditions:

- (a) this Agreement and the Amalgamation shall have been approved by:
 - (i) the sole shareholder of Subco; and
 - (ii) not less than two-thirds of the votes cast by holders of Common Shares, who being entitled to do so, in person or by proxy at the Meeting vote in favour of a special resolution approving the Amalgamation in accordance with the provisions of the BCBCA;
- (b) no later than the last Business Day immediately preceding the Effective Date:
 - (i) HostPapa shall have subscribed for 100 Subco Common Share for a subscription price equal to \$1.00; and
 - (ii) Subco shall have directed HostPapa to deliver \$1,231,170.77 to Capital Transfer Agency Inc. in respect of the redemption of all of the Amalco Redeemable Preferred Shares issuable pursuant to subsection 13(a)(i) in accordance with their terms;
- (c) all of the conditions in favour of HostPapa and the Corporation set forth in the Combination Agreement shall have been satisfied or waived as contemplated by the Combination Agreement; and
- (d) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplate by this Agreement including, without limitation, the Amalgamation..

20. Representations and Warranties

- (a) The Corporation hereby represents and warrants to HostPapa and Subco that as of the Effective Date:
 - (i) the authorized and issued capital of the Corporation shall be as set forth in recital (B) of this Agreement;
 - (ii) no approval or consent of any person, and no filing or notification will be required, in connection with the entering into by the Corporation of this Agreement or the performance by the Corporation of its obligations hereunder (except such approvals, consents, notifications or filings as have been obtained or made); and
 - (iii) this Agreement shall constitute a legal, valid and binding agreement of the Corporation enforceable against it in accordance with its terms.
- (b) HostPapa and Subco hereby represent and warrant to the Corporation that as of the Effective Date:
 - (i) the authorized and issued capital of Subco shall be as set forth in recital (C) to this Agreement;
 - (ii) HostPapa shall be the beneficial and legal owner of all of the Subco Common Shares with good and marketable title thereto free of all liens, encumbrances, charges or adverse interests of whatsoever nature or kind;
 - (iii) Subco shall have no assets other than the \$1,231,170.77 and Subco shall have no liabilities whatsoever (contingent or otherwise) except for liabilities under this Agreement;
 - (iv) No approval or consent of any person, and no filing or notification will be required, in connection with the entering into by HostPapa and Subco of this Agreement or the performance by them of their respective obligations hereunder (except such approvals, consents, notifications or filings as have been obtained or made); and
 - (v) this Agreement shall constitute a legal, valid and binding agreement of each of HostPapa and Subco enforceable against each of them in accordance with its terms.
- (c) The representations and warranties set forth in this section 20 shall survive the Amalgamation and remain in full force and effect for the benefit of the respective parties to whom such representations and warranties are made.

21. Dissenting Shareholders

Holders of Common Shares may exercise Dissent Rights in connection with the Amalgamation Resolution pursuant to and in the manner set forth under section 238 of the BCBCA, provided the Shareholder strictly complies with the Dissent Procedures and provided further that holders who exercise such rights of dissent and who:

- (d) are ultimately entitled to be paid fair value for their Common Shares, which fair value shall be the fair value of such shares as at the close of business on the day prior to the Meeting, shall be paid an amount equal to such fair value by Amalco; and
- (e) are ultimately not entitled, for any reason, to be paid fair value for their Common Shares, shall be deemed to have participated in the Amalgamation, as of the Effective Time, on the same basis as a non-dissenting holder of Common Shares and shall be entitled to receive only the consideration contemplated in subsection 13(a)(i) above that such holder would have received pursuant to the Amalgamation if such holder had not exercised Dissent Rights,

but in no case shall the Corporation, HostPapa or Subco or any other person be required to recognize holders of Common Shares who exercise Dissent Rights as holders of Common Shares after the time that is immediately prior to the Effective Time, and the names of such holders of Common Shares who exercise Dissent Rights shall be deleted from the central securities register as holders of Common Shares at the Effective Time.

22. Termination

Subject to the terms of the Combination Agreement and at any time prior to the issuance of the Certificate of Amalgamation, this Agreement may be terminated by the mutual agreement of the respective boards of directors of each of the Amalgamating Corporations, without further action on the part of the shareholders of the Amalgamating Corporations, notwithstanding the approval of this Agreement by the shareholders of the Amalgamating Corporations. This Agreement shall also terminate without further notice or agreement if:

- (a) the Amalgamation is not approved by the shareholders of the Corporation entitled to vote in accordance with the BCBCA; or
- (b) the Combination Agreement is terminated.

If this Agreement is terminated pursuant to this section 22, this Agreement shall forthwith become void and of no further force and effect.

23. Governing Law

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. Each party hereto hereby irrevocably attorns to the jurisdiction of the courts of the Province of British Columbia sitting in and for the judicial district of Vancouver in respect of all matters arising under or in relation to this Agreement.

24. Amendment

This Agreement may at any time and from time to time be amended by written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of their respective shareholders and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the parties hereto;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;

- (c) waive compliance with or modify any of the covenants contained herein and waive or modify performance of any of the obligations of the parties hereto; or
- (d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment shall change the provisions hereof regarding the consideration to be received by Shareholders in exchange for their Common Shares without approval by the Shareholders given in the same manner as required for the approval of the Amalgamation.

25. Further Assurances

Each of the parties hereto agrees to execute and deliver such further instruments and to do such further reasonable acts and things as may be necessary or appropriate to carry out the intent of this Agreement.

26. Assignment

No party hereto may assign any of its rights or obligations under this Agreement without the prior written consent of each of the other parties.

27. Binding Effect

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their successors and permitted assigns.

28. Currency

All references to cash or currency in this Agreement are to Canadian dollars unless otherwise indicated.

29. Entire Agreement

This Agreement and the Combination Agreement constitute the entire agreement among the parties to this Agreement relating to the Amalgamation and supersede all prior agreements and understandings, oral or written, between such parties with respect to the subject matter hereof.

30. Counterparts

This Agreement may be executed in one or more counterparts and by different parties in separate counterparts, each of which counterpart shall be an original document, but all of which together shall constitute one and the same instrument. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, bears the signatures of all the parties reflected hereon as signatories.

The parties have executed this Agreement.

DATA DEPOSIT BOX, INC.

Per: _____

Name: Siva Cherla

Title: Interim CEO, CFO, Director

Per: _____

Name: Paul Nicholls

Title: Director

We have authority to bind the Corporation

1241017 B.C. LTD.

Per: _____

Name: Jamie Opalchuk

Title: President & CEO

I have authority to bind the Corporation

HOSTPAPA INC.

Per: _____

Name: Jamie Opalchuk

Title: President & CEO

I have authority to bind the Corporation

APPENDIX I
AMALGAMATION APPLICATION

(Form 13 – Amalgamation Application follows on next page)

APPENDIX II
ARTICLES OF AMALCO

(Articles of Amalco follows on next page)

Appendix C-1 – Rights privileges Restrictions and Conditions Attaching to the Shares of Amalco

Incorporation number: _____

[AMALCO]
(the “Company”)

ARTICLES

DATED: _____, 2020

♦, Director

(Signature of director or officer)

The Company has as its articles the following Articles.

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1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (a) **“appropriate person”** has the meaning assigned in the *Securities Transfer Act*;
- (b) **“board of directors”, “directors”** and **“board”** mean the directors or sole director of the Company for the time being;
- (c) **“Business Corporations Act”** means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (d) **“Interpretation Act”** means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (e) **“legal personal representative”** means the personal or other legal representative of a shareholder;
- (f) **“month”** means a calendar month;
- (g) **“protected purchaser”** has the meaning assigned in the *Securities Transfer Act*;
- (h) **“registered address”** of a director means the director’s address as recorded in the register of directors of the Company;
- (i) **“registered address”** of a shareholder means the shareholder’s address as recorded in the central securities register of the Company;
- (j) **“registered owner”** or **“registered holder”** or **“holder”** when used with respect to a share of the Company means the person registered in the central securities register of the Company in respect of such share;
- (k) **“regulations”** means the regulations from time to time in force and made pursuant to the *Business Corporations Act*;
- (l) **“seal”** means the seal of the Company, if any;
- (m) **“securities legislation”** means statutes concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes, all as amended from time to time, and the blanket rulings and orders, as amended from time to time, issued by the securities commissions or similar regulatory authorities appointed under or pursuant to those statutes; **“Canadian securities legislation”** means the securities legislation in any province or territory of Canada and includes the *Securities Act* (British Columbia); and **“U.S. securities legislation”** means the securities legislation in the federal jurisdiction of the United States and in any state of the United States and includes the Securities Act of 1933 and the Securities Exchange Act of 1934; and
- (n) **“Securities Transfer Act”** means the *Securities Transfer Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act.

1.2 References to Writing

Expressions referring to writing will be construed as including printing, lithography, typewriting, photography, photocopying, facsimile transmission, electronic media and all other modes of representing or reproducing words in a visible form.

1.3 Business Corporations Act and Interpretation Act Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict or inconsistency between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

1.4 Table 1 Not Applicable

The provisions contained in Table 1 to the regulations to the *Business Corporations Act* shall not apply to the Company.

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company will be in such form as the directors may approve from time to time and will comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgment

Unless the shares of which the shareholder is the registered owner are uncertificated shares, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name; or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share or shares held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment, and delivery of a share certificate or an acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all. The Company will not be bound to issue certificates representing redeemable shares if such shares are to be redeemed within one month of the date on which they are allotted.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company nor any transfer agent is liable for any loss to the shareholder because the share certificate or acknowledgment is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they may, on production to the Company of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they may think fit:

- (a) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
- (b) issue a replacement share certificate or acknowledgment, as the case may be, in lieu thereof.

2.6 Replacement of Lost, Destroyed or Wrongfully Taken Certificate

If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company may issue a new share certificate, if that person:

- (a) so requests before the Company has notice that the share certificate has been acquired by a protected purchaser;
- (b) provides the Company with an indemnity bond sufficient in the Company's judgment to protect the Company from any loss that the Company may suffer by issuing a new certificate; and
- (c) satisfies any other reasonable requirements imposed by the directors.

A person entitled to a share certificate may not assert against the Company a claim for a new share certificate where a share certificate has been lost, apparently destroyed or wrongfully taken if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

2.7 Recovery of New Share Certificate

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of transfer, then in addition to any rights on the indemnity bond, the Company may recover the new share certificate from a person to whom it was issued or any person taking under that person other than a protected purchaser.

2.8 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as represented by the share certificate so surrendered, the Company will cancel the surrendered share certificate and issue, in lieu thereof, share certificates in accordance with such request.

2.9 Certificate Fee

The directors may from time to time determine the amount of a charge, not exceeding the amount prescribed under the *Business Corporations Act* or the regulations, to be imposed for each certificate issued under Articles 2.5, 2.6 or 2.8.

2.10 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and the rights, if any, of the holders of issued shares of the Company, the shares of the Company will be under the control of the directors, who may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company. The directors will determine, in their sole discretion, what is reasonable in the circumstances.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid and the Company will have received the full consideration therefor in cash, property or past services actually performed for the Company. A document evidencing indebtedness of the allottee is not property for the purposes of this Article 3.4. The value of property or services for the purpose of this Article 3.4 will be the value determined by the directors by resolution to be, in all the circumstances of the transaction, no greater than the fair market value thereof. The full consideration for a share issued by way of dividend will be the amount determined by the directors to be the amount of the dividend.

3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

4. SHARE REGISTERS

4.1 Central Securities Register

The Company will maintain at its records office or another location in British Columbia designated by the directors a central securities register as required by the *Business Corporations Act*. The Company may maintain branch securities registers at any locations inside or outside British Columbia designated by the directors. The directors may appoint one or more trust companies or other persons authorized by the *Business Corporations Act* (as the case may be, a “**trust company**”) to maintain the aforesaid central securities register and branch securities registers. The directors may also appoint one or more trust companies, including the trust company which keeps the central securities register, as transfer agent for its shares or any class or series thereof, as the case may be, and the same or another trust company or companies as registrar for its shares or any class or series thereof, as the case may be. The directors may terminate the appointment of any such trust company at any time and may appoint another trust company in its place.

4.2 Closing Register

The Company will not at any time close its central securities register.

5. SHARE TRANSFERS

5.1 Registering Transfers

Subject to the *Business Corporations Act*, a transfer of a share of the Company must not be registered unless the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

- (a) in the case of a share certificate that has been issued by the Company in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
- (b) in the case of a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate that has been issued by the Company in respect of the share to be transferred, a written instrument of transfer that directs that the transfer of the shares be registered, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;

- (c) in the case of a share that is an uncertificated share, a written instrument of transfer that directs that the transfer of the share be registered, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and
- (d) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser.

5.2 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors or the transfer agent for the class or series of shares to be transferred.

5.3 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

- (a) in the name of the person named as transferee in that instrument of transfer; or
- (b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.5 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.6 Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In the case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the directors may require the original grant of probate or letters of administration or a Court certified copy of them or the original or a Court certified or authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title to the shares or securities is claimed to vest, and produce such documents and do such things as the *Business Corporations Act* requires.

6.2 Rights of Legal Personal Representative on Death

Upon the death of a shareholder, his or her personal representative, although not a shareholder, has the same rights, privileges and obligations that attach to the shares formerly held by the deceased shareholder, including the right to transfer the shares in accordance with these Articles, if appropriate evidence of appointment or incumbency within the meaning of s. 87 of the *Securities Transfer Act* has been deposited with the Company and if the documents and steps required in that regard by the *Business Corporations Act* have been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

6.3 Rights of Legal Personal Representative on Bankruptcy

Upon the bankruptcy of a shareholder, such shareholder's trustee in bankruptcy, although not a shareholder, has the same rights, privileges and obligations that attach to the shares held by the bankrupt shareholder, including the right to transfer the shares in accordance with these Articles, if appropriate evidence of appointment or incumbency within the meaning of s. 87 of the *Securities Transfer Act* has been deposited with the Company and if the documents and steps required in that regard by the *Business Corporations Act* have been deposited with the Company.

6.4 Registration on Transfer of Shares after Death or Bankruptcy

Any person becoming entitled to a share in consequence of the death or bankruptcy of a shareholder will, upon such documents and evidence being produced to the Company as the *Business Corporations Act* and *Securities Transfer Act* require, or who becomes entitled to a share as a result of an Order of a Court of competent jurisdiction or a statute, have the right either to be registered as a shareholder in his or her representative capacity in respect of such share or, if he or she is a personal representative or trustee in bankruptcy, instead of being registered himself or herself, to make such transfer of the share as the deceased or bankrupt person could have made. Notwithstanding the foregoing, the directors will, as regards a transfer by a personal representative or trustee in bankruptcy, have the same right, if any, to decline or suspend registration of a transferee as they would have in the case of a transfer of a share by the deceased or bankrupt person before the death or bankruptcy.

7. ACQUISITION OF COMPANY'S SHARES

7.1 Company Authorized to Purchase or Otherwise Acquire Shares

Subject to Article 7.2, the special rights or restrictions attached to the shares of any class or series of shares and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

7.2 No Purchase, Redemption or Other Acquisition When Insolvent

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (a) the Company is insolvent; or
- (b) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (a) is not entitled to vote the share at a meeting of its shareholders;
- (b) must not pay a dividend in respect of the share; and
- (c) must not make any other distribution in respect of the share.

8. BORROWING POWERS

The Company, if authorized by the directors, may:

- (a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;
- (b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;
- (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (d) mortgage, charge (whether by way of specific or floating charge), grant a security interest in, or give other security on, the whole or any part of the present and future property, assets and undertaking of the Company.

Any bonds, debentures, notes or other debt obligations of the Company may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at meetings of the shareholders of the Company, appointment of directors or otherwise and may by their terms be assignable free from any equities between the Company and the person to whom they were issued or any subsequent holder thereof, all as the directors may determine.

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the directors may by resolution change the authorized share structure of the Company by:

- (a) creating one or more classes or series of shares;
- (b) increasing, reducing or eliminating the maximum number of shares that the Company is authorized to issue out of any class or series of shares;
- (c) establishing a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (d) subdividing all or any of its unissued, or fully paid issued, shares of the Company with par value into shares of smaller par value;
- (e) subdividing all or any of its unissued, or fully paid issued, shares of the Company without par value;
- (f) consolidating all or any of its unissued, or fully paid issued, shares of the Company with par value into shares of larger par value;
- (g) consolidating all or any of its unissued, or fully paid issued, shares of the Company without par value;
- (h) if the Company is authorized to issue shares of a class of shares with par value:
 - (i) decreasing the par value of those shares; or
 - (ii) increasing the par value of those shares if none of the shares of that class of shares are allotted or issued;
- (i) eliminating any class or series of shares of the Company if none of the shares of that class or series of shares are allotted or issued;
- (j) changing all or any of its unissued, or fully paid issued, shares of the Company with par value into shares without par value;

- (k) changing all or any of its unissued, or fully paid issued, shares of the Company without par value into shares with par value;
- (l) altering the identifying name of any of the shares of the Company; or
- (m) otherwise altering the Company's shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*;

and, the directors may, by resolution, authorize and cause the Company to alter its Notice of Articles to reflect any change in the authorized share structure of the Company pursuant to this Article 9.1 or otherwise.

Notwithstanding this Article 9.1, if any change in the authorized share structure of the Company would result in a right or special right attached to issued shares being prejudiced or interfered with, special rights or restrictions being created and attached to a class or series of shares or special rights and restrictions being varied or deleted from a class or series of shares, the change must be authorized as provided for in Articles 9.2 and 9.3.

9.2 Special Rights or Restrictions

Subject to the *Business Corporations Act*, the Company may by ordinary resolution:

- (a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued;

and the Company may, by ordinary resolution, alter these Articles to reflect any such creation and attachment, variation or deletion of special rights or restrictions pursuant to this Article 9.2.

9.3 No Prejudice to Existing Shareholders

Notwithstanding anything else contained in this Part 9, no right or special right attached to issued shares may be prejudiced or interfered with unless the shareholders holding shares of the class or series of shares to which the right or special right is attached consent by a separate ordinary resolution of those shareholders.

9.4 Change of Name

The directors may by resolution authorize and cause the Company to alter its Notice of Articles in order to change its name.

9.5 Other Alterations

Unless a different type of resolutions is required by the *Business Corporations Act* or these Articles, the directors may by resolution authorize and cause the Company to make any alterations to its Notice of Articles or these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors at a location inside or outside of the Province of British Columbia.

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, whenever they think fit, call a meeting of shareholders to be held at such time and place as may be determined by the directors.

10.4 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (a) if and for so long as the Company is a public company, 21 days; and
- (b) otherwise, 10 days.

10.5 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10.6 Record Date for Voting

The directors may set a date as the record date for the purpose of determining the shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5:00 p.m. (local time at the place of the Company's records office) on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (a) state the general nature of the special business; and
- (b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
 - (i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
 - (ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (b) at an annual general meeting, all business is special business except for the following:
 - (i) business relating to the conduct of or voting at the meeting;
 - (ii) consideration of any financial statements of the Company and any reports of the directors or auditor;
 - (iii) fixing or changing of the number of directors;
 - (iv) the election or appointment of directors;

- (v) the appointment of an auditor;
- (vi) fixing the remuneration of the auditor;
- (vii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and
- (viii) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Resolution Majority

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Resolutions by Ordinary Resolution

Unless the *Business Corporations Act* or these Articles otherwise provide, any action to be taken by a resolution of the shareholders may be taken by an ordinary resolution.

11.4 Quorum

Subject to the special rights or restrictions attached to the shares of any class or series of shares and to Article 11.5, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who are entitled to vote at the meeting.

11.5 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

- (a) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (b) that shareholder, present in person or by proxy, may constitute the meeting.

11.6 Persons Entitled to Attend Meeting

In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president or any other senior officer of the Company (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any other persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the *Business Corporations Act* or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.7 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but a quorum need not be present throughout the meeting.

11.8 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (a) in the case of a general meeting requisitioned by shareholders, the meeting will be dissolved; and
- (b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place, and, if at the adjourned meeting a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting will constitute a quorum.

11.9 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

- (a) the chair of the board, if any;
- (b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any; or
- (c) if the chair of the board and the president are absent or unwilling to act as chair of the meeting, the solicitor for the Company.

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board, president or solicitor for the Company present within 15 minutes after the time set for holding the meeting, or if the chair of the board, the president and the solicitor for the Company are unwilling to act as chair of the meeting, or if the chair of the board, the president and the solicitor for the Company have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

11.14 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.15 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16 Casting Vote

The chair of the meeting will be entitled to vote any shares carrying the right to vote held by him or here but in the case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.17 Manner of Taking Poll

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

- (a) the poll must be taken:
 - (i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (ii) in the manner, at the time and at the place that the chair of the meeting directs;
- (b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (c) the demand for the poll may be withdrawn by the person who demanded it.

11.18 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.19 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.20 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.21 No Demand for Poll on Election of Chair

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.22 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of the meeting for the transaction of any business other than the question on which a poll has been demanded.

11.23 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

12. VOTES OF SHAREHOLDERS**12.1 Number of Votes by Shareholder or by Shares**

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

- (a) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (b) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders registered in respect of that share.

12.5 Representative of a Corporate Shareholder

If a corporation that is not a subsidiary of the Company is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (a) for that purpose, the instrument appointing a representative must be received:
 - (i) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
 - (ii) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting;
- (b) if a representative is appointed under this Article 12.5:
 - (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

- (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages in any medium.

12.6 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting;
- (c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting; or
- (d) the Company is a public company.

12.7 When Proxy Provisions Do Not Apply to the Company

If and for so long as the Company is a public company, Articles 12.8 to 12.16 apply only insofar as they are not inconsistent with any Canadian securities legislation applicable to the Company, any U.S. securities legislation applicable to the Company or any rules of an exchange on which securities of the Company are listed.

12.8 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.9 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

- (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
- (b) unless the notice provides otherwise, be received at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages in any medium.

12.11 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (b) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company](the “Company”)

The undersigned, being a shareholder of the Company, hereby appoints *[name]* or, failing that person, *[name]*, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the undersigned):

Signed *[month, day, year]*

[Signature of shareholder]

[Name of shareholder—printed]

12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is received:

- (a) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (b) at the meeting or any adjourned meeting by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.14 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

- (a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy; or
- (b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Chair May Determine Validity of Proxy

The chair of any meeting of shareholders may determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Part 12 as to form, execution, accompanying documentation, time of filing or otherwise, will be valid for use at such meeting and any such determination made in good faith will be final, conclusive and binding upon such meeting.

12.16 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

13. DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (a) subject to paragraphs (b) and (c), the number of directors that is equal to the number of the Company's first directors;
- (b) if the Company is a public company, the greater of three and the most recently set of:
 - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (ii) the number of directors set under Article 14.4;
- (c) if the Company is not a public company, the most recently set of:
 - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (ii) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(b)(i) or 13.1(c)(i):

- (a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors, subject to Article 14.8, may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

- (a) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;

- (b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (c) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors

If:

- (a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (c) when his or her successor is elected or appointed; and
- (d) when he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the remaining directors or director.

14.6 Remaining Directors' Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

- (a) one-third (1/3) of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (b) in any other case, one-third (1/3) of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(a), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

- (a) the term of office of the director expires;
- (b) the director dies;
- (c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (d) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may by ordinary resolution remove any director before the expiration of his or her term of office and may by ordinary resolution elect, or appoint a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company under the *Business Corporations Act* and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

15. ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director

Any director (an “**appointor**”) may by notice in writing received by the Company appoint any person (an “**appointee**”) who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

15.2 Notice of Meetings

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

15.3 Alternate for More Than One Director Attending Meetings

A person may be appointed as an alternate director by more than one director, and an alternate director:

- (a) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;
- (b) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;
- (c) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;
- (d) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

15.4 Consent Resolutions

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

15.5 Alternate Director Not an Agent

Every alternate director is deemed not to be the agent of his or her appointor.

15.6 Revocation of Appointment of Alternate Director

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

15.7 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

- (a) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;
- (b) the alternate director dies;
- (c) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (d) the alternate director ceases to be qualified to act as a director; or
- (e) his or her appointor revokes the appointment of the alternate director.

15.8 Remuneration and Expenses of Alternate Director

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct, but payment of such remuneration in every case to the appointor by the Company is a good and sufficient discharge of the Company's obligations in that regard and the Company need not enquire into or be concerned with the state of account between appointor and appointee.

16. POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage, or supervise the management of, the business and affairs of the Company and will have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

16.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any

such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

16.3 Remuneration of Auditors

The directors may by resolution set the remuneration of the Company's auditor without the need to obtain an ordinary resolution of the shareholders enabling them to do so.

17. DISCLOSURE OF INTEREST OF DIRECTORS AND SENIOR OFFICERS

17.1 Obligation to Disclose

Subject to Article 17.4, a director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a material contract or transaction into which the Company has entered or proposes to enter or who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the disclosable interest or the conflict as required by the *Business Corporations Act*.

17.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a material contract or transaction into which the Company has entered or proposes to enter, or who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

17.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter, or who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

17.4 Interested Director May Vote

Subject to the provisions of the Business Corporations Act, a director or senior officer need not disclose an interest in the following types of contracts and transactions, and a director need not refrain from voting in respect of the following types of contracts and transactions:

- (a) a contract or transaction where both the Company and the other party to the contract or transaction are wholly owned subsidiaries of the same corporation;
- (b) a contract or transaction where the Company is a wholly owned subsidiary of the other party to the contract or transaction;
- (c) a contract or transaction where the other party to the contract or transaction is a wholly owned subsidiary of the Company;
- (d) a contract or transaction where the director or senior officer is the sole shareholder of the Company or of a corporation of which the Company is a wholly owned subsidiary;
- (e) an arrangement by way of security granted by the Company for money loaned to, or obligation undertaken by, the director or senior officer, or a person in whom the director or senior officer has a material interest, for the benefit of the Company or an affiliate of the Company;
- (f) a loan to the Company, which a director or senior officer or a specified corporation or a specified firm in which he has a material interest has guarantee or joined in guaranteeing the repayment of the loan or any part of the loan;
- (g) any contract or transaction made or to be made with, or for the benefit of a corporation that is affiliated with the Company and the director or senior officer is also a director or senior officer of that corporation nor an affiliate of that corporation;
- (h) any contract by a director to subscribe for or underwrite shares or debentures to be issued by the Company or a subsidiary of the Company;
- (i) determining the remuneration of the director or senior officer in that person's capacity as director, officer, employee or agent of the Company or an affiliate of the Company;
- (j) purchasing and maintaining insurance to cover a director or senior officer against liability incurred by them as a director or senior officer; or
- (k) the indemnification of any director or senior officer by the Company.

The foregoing exceptions may from time to time be suspended or amended to any extent approved by the Company in general meeting and permitted by the *Business Corporations Act*, either generally or in respect of any particular contract or transaction or for any particular period.

17.5 Director Holding Other Office in the Company

A director may hold any office or appointment with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

17.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or appointment the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

17.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

17.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

18. PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

18.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

18.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

- (a) the chair of the board, if any;
- (b) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (c) any other director chosen by the directors if:
 - (i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

- (ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
- (iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they shall not be present at the meeting.

18.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors:

- (a) in person;
- (b) by telephone; or
- (c) with the consent of all directors who wish to participate in the meeting, by other communications medium;

if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

18.5 Calling of Meetings

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

18.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1 or as provided in Article 18.7, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

18.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

- (a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (b) the director or alternate director, as the case may be, has waived notice of the meeting.

18.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

18.9 Waiver of Notice of Meetings

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director or, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director. Attendance of a director or alternate director at a meeting of the directors is a waiver of notice of the meeting unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

18.10 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at two directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

18.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

18.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors may be passed without a meeting:

- (a) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or
- (b) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Article 18.12 may be by any written instrument, fax, e-mail or any other method of transmitting legibly recorded messages in any medium in which the consent of the director is evidenced, whether or not the signature of the director is included in the record. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of the directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

19. EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and during the intervals between meetings of the board of directors all of the directors' powers are delegated to the executive committee, except:

- (a) the power to fill vacancies in the board of directors;
- (b) the power to remove a director;
- (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

- (a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except:
 - (i) the power to fill vacancies in the board of directors;
 - (ii) the power to remove a director;
 - (iii) the power to change the membership of, or fill vacancies in, any committee of the directors; and
 - (iv) the power to appoint or remove officers appointed by the directors; and
- (c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3 Obligations of Committees

Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

- (a) conform to any rules that may from time to time be imposed on it by the directors; and
- (b) keep regular minutes of its transactions and cause them to be recorded in books kept for that purpose, and will report the same to the directors at such times as the directors may from time to time require.

19.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 19.1 or 19.2:

- (a) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (b) terminate the appointment of, or change the membership of, the committee; and
- (c) fill vacancies in the committee.

19.5 Committee Meetings

Subject to Article 19.3(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

- (a) the committee may meet and adjourn as it thinks proper;
- (b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (c) a majority of the members of the committee constitutes a quorum of the committee; and
- (d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

20. OFFICERS

20.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate or vary any such appointment.

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

- (a) determine the functions and duties of the officer;
- (b) delegate to the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

20.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

20.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fees, wages, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension, gratuity or retirement allowance.

21. INDEMNIFICATION

21.1 Definitions

In this Part 21:

- (a) “**eligible penalty**” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (b) “**eligible proceeding**” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an “**eligible party**”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:
 - (i) is or may be joined as a party; or
 - (ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (c) “**expenses**” has the meaning set out in the *Business Corporations Act*.

21.2 Mandatory Indemnification of Directors

Subject to the *Business Corporations Act*, the directors will cause the Company to indemnify a director, officer or alternate director of the Company or a former director, officer or alternate director of the Company or a person who, at the request of the Company, is or was a director, officer or alternate director of another corporation, at a time when the corporation is or was an affiliate of the Company, or a person who, at the request of the Company, is or was or holds or held a position equivalent to that of a director, officer or alternate director of a partnership, trust, joint venture or other unincorporated entitle (in each case, an “**eligible party**”), and the heirs and legal personal representatives of any such eligible party, against all judgment, penalties or fines awarded or imposed in, or an amount paid in settlement of, a legal proceeding or investigative action (whether current, threatened, pending or

completed) in which such eligible party or any of the heirs and legal personal representatives of such eligible party, by reason of such eligible party being or having been a director, officer or alternate director or holding or having held a position equivalent to that of a director, officer or alternate director, is or may be joined as a party or is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to the proceeding. Provided the Company first receives a written undertaking from the eligible party to repay amounts advanced if so required under the *Business Corporations Act*, the directors will cause the Company to pay, as they are incurred in advance of the final disposition of the proceeding, the costs, charges and expenses, including legal and other fees actually reasonably incurred by the eligible party in respect of the proceeding. After the final disposition of the proceeding, the directors will cause the Company to pay the expenses actually and reasonably incurred by the eligible party in respect of that proceeding, to the extent the eligible party has not already been reimbursed for such expenses, subject to the provisions of the *Business Corporations Act*. Each director, officer and alternate director, on being elected or appointed, is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

21.3 Permitted Indemnification

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

21.4 Non-Compliance with *Business Corporations Act*

The failure of a director, alternate director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part 21.

21.5 Company May Purchase Insurance

The directors may cause the Company to purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (a) is or was a director, alternate director, officer, employee or agent of the Company;
- (b) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company; or
- (c) at the request of the Company, is or was or holds or held a position equivalent to that of a director, alternate director, officer, employee or agent of a partnership, trust, joint venture or other unincorporated entity;

and the person's heirs or legal personal representatives against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

22. DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

The provisions of this Part 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

22.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time and at any time declare and authorize payment of such dividends on such class or series of shares of the Company as they may deem advisable, to the exclusion of any other class or series of shares.

22.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 22.2.

22.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5:00 p.m. (local time at the place of the registered office of the Company) on the date on which the directors pass the resolution declaring the dividend.

22.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly in cash or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

22.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (a) set the value for distribution of specific assets;
- (b) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (c) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

22.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

22.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

22.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the registered address of the shareholder, or in the case of joint shareholders, to the registered address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

22.13 Capitalization of Retained Earnings or Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

23. ACCOUNTING RECORDS AND REPORTS**23.1 Recording of Financial Affairs**

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

23.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

24. NOTICES

24.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (a) mail addressed to the person at the applicable address for that person as follows:
 - (i) for a record mailed to a shareholder, the shareholder's registered address;
 - (ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (iii) in any other case, the mailing address of the intended recipient;
- (b) delivery at the applicable address for that person as follows, addressed to the person:
 - (i) for a record delivered to a shareholder, the shareholder's registered address;
 - (ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
 - (iii) in any other case, the delivery address of the intended recipient;
- (c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (d) sending the record by e-mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class; or
- (e) physical delivery to the intended recipient.

24.2 Deemed Receipt

A notice, statement, report or other record that is:

- (a) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays and holidays excepted) following the date of mailing;
- (b) faxed to a person to the fax number provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and

- (c) e-mailed to a person to the e-mail address provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed.

24.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with Article 24.1 is conclusive evidence of that fact.

24.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such notice, statement, report or other record to the joint shareholder first named in the central securities register in respect of the share.

24.5 Notice to Legal Personal Representatives and Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (a) mailing the record, addressed to them:
 - (i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (b) if an address referred to in paragraph (a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

24.6 Undelivered Notices

If on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 24.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company will not be required to send any further notice, statement, report or other record to the shareholder until the shareholder informs the Company in writing of his or her new address.

25. SEAL

25.1 Who May Attest Seal

Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (a) any two directors;
- (b) any officer, together with any director;
- (c) if the Company only has one director, that director; or
- (d) any one or more directors or officers or persons as may be determined by the directors.

25.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

25.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under Article 25.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

26. PROHIBITIONS

26.1 Definitions

In this Part 26:

- (a) “security” has the meaning assigned in the *Securities Act* (British Columbia);
- (b) “transfer restricted security” means:
 - (i) a share of the Company;

- (ii) a security of the Company convertible into shares of the Company;
- (iii) any other security of the Company which must be subject to restrictions on transfer in order for the Company to satisfy the requirement for restrictions on transfer under the “private issuer” exemption of Canadian securities legislation or under any other exemption from prospectus or registration requirements of Canadian securities legislation similar in scope and purpose to the “private issuer” exemption.

26.2 Application

Article 26.3 does not apply to the Company if and for so long as it is a public company.

26.3 Consent Required for Transfer of Shares or Transfer Restricted Securities

No share or other transfer restricted security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

27. RIGHTS AND RESTRICTIONS ATTACHED TO SHARES

27.1 Common Shares

- (a) Voting Rights. The holders of the common shares shall be entitled to receive notice of and to attend any meeting of the shareholders of the Company and shall be entitled to one vote in respect of each common share held, except at a meeting of holders of a particular class or series of shares other than the common shares who are entitled to vote separately as a class or series at such meeting.
- (b) Dividends. Subject to the rights of the holders of any class of shares of the Company entitled to receive dividends in priority to or rateably with the holders of the common shares, the holders of the common shares shall be entitled to receive dividends if, as and when declared by the board of directors of the Company out of the assets of the Company’s properly available for the payment of dividends of such amounts and payable in such manner as the board of directors may from time to time determine.
- (c) Liquidation, Dissolution or Winding-Up. In the event of the liquidation, dissolution or winding-up of the Company or any other distribution of the property or assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of the common shares shall, subject to the rights of the holders of any other class of shares of the Company entitled to receive the property or assets of the Company upon such distribution in priority to or rateably with the holders of the common shares, be entitled to receive the remaining property and assets of the Company.

27.2 Redeemable Preferred Shares

- (a) Redemption. The Company shall, subject to the requirements of the *Business Corporations Act*, immediately following the issuance of the Redeemable Preferred Shares (the “**Time of Redemption**”) redeem all of the Redeemable Preferred Shares in accordance with the following provisions of this section. Except as hereinafter provided, no notice of redemption or other act or formality on the part of the Company shall be required to call the Redeemable Preferred Shares for redemption.

Prior to the Time of Redemption, the Company shall deliver or cause to be delivered to the Capital Transfer Agency Inc. (the “**Depository**”) at its principal office in the City of Toronto, Ontario \$0.012491639 (the “**Redemption Price**”) in respect of each Redeemable Preferred Share to be redeemed. Delivery of the aggregate Redemption Price in such manner shall be a full and complete discharge of the Company’s obligation to deliver the aggregate Redemption Price to the holders of Redeemable Preferred Shares.

From and after the Time of Redemption, (i) the Depository shall pay and deliver or cause to be paid and delivered to the order of the respective holders of the Redeemable Preferred Shares, by way of cheque, on presentation and surrender at the principal office of the Depository in the City of Toronto, Ontario of the certificates representing the common shares of the Company’s predecessor, Data Deposit Box Inc., which were converted into Redeemable Preferred Shares upon the amalgamation, the total Redemption Price payable and deliverable to such holders, respectively, and (ii) the holders of Redeemable Preferred Shares shall not be entitled to exercise any of the rights of shareholders in respect thereof except to receive the Redemption Price therefor.

From the Time of Redemption, the Redeemable Preferred Shares in respect of which deposit of the Redemption Price is made shall be deemed to be redeemed and cancelled, the Company shall be fully and completely discharged from its obligations with respect to the payment of the Redemption Price to such holders of Redeemable Preferred Shares, and the rights of such holders shall be limited to receiving the aggregate Redemption Price payable to them on presentation and surrender of the said certificates held by them respectively as specified above. Subject to the requirements of applicable law with respect to unclaimed property, if the Redemption Price has not been fully paid to holders of Redeemable Preferred Shares in accordance with the provisions hereof within six years of the Time of Redemption, the Redemption Price shall be forfeited to the Company.

- (b) Priority. The common shares shall rank junior to the Redeemable Preferred Shares and shall be subject in all respects to the rights, privileges, restrictions and conditions attaching to the Redeemable Preferred Shares.
- (c) Dividends. The holders of the Redeemable Preferred Shares shall not be entitled to receive any dividends thereon.
- (d) Voting Rights. Except as otherwise provided by the *Business Corporations Act*, the holders of the Redeemable Preferred Shares shall not be entitled to receive notice of, to attend or to vote at any meeting of the shareholders of the Company.

- (e) Liquidation, Dissolution or Winding-Up. In the event of the liquidation or winding-up of the Company or any other distribution of the property or assets of the Company among its shareholders for the purpose of winding-up its affairs, and subject to the extinguishment of the rights of holders of Redeemable Preferred Shares upon satisfaction of the Redemption Price in respect of each Redeemable Preferred Share as provided under section 27.2(a), the holders of Redeemable Preferred Shares shall be entitled to receive and the Company shall pay to such holders, before any amount shall be paid or any property or assets of the Company shall be distributed to the holders of common shares or any other class of shares ranking junior to the Redeemable Preferred Shares as to such entitlement, an amount equal to the Redemption Price for each Redeemable Preferred Share held by them respectively and no more. After payment to the holders of the Redeemable Preferred Shares of the amounts so payable to them as hereinbefore provided, they shall not be entitled to share in any further distribution of the property or assets of the Company.

Appendix C-2 – Amalgamation Application



Telephone: 1 877 526-1526
www.bcreg.ca

Mailing Address: PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3

Courier Address: 200 - 940 Blanshard Street
Victoria BC V8W 3E6

DO NOT MAIL THIS FORM to BC Registry Services unless you are instructed to do so by registry staff. The Regulation under the *Business Corporations Act* requires the electronic version of this form to be filed on the Internet at www.corporateonline.gov.bc.ca

Freedom of Information and Protection of Privacy Act (FOIPPA): Personal information provided on this form is collected, used and disclosed under the authority of the FOIPPA and the *Business Corporations Act* for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Manager of Registries Operations at 1 877 526-1526, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

A INITIAL INFORMATION – *When the amalgamation is complete, your company will be a BC limited company.*

What kind of company(ies) will be involved in this amalgamation?

(Check all applicable boxes.)

- ☒ BC company
- ☐ BC unlimited liability company

B NAME OF COMPANY – *Choose one of the following:*

- ☐ The name _____ is the name reserved for the amalgamated company. The name reservation number is: _____

OR

- ☒ The company is to be amalgamated with a name created by adding "B.C. Ltd." after the incorporation number,

OR

- ☐ The amalgamated company is to adopt, as its name, the name of one of the amalgamating companies.

The name of the amalgamating company being adopted is:

The incorporation number of that company is: _____

Please note: If you want the name of an amalgamating corporation that is a foreign corporation, you must obtain a name approval before completing this amalgamation application.

C AMALGAMATION STATEMENT – *Please indicate the statement applicable to this amalgamation.*

- ☐ **With Court Approval:**
This amalgamation has been approved by the court and a copy of the entered court order approving the amalgamation has been obtained and has been deposited in the records office of each of the amalgamating companies.

OR

- ☒ **Without Court Approval:**
This amalgamation has been effected without court approval. A copy of all of the required affidavits under section 277(1) have been obtained and the affidavit obtained from each amalgamating company has been deposited in that company's records office.

D AMALGAMATION EFFECTIVE DATE – Choose one of the following:

☐ The amalgamation is to take effect at the time that this application is filed with the registrar.

☒ The amalgamation is to take effect at 12:01 a.m. Pacific Time on YYYY / MM / DD
TBD
being a date that is not more than ten days after the date of the filing of this application.

☐ The amalgamation is to take effect at _____ ☐ a.m. or ☐ p.m. Pacific Time on YYYY / MM / DD
being a date and time that is not more than ten days after the date of the filing of this application.

E AMALGAMATING CORPORATIONS

Enter the name of each amalgamating corporation below. For each company, enter the incorporation number. If the amalgamating corporation is a foreign corporation, enter the foreign corporation's jurisdiction and if registered in BC as an extraprovincial company, enter the extraprovincial company's registration number. Attach an additional sheet if more space is required.

NAME OF AMALGAMATING CORPORATION	BC INCORPORATION NUMBER, OR EXTRAPROVINCIAL REGISTRATION NUMBER IN BC	FOREIGN CORPORATION'S JURISDICTION
1. DATA DEPOSIT BOX INC	BC1013727	
2. 1241017 B.C. LTD.	BC1241017	
3.		
4.		
5.		

F FORMALITIES TO AMALGAMATION

If any amalgamating corporation is a foreign corporation, section 275 (1)(b) requires an authorization for the amalgamation from the foreign corporation's jurisdiction to be filed.

☐ This is to confirm that each authorization for the amalgamation required under section 275(1)(b) is being submitted for filing concurrently with this application.

G CERTIFIED CORRECT – I have read this form and found it to be correct.

This form must be signed by an authorized signing authority for each of the amalgamating companies as set out in Item E.

NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
1. TBD	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
2. TBD	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
3.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
4.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
5.	X	

NOTICE OF ARTICLES

A NAME OF COMPANY

Set out the name of the company as set out in Item B of the Amalgamation Application.

____ B.C. LTD.

B TRANSLATION OF COMPANY NAME

Set out every translation of the company name that the company intends to use outside of Canada.

N/A

C DIRECTOR NAME(S) AND ADDRESS(ES)

Set out the full name, delivery address and mailing address (if different) of every director of the company. The director may select to provide either (a) the delivery address and, if different, the mailing address for the office at which the individual can usually be served with records between 9 a.m. and 4 p.m. on business days or (b) the delivery address and, if different, the mailing address of the individual's residence. The delivery address must not be a post office box. Attach an additional sheet if more space is required.

LAST NAME

FIRST NAME

MIDDLE NAME

OPALCHUK

JAMIE

DELIVERY ADDRESS

249 North Shore Blvd E, Burlington

PROVINCE/STATE

Ontario

COUNTRY

Canada

POSTAL CODE/ZIP CODE

L7T 1W8

MAILING ADDRESS

249 North Shore Blvd E, Burlington

PROVINCE/STATE

Ontario

COUNTRY

Canada

POSTAL CODE/ZIP CODE

L7T 1W8

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

D REGISTERED OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE
Suite 1100, 736 Granville Street, Vancouver

PROVINCE

BC

POSTAL CODE

V6Z 1G3

MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE
Suite 1100, 736 Granville Street, Vancouver

PROVINCE

BC

POSTAL CODE

V6Z 1G3**E RECORDS OFFICE ADDRESSES**

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE
Suite 1100, 736 Granville Street, Vancouver

PROVINCE

BC

POSTAL CODE

V6Z 1G3

MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE
Suite 1100, 736 Granville Street, Vancouver

PROVINCE

BC

POSTAL CODE

V6Z 1G3**F AUTHORIZED SHARE STRUCTURE**

Identifying name of class or series of shares	Maximum number of shares of this class or series of shares that the company is authorized to issue, or indicate there is no maximum number.		Kind of shares of this class or series of shares.			Are there special rights or restrictions attached to the shares of this class or series of shares?	
	THERE IS NO MAXIMUM (✓)	MAXIMUM NUMBER OF SHARES AUTHORIZED	WITHOUT PAR VALUE (✓)	WITH A PAR VALUE OF (\$)	Type of currency	YES (✓)	NO (✓)
Common	✓		✓			✓	
Redeemable Preferred	✓		✓			✓	