Vancouver

06-May-20

REGISTRY

District of British Columbia
Division No. 3 – Vancouver
Court No. VLC-S-B-200204
Estate No.11-2634864

IN THE SUPREME COURT OF BRITISH COLUMBIA

AND

IN THE MATTER OF THE BANKRUPTCY OF ENCOREFX INC.

SECOND REPORT of

ERNST & YOUNG INC.,

TRUSTEE OF ENCOREFX INC.

EFFECTIVE AS AT MAY 5, 2020

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SECOND REPORT TO THE TRUSTEE OF ERNST & YOUNG INC., TRUSTEE OF ENCOREFX INC.

Effective as at May 5, 2020

INTRODUCTION

1. On March 30, 2020 (the "**Bankruptcy Date**"), EncoreFX Inc. ("**EncoreFX**" or the "**Company**") filed an assignment into bankruptcy. Ernst & Young Inc. consented to act as the licensed insolvency trustee in the estate (the "Trustee") of EncoreFX.

2. Pursuant to section 69(1) of the *Bankruptcy and Insolvency Act (Canada)* (the "**BIA**"), a stay of proceedings (a "**Stay**") has been in effect with respect to the Company since the Bankruptcy Date.

3. The first meeting of creditors (the "FMOC") is scheduled to occur on May 7, 2020 after the Trustee sought and obtained approval from the OSB for an extension to the day for the FMOC.

4. <u>Given that a FMOC has not yet been convened in this matter, there are currently no inspectors appointed in the estate of the bankruptcy of the Company.</u>

5. On April 22, 2020, the Trustee filed its first report (the "**First Report**"). In its First Report, the Trustee provided this Honourable Court with, *inter alia*, background information pertaining to EncoreFX; and sought directions in respect of, a) the procedure for a First Meeting of Creditors, b) a letter of intent (the "**US Subsidiary LOI**")for the sale of the US Subsidiary (defined below), and c) other matters pertaining to the EncoreFX Derivatives (defined in the First Report).

6. The purpose of this second report (the "**Second Report**") is to provide this Honourable Court with respect to the following:

   i) the "**Sales Process**" undertaken by the Trustee; and

ii) the Global Reach APA (defined below) for the sale of certain assets and infrastructure of the Company;

and to seek directions in respect of:

iii) the Approval and Vesting order with respect to the sale of the Canadian Business Infrastructure (term defined below).

TERMS OF REFERENCE

7. In preparing this Second Report, the Trustee has been provided with, and in making the comments herein relied upon, unaudited financial information, the Company's book and records, financial information prepared by the Company, and discussions with management of the Company. The Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, the Trustee expresses no opinion or other form of assurance in respect of such information contained in this Second Report.

8. Certain information referred to in this Second Report consists of forecasts and projections. The Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Trustee expresses no opinion or other form of assurance in respect of the information.

9. This Second Report has been prepared for the use of this Honourable Court and the Company's stakeholders as general information relating to the Company and its operations. Accordingly, the reader is cautioned that this Second Report may not be appropriate for any other purpose. The Trustee assumes no responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Second Report contrary to the provisions of this paragraph.

10. Capitalized terms not defined in this Second Report are as defined in the First Report or the Global Reach APA (defined below).

11. All references to dollars are in Canadian currency unless otherwise noted.

CONDENSED BACKGROUND INFORMATION

12. Detailed information regarding the background of EncoreFX is contained in the First Report. For ease of reference, condensed background information relevant to the discussions contained in this report are summarized below.

13. EncoreFX is a Federal Corporation incorporated under the *Canada Business Corporations Act*. EncoreFX Ltd., EncoreFX (Australia) Pty Ltd., and EncoreFX (NZ) Limited are wholly owned foreign subsidiaries of EncoreFX. The Trustee attached a copy of a corporate organization chart provided by management to its First Report.

14. EncoreFX was incorporated on September 15, 2014, and began operating with its head office in Victoria, British Columbia. Over the next few years, EncoreFX opened branch offices in the cities of Vancouver, Calgary, Edmonton, Saskatoon, Regina, Winnipeg, Toronto, Ottawa, Kitchener, and Mississauga (the "**Canadian Business**"). EncoreFX employed a workforce of approximately 150 personnel in the Canadian Business as at the Bankruptcy Date.

15. EncoreFX also established subsidiaries in Australia and New Zealand due to those countries having similar economic conditions to Canada and it carried on significant operations in those Countries.

16. EncoreFX further established EncoreFX Ltd. (the "**US Subsidiary**"), a United States subsidiary incorporated in Washington State in the United States. In recent years, the US Subsidiary underwent a lengthy process to obtain licenses

17. EncoreFX Inc. is in the business of providing foreign exchange ("**FX**") risk management and cross-border payment services predominantly to small and medium enterprises

("**SME**") that import or export products from/to foreign markets and base their pricing on foreign currencies. The Company provided the following FX risk management services to its clients to mitigate their exposure to fluctuating FX rates: FX spot transactions and FX derivative contracts (including forward contracts and options) (the "**The EncoreFX Derivatives**"). It should be noted that EncoreFX's primary client base were not speculators.

18. The Trustee notes that it was first approach by the Company with respect to a possibly insolvency filing on March 25th or 26th, 2020; and the decision to suspend trading (with respect to new transactions) and to file the assignment into bankruptcy was made on March 28th or 29th (the weekend before markets resumed trading the following Monday).

19. The Australian and New Zealand subsidiaries were also placed into Voluntary Administration (formal insolvency proceedings in those Countries). Ernst & Young is acting as the Administrator in insolvency proceedings of the Australia and New Zealand entities.

20. Following the bankruptcy, and given that trading with respect to new transactions had been suspended, the Trustee:

    i) made the determination to retain 57 employees (the "**Retained Employees**") to assist the Company in its efforts to wind-down or sell the Company (discussed in further detail below); and

    ii) terminated the employment of all other personnel (approximately 79 employees).

THE SALES PROCESS

21. In paragraphs 75 to 84 of First Report, the Trustee provided this Honourable Court with a summary of the Trustee's efforts with respect to the "**Sales Process**". This summary included a discussion with respect to, *inter alia*:

i) the urgency and narrow window to complete a sale if one were to occur;

ii) the informal process undertaken by the Trustee with respect to the possible sale of all or part of the Company; and in particular:

a. given the high-profile nature of this bankruptcy, numerous parties approached the Trustee with varying degrees of interest to acquire all or parts of the Company; and the Trustee engaged in discussions with those parties; and

b. the Trustee, through a senior representative of Ernst & Young Corporate Finance, also approached fifteen (15) parties including potential strategic inquirers to solicit their interest in an acquisition of EncoreFX in whole or in part (collectively, the "**Prospective Purchasers**"); and

iii) The Trustee had executed non-disclose agreements ("**NDA**") with fourteen (14) distinct parties (the "**Prospective Purchasers**"); and provided those parties with a summarized Confidential Information Memorandum ("**CIM**"), preliminary information about EncoreFX, and made itself and management available on short notice (24 hours a day, 7 days a week) to answer any questions and respond to information requests.

22. Throughout the Sales Process, the Trustee facilitated numerous information requests and meetings between the Prospective Purchasers and EncoreFX management. While this condensed, informal Sales Process resulted in engagement with a number of parties, in the end, many Prospective Purchasers cited the COVID-19 pandemic, reputational concerns caused by the bankruptcy of EncoreFX, client attrition and travel restrictions (which prevented in-person due diligence and management meetings) as reasons for not being able to proceed with an acquisition of the Company; and to date, the Trustee

received four (4) formal and informal expressions of interest to acquire segments of the Company (the "**EOIs**").

23. The four (4) formal and informal expressions of interest to acquire segments of the Company (the "**EOIs**") were as follows:

    i) one (1) EOI contemplated the acquisition of the US Subsidiary and resulted in the US Subsidiary LOI; and

    ii) three (3) EOIs contemplated the acquisition of select assets comprising the Canadian Business.

24. The Trustee intends to file each of these EOIs in a separate Affidavit and seek a sealing order in connection with same. In order to balance the prejudice of the sealing order, the EOIs will be made available to counsel of record, if requested, on their confirmation that the identity of the Prospective Purchaser be kept confidential.

THE GLOBAL REACH APA

Background

25. The most attractive of the EOIs received for select assets of the Canadian Business was received on or around April 19, 2020 from Global Reach Group Limited ("**Global Reach**"). Global Reach is a United Kingdom ("**UK**") based company that provides similar FX backed risk management services and cross-border payment solutions to EncoreFX before it ceased trading.

26. Between April 19, 2020 and April 29, 2020, Global Reach undertook substantive due diligence and the Trustee and Global Reach negotiated and executed a "**Term Sheet**" as between the Trustee (the "**Vendor**") and 12014084 Canada Ltd., a newly formed Canadian subsidiary of Global Reach (the "**Proposed Purchaser**").

27. On May 4, 2020, the parties executed a fully negotiated asset purchase agreement (the "**Global Reach APA**"), pursuant to which Global Reach agreed to acquire (or the option

to acquire) the Company's infrastructure to operate a business of providing FX risk management and cross-border payment services in Canada. A copy of the Global Reach APA is attached hereto as **Appendix "A"**. Certain of the assets identified in Schedule E (Optional Purchased Assets) to the Global Reach APA are listed as being in the possession of certain current and former personnel of the Company in the "Additional Notes" column. The Trustee has redacted the names on Schedule E to ensure privacy for those individuals. No other information in the Global Reach APA is redacted.

Concept of the Global Reach APA

28. The basic concept behind the Global Reach APA is as follows:

i) only certain assets as described in a schedule to the APA (the "**Required Purchased Assets**") will be acquired by the Purchaser on Closing. The Required Purchased consist primarily of:

a. all intellectual property used in the operations of the Canadian Business;

b. client data, transactional data and all other business data which relates to the Canadian Business; and

c. all tangible assets in the possession of the Trustee immediately prior to the Closing that are not the Excluded Assets (as defined below) or the Optional Purchased Assets (as defined below), including:

i) the books and records of the Company;

ii) all regulatory materials and documents;

iii) all handbooks and manuals relating to policies and procedures: and

iv) office assets including telephone and computer equipment, as well as office furniture in the Vancouver and Calgary offices.

(collectively defined as the ("**Canadian Business Infrastructure**").

ii) certain other assets of the Company (as described in the Schedule "D" to the Global Reach APA) will be vended to the Purchaser at the option of the Purchaser following the Closing (the "**Optional Purchased Assets**") including the leases and office furniture in each of the Company's other branches;

iii) the APA excludes all financial assets including, cash, accounts receivable, prepaid expenses, and investments in subsidiaries and most notably all open EncoreFX Derivatives (the "**Excluded Assets**"). The "**Book Values**" of the Excluded Assets as described in the First report are summarized below:

	Book Value (in CAD)
Cash balances	13,200,000
Collateral posted with Liquidity Providers	15,300,000
OTM Positions	77,000,000
Investment in subsidiaries	
Encore FX Ltd. (USA)	1,968,000
EncoreFX (Australia) Pty Ltd.	2,665,000
EncoreFX (NZ) Limited	1,715,000
	111,848,000

iv) the Purchaser will re-hire approximately 70 current and former employees of EncoreFX into its Canadian subsidiary (the "**Transitioned Employees**");

v) the Purchaser and the Vendor will enter into a "**Transition Services Agreement**" whereby the Vendor will:

a. at the cost and expense of the Purchaser, ensure that the Optional Purchased Assets, including all of the Company's leased premises, are made available for the Purchaser's use in the operation of its business during a transition period; and

b. provide the Vendor with:

   i) accounting, treasury, and credit risk services necessary to wind down the Company, including assisting with government and tax filings and preparing statements regarding client accounts; and

   ii) access to all records required to support any asset recovery activities (including litigation support) regarding client accounts, in a form and cadence to be agreed between the Purchaser and the Vendor.

vi) a "**Purchase Price**" to be satisfied as follows:

a. $100,000 payable on Closing (as defined in the Global Reach APA); and

b. an earn out where the Proposed Purchaser shall pay to the Trustee an annual royalty of 3.5% on gross revenue received during the first two annual periods immediately following the Closing (the "**Earn Out**") subject to adjustments in Year 2;

vii) customary Closing conditions including, *inter alia*:

a. approval by this Honourable Court of the Global Reach APA and Vesting Order; and

b. the execution and delivery of new employment or contractor agreements between the Potential Purchasers and Transitioned Employees required to operate the business.

Vesting Order

29. As is noted above, the Closing is conditional upon the pronouncement of an Approval and Vesting Order substantially in the form as attached as Schedule G to the Global Reach APA.

Trustee's Commentary

30. The Trustee notes that financial terms proposed for the Canadian Business Infrastructure reflect the deeply distressed environment that currently exists; but nonetheless, the Trustee is of the view that the Global Reach APA is fair and reasonable and represents the only viable option that is available to preserve the Canadian Business and provide any recovery to stakeholders.

31. The Company ceased trading immediately prior to the bankruptcy and it is not currently generating any revenue. It is unlikely that any goodwill remains in the Canadian Business. The Purchaser has committed over a thousand hours in undertaking its due diligence including extensive meetings with the Company's current management team. This level of diligence has not been observed in the diligence activities undertaken by other Prospective Purchasers.

32. Qualitative factors beyond the financial terms of the Global Reach APA include the Purchaser:

    i) intends to maintain a Canadian head office in British Columbia;

    ii) will retain and operate the majority of the Canadian Business Infrastructure in each of the geographies note above; thereby providing suppliers, including current creditors and landlords of the Company, with a recurring customer or tenant;

iii) has advised that it will offer employment agreements to the Transitioned Employees and preserve the employment of approximately 70 current and former employees of the Company;

iv) will be required re-start the business of EncoreFX in a very uncertain environment in challenging circumstances which will require a significant up-front cost; and

v) intends to close the transaction contemplated by the Global Reach APA as soon as possible (i.e. within days) should this Honourable Court grant the Approval and Vesting Order.

33. Lastly, and perhaps most importantly, the Transition Services Agreement requires the Purchaser to make available the Transitioned Employees and other resources to assist the Trustee in realizing on the Excluded Assets for the benefit of the Company's stakeholders and to winddown EncoreFX. The Trustee forecasts that this will result in material savings to the Estate in the within proceedings. As it currently stands, the Trustee estimates the following "**Continuing Costs**"):

i) monthly payroll costs for the Retained Employees is in excess of $400,000;

ii) information technology and regulatory licensing costs is in excess of $120,000; and

iii) facility lease costs are approximately $80,000 per month.

34. Under this Transaction Services Agreement, the Trustee will the Purchaser the lesser of, a) 15% of all compensation paid or payable to the Transitions Employees, and b) $14,600 per week (the "**Transition Fee**") for the first four (4) weeks after the Closing (the "**Initial Period**") which is materially lower than the Continuing Costs. Following the Initial Period, the Vendor and the Purchaser will, acting reasonably and in good faith, negotiate a new mutually agreeable Transition Fee that reflects the true costs of providing such services.

Recommendations

35. As is discussed herein, the Trustee is of the view that if a sale of EncoreFX is to happen, it is critical that it occur urgently. The Trustee is of the view that the Sales Process leading to the proposed sale, while informal and expedited, was fair and reasonable in the circumstance.

36. The Trustee is of the view that the Global Reach APA provides the only viable path forward to preserving the Canadian Business. The likely alternative to the Global Reach APA is a liquidation, loss of employment for the Retained Employees, little to no recovery on the Canadian Business Infrastructure, and higher winddown and realization costs for the Excluded Assets.

37. Based on the foregoing, the Trustee recommends that this Honourable Court grant the proposed Approval and Vesting Order.

All of which is respectfully submitted this 5th day of May, 2020.

Yours very truly,

ERNST & YOUNG INC.
In its capacity as Trustee
in the bankruptcy of EncoreFX Inc.
and not in its personal capacity

Per:

Mike Bell, CPA, CA, CIRP, LIT
Senior Vice President

APPENDIX “A”

ASSET PURCHASE AGREEMENT

BETWEEN

ERNST & YOUNG INC.,
solely in its capacity as trustee in bankruptcy of the estate of EncoreFX Inc.

As the Vendor

AND

GLOBAL REACH FINANCIAL SOLUTIONS INC.

As the Purchaser

Dated as of May 5, 2020

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ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made the 5 day of May, 2020 (the "**Effective Date**").

BETWEEN:

ERNST & YOUNG INC., having an office at 1600-700 Georgia Street West, Vancouver, British Columbia, solely in its capacity as trustee in bankruptcy of the estate of EncoreFX Inc.

(the "**Vendor**")

AND:

GLOBAL REACH FINANCIAL SOLUTIONS INC., a corporation incorporated under the laws of Canada, having an address at 1700 - 360 Main Street, Winnipeg, Manitoba R3C 3Z3, c/o Fillmore Riley LLP

(the "**Purchaser**")

WHEREAS:

A. On March 30, 2020, EncoreFX Inc. (the "**Company**") filed an assignment in bankruptcy pursuant to Section 49(1) of the *Bankruptcy and Insolvency Act*, as amended (the "**BIA**").

B. The Vendor was appointed as licensed insolvency trustee in bankruptcy, subject to affirmation at the first meeting of creditors, currently scheduled for May 7, 2020 (the "**First Meeting of Creditors**").

C. On April 28, 2020, the Vendor and the Purchaser entered into a binding term sheet (the "**Term Sheet**"), which was subject to authorization from the Supreme Court of British Columbia (the "**Court**") or the inspectors appointed at the First Meeting of Creditors.

D. The Parties are entering into this Agreement for the Vendor to sell and transfer, and the Purchaser to purchase and receive, pursuant to the Approval and Vesting Order (as defined herein), the Purchased Assets in connection with the Business (as defined herein), on the terms and subject to the conditions of this Agreement.

NOW, THEREFORE, in consideration of the covenants, representations, warranties and agreements contained herein, the Parties hereto covenant and agree as follows:

1. INTERPRETATION

1.1 Definitions. Unless otherwise specifically provided or the context otherwise requires, where used in this Agreement (including the Schedules hereto) and the Recitals to this Agreement, the following terms shall have the meanings set forth or as referenced below:

"**Access Period**" has the meaning ascribed thereto in Section 5.4.

"**Affiliate**" with respect to any Person means another Person which is affiliated with the first mentioned Person within the meaning thereof in the *Securities Act* (British Columbia).

"**Agreement**" means this agreement, the Recitals hereto and all Schedules attached hereto, in each case, as they may be amended or supplemented from time to time in accordance with this Agreement, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby", and similar expressions, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement.

"**Applicable Law**" means any law (including the common law), ordinance, rule, regulation, by-law (zoning or otherwise), or Approval and Vesting Order in effect in British Columbia, be it federal, provincial, municipal or otherwise, all as determined in accordance with the laws in effect in British Columbia, that applies to the subject Person, entity, property or securities.

"**Approval and Vesting Order**" means an Order of the Court in the Bankruptcy Proceedings that has not been stayed, varied or set aside and that: (a) approves the entry by the Vendor into this Agreement and the consummation of the Transaction; and (b) vests in the Purchaser or provides for a vesting in the Purchaser of all the right, title and interest of the Vendor in the Purchased Assets (subject to the terms and conditions hereof) free and clear of all Encumbrances, in the form of Approval and Vesting Order attached hereto as Schedule G.

"**Assignment Order**" means an order or orders of the Court pursuant to the BIA, in form and substance satisfactory to the Purchaser and the Vendor, each acting reasonably, that has not been stayed, varied or set aside, authorizing and approving (i) the assignment of any Purchased Assets that are not assignable by the Vendor to the Purchaser without the consent of a Governmental Authority or any other Person that is a party thereto or issued thereby, (ii) the prevention of any counterparty to any applicable Purchased Asset from exercising any right or remedy under such Purchased Assets by reason of any defaults arising from the Bankruptcy Proceedings or the insolvency of the Company and (iii) the vesting in the Purchaser of all right, title and interest of the Company in the Purchased Assets.

"**Assumed Obligations**" means the obligations and liabilities assumed by the Purchaser pursuant to and as more particularly set out in Section 3.2.

"**Bank Accounts**" means the currently maintained bank accounts in the name of the Company.

"**Bankruptcy Proceedings**" means the proceedings before the Court No. VLC-S-B-200204, Estate No. 11-2634864.

"**BIA**" has the meaning ascribed thereto in Recital A.

"**Books and Records**" means all books and records which are in the actual possession or control of the Vendor, or any of its agents or representatives, which relate to the

Purchased Assets or are located at the owned or leased real property of the Company, including as applicable operating, inventory, any legal and accounting records, all sales and promotional literature, operational and technical manuals and software systems related to the use and operation of the Purchased Assets or located at the owned or leased real property of the Company, together with, in the case of any such information that is stored electronically, the media on which the same is stored, but for greater certainty excludes any such books and records which are Excluded Assets.

"**Business**" means the business of providing foreign exchange risk management services and cross-border payment solutions to predominantly small and medium enterprises including foreign exchange spot transactions, foreign exchange derivative contracts (including forward contracts and options), and payment processing services carried on by the Company.

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

"**Closing**" means the completion of the purchase and sale of the Required Purchased Assets in accordance with the provisions of this Agreement.

"**Closing Date**" means the date of Closing the purchase and sale of the Required Purchased Assets, being a date within five (5) Business Days of satisfaction or waiver of the closing conditions set out in Sections 6.1, 6.2 and 6.3, or such other date as the Parties may agree in writing.

"**Company**" has the meaning ascribed thereto in Recital A.

"**Confidential Information**" has the meaning ascribed thereto in Section 5.8(a).

"**Consents**" means all necessary third party notices, consents and approvals required in relation to the Purchased Assets, including all necessary consents, authorizations, registrations and approvals required by any Governmental Authority relating to the Transaction.

"**Court**" has the meaning ascribed thereto in Recital C.

"**Court of Appeal**" means the Court of Appeal for British Columbia.

"**Disclosing Party**" has the meaning ascribed thereto in Section 5.8(a).

"**Distributed Assets**" has the meaning ascribed thereto in Section 8.3.

"**Earn Out**" has the meaning ascribed thereto in Section 2.3.

"**Effective Date**" means the date first set out above.

"**Embedded Assets**" means all information related to any Monetizable Excluded Asset, which information may include business, financial, marketing, sales, distribution, customer, licensor and licensee information and records, credit and pricing information, business reports, documents, data, databases, files, records, correspondence, Personal Information, and all other information (financial or otherwise) which will be under the control of the Purchaser after the Closing Date or an Option Closing Date, as applicable; provided, however, for avoidance of doubt, that the Embedded Assets shall not include the client/customer list of the Company, which is a Required Purchased Asset.

"**Employee**" means an individual currently or formerly employed by the Company in the Business of the Company, and "**Employees**" means every Employee.

"**Encumbrance**" means any encumbrance of any kind whatsoever and includes, without limitation, a security interest, mortgage, lien, hypothec, pledge, assignment, charge, title retention agreement, option, security under Section 426 or Section 427 of the *Bank Act* (Canada), trust or deemed trust (whether contractual, statutory or otherwise arising), any covenant or other agreement, restriction or limitation relating to the transfer of the Purchased Assets and any (i) easement, (ii) restrictive covenant, (iii) right of way, (iv) restriction, (v) encroachment, (vi) title reservation of any kind with respect to real property, or (vii) adverse claim of any kind or character whatsoever.

"**Excluded Assets**" means the assets set out on Schedule F.

"**First Meeting of Creditors**" has the meaning ascribed thereto in Recital B.

"**GAAP**" means generally accepted accounting principles in Canada, applied consistently.

"**Governmental Authority**" means any governmental entity whether federal, provincial, municipal, local and any Person, agency, authority, court tribunal, commission or other regulatory body of any kind whatsoever constituted by such government.

"**Information Systems**" has the meaning ascribed thereto in Section 2 of Schedule D.

"**Licences and Permits**" means the licences, permits, certificates, approvals, consents, registrations, orders, grants and other authorizations from any Governmental Authority related to the operation of the Business and the Purchased Assets.

"**Loss**" means any and all loss, liability, damage, cost or expense actually suffered or incurred by a Party (including, without limitation, the costs and expenses of all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, assessments, judgments, Orders, rulings, dues, penalties, fines, amounts paid in settlement or compromise, including court costs and reasonable legal fees and expenses).

"**Material Adverse Change**" means any result, fact, change, effect, event, circumstance, occurrence or development that, taken together with all other results, facts, changes, effects, events, circumstances, occurrences or developments that has a Material Adverse Change to the Required Purchased Assets, taken as a whole, provided however, that any result, fact, change, effect, event, circumstance, occurrence or development that arises out of, relates directly or indirectly to, results directly or indirectly from or is attributable to any of the following will not be deemed to constitute, and will not be taken into account in determining whether there has been a Material Adverse Change:

(i) changes, developments or conditions in or relating to general international or Canadian, political, economic or financial or capital market conditions; or

(ii) any general applicable changes in GAAP,

"**Monetizable Excluded Asset**" means an Excluded Asset that the Vendor wishes to monetize for the benefit of the estate of the Company, which may include financial assets, open and closed derivative contracts, and other intangibles to the extent such intangible does not relate directly to any of the Required Purchased Assets or Optional Purchased Assets.

"**Option**" means, the continuing option to acquire the Optional Purchased Assets by delivering an Option Notice and complying with the other applicable terms and conditions set out herein.

"**Option Closing Date**" means the date of closing for the purchase of any Optional Purchased Assets, in accordance with the terms of this Agreement.

"**Option Expiry Date**" means that date that is six (6) months following the Closing Date.

"**Option Notice**" means any one or more written notices from the Purchaser to the Vendor providing a detailed list of the Optional Purchased Assets that the Purchaser wishes to acquire at the time of delivery of the notice, and all such notices, the "**Option Notices**".

"**Optional Purchased Assets**" means those assets set out on Schedule E.

"**Order**" means any order, decision, determination, judgment, injunction, decree, award or writ of any court, arbitrator or Governmental Authority, or other Person who has jurisdiction over the subject matter of the order, decision, determination, judgment, injunction, decree, award or writ and is authorized to make legally binding determinations.

"**Other Transaction Documents**" has the meaning ascribed thereto in Section 2 of Schedule A.

"**Parties**" means the Purchaser and the Vendor, and "**Party**" means any one of them as the context requires.

"**Payment Date**" has the meaning ascribed thereto in Section 2.4.

"**Person**" means any individual, corporation, partnership, limited partnership, limited liability company, joint venture, association, joint-stock company, trust, society, incorporated organization or any other similar entity.

"**Personal Information**" has the meaning ascribed thereto in Section 5.9.

"**PIPA**" has the meaning ascribed thereto in Section 5.9.

"**Prepaid Expenses**" means (i) the unused portion of amounts prepaid by or on behalf of the Company or the Vendor, and (ii) prepaid Taxes of the Company.

"**Purchase Price**" has the meaning ascribed thereto in Section 2.2.

"**Purchased Assets**" means, collectively, Required Purchased Assets and the Optional Purchased Assets.

"**Receiving Party**" has the meaning ascribed thereto in Section 5.8(a).

"**Required Court Orders**" has the meaning ascribed thereto in Section 5.7(b).

"**Required Purchased Assets**" means the assets listed on Schedule D.

"**ROFR**" has the meaning ascribed thereto in Section 2.1(f).

"**Sales Tax**" means all sales tax imposed under Part IX of the *Excise Tax Act* (Canada).

"**Second Year**" has the meaning ascribed thereto in Section 2.3(a).

"**Tax Election Form**" has the meaning ascribed thereto in Section 3.5(b).

"**Taxes**" means all taxes, duties, levies, charges, withholding charges, assessments, reassessments and fees (including interest and penalties on any such amounts), of whatsoever nature or kind lawfully levied, assessed or imposed by any Governmental Authority but excluding income and capital taxes.

"**Term Sheet**" has the meaning ascribed thereto in Recital C.

"**Transaction**" means the transaction of purchase and sale contemplated by this Agreement.

"**Transition Services Agreement**" means a transition services agreement, in the form set out on Schedule H.

1.2 Gender and Number. Words and defined terms importing the singular shall include and have a comparable meaning when used in the plural, and vice versa, and words importing gender include all genders.

1.3 Currency. All references to currency shall mean Canadian Dollars unless otherwise expressly provided.

1.4 Schedules. The following Schedules attached hereto are integral to and form part of this Agreement:

Schedule	Description
A	- Representations and Warranties of the Vendor
B	- Representations and Warranties of the Purchaser
C	- Sample Profitability Calculation
D	- Required Purchased Assets
E	- Optional Purchased Assets
F	- Excluded Assets
G	- Form of Approval and Vesting Order
H	- Form of Transition Services Agreement
I	- Form of Public Release

1.5 Section Headings and References. All Section headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. Unless otherwise indicated, references to Articles or Sections are to Articles or Sections in the main body of this Agreement and references to paragraphs are references to numbered paragraphs in the Schedules.

1.6 Non Application of *Contra Proferentem*. The Parties agree that each has been involved in the negotiation and drafting of this Agreement and accordingly the doctrine of *contra proferentem* shall have no application to the interpretation of this Agreement or any documents contemplated herein or ancillary hereto.

1.7 Other Terms. Other terms may be defined elsewhere in the text of this Agreement and, unless otherwise indicated, shall have such meaning throughout this Agreement. All accounting terms not otherwise defined herein have the meanings attributable to them under GAAP and all determinations of an accounting nature required to be made shall be made in accordance with GAAP, applied consistently with prior periods. Any references in this Agreement to the word "including" shall mean "including but not limited to".

1.8 Knowledge. The term "knowledge" means with respect to the Vendor, the actual knowledge of each of Mike Bell and Peter Venetsanos as authorized representatives of Ernst & Young Inc., solely in its capacity as trustee in bankruptcy of the estate of the Company, upon due and reasonable inquiry.

2. PURCHASE AND SALE OF ASSETS

2.1 Purchase and Sale of Assets and Exercise of the Option.

(a) Upon and subject to the terms and conditions of this Agreement, the Vendor hereby agrees to:

(i) sell, assign, transfer and convey to the Purchaser, and the Purchaser hereby agrees to purchase acquire and accept from the Vendor, the Required Purchased Assets pursuant to the Approval and Vesting Order; and

(ii) grant the Option to the Purchaser, to be exercised in accordance with the terms hereof.

(b) The Required Purchased Assets shall be sold, transferred and assigned to the Purchaser on the Closing Date.

(c) The exercise price of the Option shall be CDN $1.00.

(d) The Purchaser may exercise the Option in relation to all or any portion of the Optional Purchased Assets, at the sole discretion of the Purchaser, on a continuing and renewable basis, at any time before the Option Expiry Date, as follows:

(i) the Purchaser shall provide to the Vendor an Option Notice and on the initial exercise of the Option, payment of the Option exercise price; and

(ii) subject to Section 8.3 hereof, the Vendor shall promptly after receiving any Option Notice deliver the applicable Optional Purchased Assets and execute and provide any further agreements or documents or perform any acts requested by the Purchaser to sell, assign, transfer and convey the Optional Purchased Assets to the Purchaser that have been identified in such applicable Option Notice.

(e) Any Embedded Assets related to Monetizable Excluded Assets that have been monetized or settled to the satisfaction of the Vendor shall be automatically transferred and assigned to the Purchaser, and such assets shall become part of the Purchased Assets, unless such Monetizable Excluded Assets are sold to a third party after the expiration of the restrictions in Section 5.3(c) and subject to the Purchaser's ROFR (as defined below).

(f) Grant a right of first refusal to the Purchaser in relation to any bona fide offer to purchase any Monetizable Excluded Assets of the Vendor held by the Vendor for a period of thirty (30) days starting on the date that is 60 days following the Closing (the "**ROFR**"). In order to facilitate such ROFR, the Vendor shall provide immediate written notice to the Purchaser of any bona fide offer to purchase the Monetizable Excluded Assets and the Purchaser shall have five (5) Business Days to accept or reject its ROFR.

2.2 Purchase Price. The amount payable by the Purchaser for the Purchased Assets, the granting of the Option and any subsequent purchase of the Optional Purchased Assets, if any, shall be CDN $100,000 (the "**Purchase Price**").

2.3 Earn Out. In addition to the Purchase Price, the Purchaser shall pay to the Vendor an annual royalty of 3.5% on the gross revenue received during the first two annual periods immediately following the Closing (the "**Earn Out**"), subject to the following adjustments:

(a) If during the first annual period following the Closing Date, the profitability of the operations of the Purchaser (calculated in accordance with GAAP and excluding any Earn Out payment made or accruing during such period, all in accordance with the sample calculation set out on Schedule C) results in a negative amount, the Earn Out percentage shall be decreased to 1.75% for the second annual period following the Closing Date (the "**Second Year**").

(b) If during the first annual period following the Closing Date, the profitability of the operations results in a positive amount, and the gross revenue of the operations of the Purchaser exceeds $18,543,296, the Earn Out percentage shall be increased to 5.25% for the Second Year.

The Purchaser shall provide the Vendor with sufficiently detailed records to evidence such calculations on or before each Payment Date. The Vendor shall, within 60 days of each Payment Date, have the right to inspect, at its expense and upon reasonable notice, any records necessary to calculate the profitability or revenue during the applicable annual period for the purposes of confirming and verifying the Earn Out payment in such period, and any adjustments, with such records to include without limitation any annual or interim financial statements of the Purchaser.

2.4 Payment of Purchase Price and Earn Out. The Purchase Price shall be paid by the Purchaser to the Vendor on the Closing Date via wire transfer to counsel for the Vendor. Each Earn Out payment will be paid by the Purchaser to the Vendor within 90 days of the first and second anniversaries of the Closing Date, as applicable (the "**Payment Date**").

2.5 All Funds Held In Trust. Notwithstanding any provision hereof, the Vendor and the Purchaser acknowledge and agree that: (a) any amount paid hereunder by the Purchaser to the Vendor shall be held by the Vendor in trust for the Purchaser, and not distributed, paid or otherwise forwarded to any party, until such time as the appeal period in respect of the Approval and Vesting Order has expired and no appeal has been commenced in respect thereof or any appeal thereof has been dismissed with no further appeal therefrom; and (b) if, the Transaction is unable to close, or is completed but unwound, reversed or otherwise frustrated and cannot be completed in accordance with the terms hereof as a result of a partially or wholly successful appeal of the Approval and Vesting Order, this Agreement shall be terminated and the Vendor shall forthwith repay all amounts paid hereunder by the Purchaser to the Vendor. If the Transaction has closed in accordance with the terms hereof, upon the appeal period in respect of the Approval and Vesting Order having expired and no appeal having been commenced in respect thereof or any appeal thereof having been dismissed with no further appeal therefrom, the Vendor will be entitled to distribute, pay or otherwise forward to any party any amount paid hereunder by the Purchaser to the Vendor.

3. CLOSING MATTERS

3.1 Closing. The Closing of the sale and purchase of the Required Purchased Assets, and any subsequent sale and purchase of the Optional Purchased Assets shall, subject to the satisfaction or waiver of the conditions set out in Article 6, take place remotely via electronic exchange of documents on the Closing Date and the Option Closing Date, or at such other place, time and date as the Parties may agree.

3.2 Assumed Obligations. It is understood and agreed that on the terms and subject to the conditions herein contained, on the Closing Date or on the Option Closing Date, as applicable, the Purchaser will assume and thereafter pay, perform, discharge and satisfy all liabilities and obligations of the Vendor and/or the Company, as applicable, of every nature and kind whatsoever (whether absolute or contingent, whether liquidated or unliquidated and whether known or unknown), including without limitation, rents, lease payments, utilities, license fees, subscription fees, or any amounts payable or other obligations whatsoever that arise from:

(a) the Required Purchased Assets, from and after the Closing Date; and

(b) the Optional Purchased Assets acquired by the Purchaser pursuant to exercise of the Option, from and after the applicable Option Closing Date,

(collectively, the "**Assumed Obligations**"),

The Vendor and/or the Company shall remain liable for all liabilities and obligations whether accrued, absolute, matured, known or unknown, liquidated or unliquidated, contingent or otherwise, that arise from:

(c) the Required Purchased Assets, prior to or on the Closing Date; and

(d) the Optional Purchased Assets acquired by the Purchaser pursuant to exercise of the Option, prior to or on the applicable Option Closing Date.

3.3 No Assumption of Liabilities. With the exception of the Assumed Obligations, the Purchaser does not assume, and shall not be obligated in any manner with respect to, any liabilities or obligations of the Vendor, including without limitation all liabilities and obligations of the Vendor (whether accrued, absolute or contingent, whether liquidated or unliquidated and whether known or unknown) relating to the Business, the Employees or the Purchased Assets arising, accruing or being incurred prior to the Closing Date.

3.4 Sales and Transfer Taxes. The Purchaser shall be responsible to pay when due any sales, social service, goods and services, harmonized sales tax and similar transfer Taxes and any registration and transfer charges and fees payable in respect of the sale and transfer of the Purchased Assets. The Purchaser shall pay directly to the appropriate Governmental Authority all such Taxes, charges and fees payable by it in respect of the purchase and sale of the Purchased Assets under this Agreement, including if applicable the goods and services tax or harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada), payable by it in respect of the purchase and sale of the Purchased Assets under this Agreement and, upon the request of the Vendor, the Purchaser, when such Taxes have been paid, shall furnish to the Vendor proof of such payment. Where under the terms of any Applicable Law a Vendor of assets such as the Purchased Assets is to collect any Taxes to be forwarded to the applicable Governmental Authority, the Purchaser will pay, if the Vendor so requests, the amount of such Taxes to the Vendor in an amount as determined by the Vendor and the Purchaser each acting reasonably, together with the payment of the Purchase Price and the Vendor shall provide a receipt respecting the payment of such Taxes by the Purchaser and shall, upon request of the Purchaser, furnish to the Purchaser proof that such Taxes have been forwarded to, or accounted for to, the applicable Governmental Authority.

3.5 Goods and Services Tax and Sales Tax Election. If mutually determined by the Vendor and the Purchaser, each acting reasonably, that such election is available:

(a) each of the Vendor and the Purchaser will, on or before the Closing Date and each Option Closing Date (if any occur) jointly execute elections, in the prescribed form(s) and containing the prescribed information, to have subsection 167(1.1) of the *Excise Tax Act* (Canada) and any similar provisions under any provincial

Applicable Laws apply to the sale and purchase of the Purchased Assets so that no tax is payable in respect of such sale and purchase under those statutes. The Purchaser will file such elections with the appropriate revenue authority within the time prescribed; and

(b) each of the Vendor and the Purchaser will execute and file, on a timely basis and using any prescribed form, a joint election under subsection 20(24) of the *Income Tax Act* (Canada) and any equivalent or corresponding provision under applicable provincial or territorial Tax legislation as to such assumption hereunder, and prepare their respective tax returns in a manner consistent with such joint election (the "**Tax Election Form**").

Notwithstanding any election pursuant to this Section 3.5, in the event that it is determined by the Canada Revenue Agency or any other Governmental Authority that there is a liability of the Purchaser to pay Taxes under the *Excise Tax Act* (Canada) or the *Income Tax Act* (Canada) or the Vendor to collect Taxes under the *Excise Tax Act* (Canada) or the *Income Tax Act* (Canada) in respect of all or part of the Transaction, the Purchaser shall indemnify and hold the Vendor, its Affiliates and each partner, employee, officer, director, accountant, agent, financial, legal and other representative of the Vendor and its Affiliates and each of the Company harmless in respect of any Taxes (including penalties and interest charged thereon) which may be assessed against any of them solely as a result of the Transaction not being eligible for the election or the failure of the Purchaser to file the election in the manner or in the time specified by the applicable legislation. Notwithstanding any other provisions of this Agreement, this Section 3.5 shall survive the Closing.

3.6 Assignment of Contractual Obligations. The Vendor will, if the Purchaser so elects in its sole discretion by notice in writing to the Vendor given before or after Closing, seek and diligently prosecute at the Vendor's expense an application for an Assignment Order with respect to the Purchased Assets specified by the Purchaser in such notice. Notwithstanding the foregoing, the Parties acknowledge and agree that there is no guarantee that such contractual obligations can be assigned and the Vendor makes no representations as to the assignability of any such contracts or as to the likelihood of obtaining an Assignment Order in respect therewith. The Vendor's obligations under this Section 3.6 will terminate on that day which is two (2) months after the Option Expiry Date.

4. REPRESENTATIONS AND WARRANTIES

4.1 The Vendor. The Vendor hereby makes the representations and warranties set out in Schedule A hereto to the Purchaser, recognizing that the Purchaser is relying on such representations and warranties in entering into the Transaction. All due diligence searches, investigations or inspections by the Purchaser up to the Effective Date and up to the Closing Date are without prejudice to the Purchaser's right to rely upon such representations and warranties of the Vendor.

4.2 The Purchaser. The Purchaser hereby makes the representations and warranties set out in Schedule B hereto to the Vendor, recognizing that the Vendor is relying on such representations and warranties in entering into the Transaction. All due diligence searches and investigations by the Vendor up to the Effective Date and up to the Closing Date and any Option

Closing Date are without prejudice to the Vendor's right to rely upon such representations and warranties of the Purchaser.

4.3 Non-Survival. The representations and warranties made by each of the Vendor and the Purchaser in this Agreement shall terminate six (6) months after the Option Expiry Date, or upon termination of this Agreement pursuant to Section 6.6, and following termination of this Agreement, as the case may be, the representations and warranties shall cease to be of any force or effect and neither Party shall have any further liability to the other Party with respect to such representations and warranties.

4.4 Purchaser's Acknowledgement. The Purchaser acknowledges and agrees that, except for the representations and warranties of the Vendor set out in Schedule A, that the Purchased Assets are being sold hereunder on an "as is, where is" basis and save as aforesaid none of the Vendor, the Company, any of their Affiliates or any partner, employee, officer, director, accountant, agent, financial, legal or other representative of any of the Vendor, the Company or any of their Affiliates has made any representation or warranty, express or implied, as to the Purchased Assets (including any implied representation or warranty as to the condition, merchantability, suitability or fitness for a particular purpose of any of the Purchased Assets), the Business, or as to the accuracy or completeness of any information regarding any of the foregoing that the Vendor, or any other Person, furnished or made available to the Purchaser or its representatives (including any projections, estimates, budgets, offering memoranda, management presentations or due diligence materials made available in the electronic data room assembled by the Vendor, or otherwise).

4.5 Further Acknowledgements of Purchaser. Without limiting the generality of the foregoing, it is acknowledged and agreed by the Purchaser that:

(a) in determining whether to enter into this Agreement, the Purchaser: (i) has had an opportunity to conduct any and all due diligence regarding the Purchased Assets prior to the execution of this Agreement and that the obligations of the Purchaser are not conditional upon any additional due diligence; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets to be acquired and obligations and liabilities to be assumed in entering into this Agreement; and (iii) except for the representations and warranties set out in Section 4.1, did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of Applicable Law or otherwise) from or by the Vendor, the Company, any of their Affiliates or any partner, employee, officer, director, accountant, agent, financial, legal or other representative of any of the Vendor, the Company or any of their Affiliates, regarding the Purchased Assets or the completeness of any information provided in connection therewith, except as expressly stated herein; and

(b) the Purchaser acknowledges and agrees that the enforceability of this Agreement against the Vendor is subject to obtaining the Approval and Vesting Order.

5. COVENANTS

5.1 Access and Information. The Vendor agrees to provide the Purchaser with full and complete:

(a) access to the Purchased Assets, any Books and Records, title documents, plans, reports, plans and all other material documents and information and data relating to the Purchased Assets;

(b) access to, and meetings with, the management and Employees of the Company as reasonably requested by the Purchaser;

(c) access to, and meetings with, representatives of the secured creditor and suppliers of the Company as reasonably requested by the Purchaser; and

(d) information relating to any Person who at any time in the past may have been an Employee of the Company.

5.2 Operations Until Closing. Except as otherwise consented to in writing by the Purchaser, from the Effective Date until the Closing Date, the Vendor shall:

(a) cease any existing negotiations and will not initiate or undertake any negotiations with any other party with respect to any transaction that could impede in any way the successful completion of the Transaction; and

(b) promptly advise the Purchaser of any event occurring after the Effective Date of which the Vendor becomes aware that would render any representation or warranty of the Vendor untrue in any material respect if made on and as of the Closing Date or would result in a material breach by the Vendor of its obligations under this Agreement.

5.3 Negative Covenants of the Vendor. Except as contemplated by this Agreement, permitted under the Transition Services Agreement, or otherwise consented to in writing by the Purchaser, the Vendor covenants not to do or permit to be done any of the following actions:

(a) from the Effective Date (or such later date as may be specified) and while this Agreement is in effect, until after the Option Expiry Date:

(i) sell, transfer or otherwise dispose of, or agree to sell, transfer, pledge, lease, encumber or otherwise dispose of, any Purchased Assets (or cause or induce any other Person to take any action to solicit, initiate, encourage or assist the submission, negotiation or offer from any other party), or to enter into any agreement or transaction which would result in the creation of any Encumbrance on any of the Purchased Assets, or use or allow any third party to access or use the Optional Purchased Assets, other than:

(A) Encumbrances which will be discharged by the Approval and Vesting Order; or

(B) in relation to the Optional Purchased Assets, where the Purchaser has indicated in writing that it has determined it will not exercise the Option to purchase such Optional Purchased Assets (and only in relation to such Optional Purchased Assets specifically identified in such written notice);

(ii) relinquish any currently existing material contractual rights or any other rights with respect to any Purchased Assets;

(b) sell, transfer, agree to sell, transfer, pledge or lease, or allow the access by any competitor of the Company or the Purchaser, to any Optional Purchased Assets containing Required Purchased Assets or any Confidential Information of the Purchaser, including such Confidential Information acquired as part of the Purchased Assets;

(c) with respect to the Embedded Assets for the 60 days following Closing or such longer period as agreed between the Vendor and the Purchaser:

(i) use the Embedded Assets or any copies thereof for any reason other than asset recovery activities in relation to the Monetizable Excluded Assets;

(ii) disclose or permit access to the Embedded Assets to any third party; or

(iii) sell, market for sale, or accept an offer to purchase, directly or indirectly, any of the Embedded Assets.

5.4 Access to Embedded Assets. The Purchaser shall provide the Vendor with access to its Books and Records and the Embedded Assets reasonably required to support any asset recovery activities (including litigation support) regarding client accounts following the Closing until the later of (i) the expiry of any applicable limitation periods arising by statute and (ii) any additional period during which any litigation continues in relation to asset recovery activities (the "**Access Period**"), provided that: (a) the Vendor delivers to the Purchaser reasonable prior written notice requesting access, (b) the access is performed during normal business hours in Vancouver, British Columbia, (c) a representative of the Purchaser may be present during such access, (d) such access does not result in any undue interference to the business operations of the Purchaser, and (e) the Vendor shall only use or disclose any Personal Information making up any portion of the Embedded Assets for the same purposes for which it was collected, used or disclosed. If the Purchaser wishes to destroy any Books and Records and/or Embedded Assets, the Purchaser shall first advise the Vendor of its intention to destroy such information and the Vendor shall be given an opportunity to make copies of any information prior to such destruction. The Purchaser shall use its commercially reasonable efforts to retain all original Books and Records and to preserve copies of the Embedded Assets during the Access Period, or such other period as may be approved by the inspectors of the trustee or the Court.

5.5 Notice of Offers. The Vendor shall promptly notify the Purchaser in writing if it receives any inquiries or offers relating to the Optional Purchased Assets prior to the Option Expiry Date, and such notice shall identify the applicable third party and include a copy of the communication received, or, if not in written or recorded form, a written summary of such communication.

5.6 Efforts to Consents or Other Approvals. The Vendor shall use its commercially reasonable efforts to cause, or cause to be taken, all actions and do, or cause to be done, all things and promptly execute and file, or join in the execution and filing of, any application or other document as the Purchaser may reasonably request and as may be necessary, proper or advisable to permit and diligently pursue the completion of the Transaction in accordance with the terms hereof, including obtaining the authorization, approval or consent of any Governmental Authority or any third party to any assignment or transfer of the Purchased Assets and shall co-operate with each other in connection therewith, including using all commercially reasonable efforts to obtain as soon as reasonably possible and in any event, prior to the Closing Date (in respect of the Required Purchased Assets) and the Option Closing Date (in respect of the Optional Purchased Assets) all necessary waivers, consents and approvals or releases from the other parties to the Purchased Assets. Notwithstanding the foregoing, the Parties acknowledge and agree that certain of the Purchased Assets are subject to contracts with third parties and there is no guarantee that such third parties may grant Consents in relation therewith and the Vendor makes no representations as to the assignability of any such contracts or as to the likelihood of obtaining such Consents.

5.7 Court Approval. The Vendor will use all commercially reasonable efforts to obtain:

(a) the Approval and Vesting Order; and

(b) any Assignment Order that the Purchaser has reasonably requested on or before any applicable Option Closing Date (the Assignment Order together with the Approval and Vesting Order, the "**Required Court Orders**").

The Vendor will obtain the consent of the Purchaser, who covenants to act reasonably in that regard, to any changes to the Required Court Orders requested by the Court prior to the granting of the Required Court Orders. The Vendor shall serve court materials in support of all Required Court Orders on such Persons, in such manner and at such time as the Court requires and the Purchaser may reasonably require. The Vendor shall provide the Purchaser with a copy of all court materials (including trustee reports) relating to the Required Court Orders not less than two (2) Business Days prior to service thereof, unless otherwise agreed by the Parties. The Vendor shall provide the Purchaser forthwith a copy of all correspondence or court materials received by it opposing the making of the Required Court Orders or otherwise relating to the Transaction or the Required Court Orders.

5.8 Disclosure of Confidential Information.

(a) Each Party acknowledges that it has received, in connection with the due diligence, negotiations and discussions relating to the Transaction, and will receive, in the course of completing the Transaction, Confidential Information belonging to the other Party or to its Affiliates. As used herein, the term "**Confidential Information**" of a Party includes any and all of the information of such Party or its Affiliates (or former Affiliates), that is disclosed in connection with the Transaction contemplated hereby, in any form, whether in writing, orally, electronically or otherwise, or otherwise made available by observation, inspection or otherwise by either Party or its authorized representatives (collectively, a "**Disclosing Party**") to the other Party or its Affiliates or authorized representatives (collectively, a "**Receiving Party**"), but excluding Personal Information. Any Confidential Information making up part of the Required Purchased Assets or Optional Purchased Assets (but specifically excluding any Confidential Information making up part of the Excluded Assets) once acquired by the Purchaser shall, effective as of the effective date of such applicable purchase and transfer, become the Confidential Information of the Purchaser and subject to the limitations of this Section 5.8. Any Confidential Information making up part of the Excluded Assets shall remain the Confidential Information of the Vendor. The use and disclosure of Personal Information is governed by Section 5.9 of this Agreement.

(b) The covenants and agreements of the Parties under this Section 5.8 shall not apply to that portion of any Confidential Information that: (i) becomes freely available to the public other than because of, or through the actions or omissions of, or as the result of any breach of this Agreement by, a Receiving Party; (ii) is disclosed to the Court or the Court of Appeal, as applicable, in relation to the Required Court Orders as provided in Section 5.7 or in relation to the Bankruptcy Proceedings, generally; or (iii) subject to Section 5.8(c) below, is otherwise required to be disclosed pursuant to Applicable Laws.

(c) Subject to Section 5.8(a), prior to any disclosure of Confidential Information which is required by Applicable Laws, the Receiving Party shall give the Disclosing Party reasonable prior notice of such disclosure, and, if requested by the Disclosing Party, shall provide reasonable cooperation to the Disclosing Party in connection with the Disclosing Party's efforts to obtain a protective order or other reliable assurances that confidential treatment will be afforded to the Confidential Information. In the event that the Disclosing Party is unable to obtain such protective order or other assurances, the Receiving Party will furnish only that portion of the Confidential Information which it is advised by a written opinion of counsel is legally required, and will give the Disclosing Party notice of the information to be disclosed as far in advance as practicable, and will exercise commercially reasonable efforts to obtain a protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information so disclosed.

(d) Each Receiving Party acknowledges the confidential and proprietary nature of the Confidential Information of the Disclosing Party and agrees that such Confidential Information: (i) shall, subject to Sections 5.8(b) and 5.8(c), be kept confidential by the Receiving Party; (ii) shall not be used for any reason or purpose other than to consummate the Transaction contemplated hereby; and (iii) without limiting the foregoing, shall not be disclosed by the Receiving Party to any Person, except in each case as otherwise expressly permitted by the terms of this Agreement or with the prior written consent of: (A) the Vendor, with respect to Confidential Information of the Company, the Vendor, or any of their Affiliates (or former Affiliates); or (B) the Purchaser, with respect to Confidential Information of the Purchaser. Each of the Parties shall disclose the Confidential Information of the other Party only to its representatives who require such material for the purpose of evaluating and consummating the Transaction contemplated by this Agreement and are informed of the confidentiality obligations herein. Each of the Parties shall: (1) enforce the terms of this Section 5.8 as to its respective representatives and assigns; (2) take such action to the extent necessary to cause its Affiliates and any of its or their respective representatives and assigns to comply with the terms and conditions of this Section 5.8; and (3) be responsible and liable for any breach herein by its Affiliates or any of its or their respective representatives and assigns.

(e) Notwithstanding any other provision of this Agreement, from and after Closing, the provisions of Section 5.8(d) above shall not apply to or otherwise restrict the Purchaser's use of any Confidential Information relating exclusively to the Purchased Assets.

(f) Each Receiving Party acknowledges and agrees that it shall be liable to the Disclosing Party for all reasonable claims, liabilities, damages, costs, losses and expenses whatsoever that the Disclosing Party may suffer, sustain, pay or incur (including reasonable legal, accounting and other professional costs, fees and disbursements, with legal fees on a complete indemnity basis) arising from any breach or anticipated breach of the confidentiality provisions herein and that upon any such breach or anticipated breach thereof, in addition to (and without prejudice to) any other remedies available to the Disclosing Party, the covenants and obligations of the Receiving Party in respect of the Confidential Information may be enforced by specific performance, mandatory injunction or other equitable remedies, without the necessity of proof of actual damages.

Notwithstanding anything to the contrary in this Agreement, this Section 5.8 shall survive the Closing.

5.9 Disclosure of Personal Information. In the course of the Purchaser's due diligence in respect of the Purchased Assets, the Purchaser may request and the Vendor may disclose certain personnel records and other information related to Purchased Assets and/or the Business that may include "personal information" (the "**Personal Information**") subject to the *Personal Information Protection Act* (British Columbia), *The Personal Information Protection and Electronic Documents Act* (Canada) or of any similar Applicable Law (collectively, "**PIPA**"), and accordingly:

(a) the Purchaser hereby confirms to the Vendor that the Personal Information that the Purchaser may hereafter request in the course of its due diligence is necessary in order for the Purchaser to determine whether to proceed with the proposed purchase of the Purchased Assets; and

(b) the Purchaser hereby covenants and agrees that:

(i) prior to Closing, any Personal Information that the Vendor discloses to the Purchaser shall be used by the Purchaser solely for purposes related to its due diligence and its proposed purchase of the Purchased Assets, and the Purchaser shall not disclose or otherwise make available any of the Personal Information to any Person except employees, directors, officers and professional advisors of the Purchaser with a need to know for the purposes of such due diligence and proposed purchase;

(ii) if the proposed purchase of the Purchased Assets does not proceed or is not completed, the Purchaser will destroy or return to the Vendor all of the Personal Information disclosed to the Purchaser by the Vendor in accordance with the Vendor's instructions; and

(iii) if the proposed purchase of the Purchased Assets is completed: (A) the Purchaser shall only use or disclose the Personal Information for the same purposes for which it was collected, used or disclosed by the Vendor, or as otherwise permitted by and in accordance with PIPA; and (B) the Purchaser shall notify the individuals who are the subject of the Personal Information that the purchase of the Purchased Assets has taken place and that their Personal Information was disclosed to the Purchaser.

Notwithstanding anything to the contrary in this Agreement, this Section 5.9 shall survive the Closing.

5.10 Post-Closing Operation of Bank Accounts. From and after the Closing Date, the Vendor shall keep open the Bank Accounts until such time as the Purchaser and Vendor mutually agree that they may be closed, and to provide the Purchaser with viewing access to the Bank Accounts at all times upon reasonable request. If the Vendor becomes aware of any amounts deposited in the Bank Accounts that relate the Required Purchased Assets (or any acquired Optional Purchased Assets, as applicable and following the applicable Option Closing Date) following the Closing Date, it shall promptly advise the Purchaser. Any amounts deposited into the Bank Accounts following Closing that relate to any of the Required Purchased Assets (or any acquired Optional Purchased Assets, as applicable and following the applicable Option Closing Date) shall be held in trust by the Vendor for the benefit of the Purchaser and transferred to the Purchaser within two (2) Business Days following the Purchaser providing written notice to the Vendor to transfer such amount. Notwithstanding any other provisions of this Agreement, the provisions of this Section 5.10 shall survive the Closing.

5.11 Release from Assumed Obligations. On or before the Closing Date or on any Option Closing Date, as applicable, the Parties shall take, or cause to be taken, all commercially reasonable actions and do, or cause to be done, all commercially reasonable things necessary to release the Vendor from any Assumed Obligations in respect of the Purchased Assets. Notwithstanding anything to the contrary in this Agreement, this Section 5.11 shall survive the Closing.

6. CONDITIONS OF CLOSING

6.1 Mutual Conditions. The obligation of the Vendor to complete the sale of the Purchased Assets contemplated by this Agreement and of the Purchaser to complete the purchase of the Purchased Assets as contemplated by this Agreement is subject to the satisfaction of each of the following conditions by the dates set forth below, and if no dates are set forth then by the Closing Date, or the Option Closing Date (as applicable):

(a) *No Violations of Laws*. No Applicable Law will be in force, and no action will have been taken under any Applicable Law or by any Governmental Authority, and no Order will be in effect that: (i) makes it illegal or otherwise, directly or indirectly, restrains, enjoins or prohibits the completion of the Transaction; (ii) results in an Order or assessment of damages, directly or indirectly, relating to the Transaction that would have a Material Adverse Change on the Required Purchased Assets; or (iii) would impose any condition or restriction that, after giving effect to the Transaction, would have a Material Adverse Change on the Required Purchased Assets.

(b) *Required Court Orders*. The Vendor shall have obtained the Required Court Orders as provided in Section 5.7.

(c) *Assumption Documents*. The Purchaser and the secured creditors of the Company who hold the Assumed Obligations shall have agreed on the terms and conditions of the Assumption Documents.

The foregoing conditions are inserted for the mutual benefit of the Vendor and the Purchaser and may be waived in whole or in part only if jointly waived in writing by the Vendor and the Purchaser at or prior to the applicable time set for the satisfaction of such conditions, and if they are not satisfied or waived at or prior to the applicable times, then this Agreement may at such time be terminated in accordance with Section 6.6.

6.2 Required Purchased Assets Conditions for the Benefit of the Purchaser. The obligation of the Purchaser to complete the purchase of the Required Purchased Assets at the Closing and to assume the Assumed Obligations associated with the Required Purchased Assets at the Closing Date as contemplated by this Agreement is subject to the satisfaction of each of the following conditions by the dates set forth below, or if no date is set forth then by the Closing Date:

(a) *Representations and Warranties*. Each of the representations and warranties of the Vendor contained in this Agreement shall be true and correct in all material respects at the Effective Date and as of the Closing Date (unless such representation and warranty is already subject to a materiality qualification, in which case it shall be true and correct in all respects at the Effective Date and as of the Closing Date) as if made at and as of each such date and time.

(b) *Termination of Employees*. The Vendor having terminated all Employees.

(c) *Covenants*. Each of the covenants and agreements of the Vendor to be performed prior to or as of the Closing Date shall have been duly performed in all material respects.

(d) *Consents*. The Vendor shall have taken or caused to be taken all commercially reasonable actions and to have done, or caused to be done, all commercially reasonable things necessary to obtain the Consents related to the Required Purchased Assets and other approvals contemplated under Section 5.6, in form and substance satisfactory to the Purchaser acting reasonably.

(e) *Required Purchased Assets.* Title to the Required Purchased Assets shall have been transferred to the Purchaser pursuant to the Approval and Vesting Order and free and clear of all Encumbrances.

(f) *IP Assignment Agreement.* The Vendor having provided the Purchaser with a complete and accurate list of all domain names and registered intellectual property used in the Business, and the Vendor and the Purchaser entering into an assignment of intellectual property agreement for the purpose of updating all domain and intellectual property registrations relating to the Required Purchased Assets.

(g) *Transition Services Agreement.* The Vendor and the Purchaser shall have entered into the Transition Services Agreement.

(h) *Employee Contracts.* The Purchaser, acting reasonably and in good faith, shall have entered into, or reached, agreeable employment terms satisfactory to the Purchaser with each Employee that the Purchaser determines, in its sole discretion, as necessary to commercialize the Required Purchased Assets.

(i) *Risk of Appeal.* The Purchaser having determined that there is no reasonable risk of appeal or leave to appeal of the Approval and Vesting Order, or that the Approval and Vesting Order has become a final order.

The foregoing conditions are for the exclusive benefit of the Purchaser and may be waived, in writing, by the Purchaser, in whole or in part, at or prior to the applicable time for satisfaction of such conditions, and if they are not satisfied or waived at or prior to the applicable times, then this Agreement may at such time be terminated in accordance with Section 6.6.

6.3 Required Purchased Assets Conditions for the Benefit of the Vendor. The obligation of the Vendor to complete the sale of the Required Purchased Assets at the Closing as contemplated by this Agreement is subject to the satisfaction of each of the following conditions:

(a) *Representations and Warranties*. Each of the representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects at the Effective Date and as of the Closing Date (unless such representation and warranty is already subject to a materiality qualification, in which case it shall be true and correct in all respects at the Effective Date and as of the Closing Date) as if made at and as of each such date and time.

(b) *Covenants*. Each of the covenants and agreements of the Purchaser to be performed prior to or as of the Closing Date shall have been duly performed in all material respects.

(c) *Consents*. The Purchaser shall have taken or caused to be taken all commercially reasonable actions and to have done, or caused to be done, all commercially reasonable things necessary to obtain the Consents related to the Required Purchased Assets and other approvals contemplated under Section 5.6, in form and substance satisfactory to the Vendor acting reasonably.

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived, in writing, by the Vendor, in whole or in part, at or prior to the applicable time set for the satisfaction of such conditions and if they are not satisfied or waived at or prior to the applicable times, then this Agreement may at such time be terminated in accordance with Section 6.6.

6.4 Optional Purchased Assets Conditions for the Benefit of the Purchaser. Following the delivery of the Option Notice, the obligation of the Purchaser to complete the purchase of the Optional Purchased Assets and to assume the Assumed Obligations associated with the Optional Purchased Assets at the Option Closing Date as contemplated by this Agreement is subject to the satisfaction of each of the following conditions by the dates set forth below, or if no date is set forth then by the Option Closing Date:

(a) *Representations and Warranties*. Each of the representations and warranties of the Vendor contained in this Agreement shall be true and correct in all material respects at the date hereof and at the Option Closing Date (unless such representation and warranty is already subject to a materiality qualification, in which case it shall be true and correct in all respects at the date hereof and at the Option Closing Date) as if made at and as of each such date and time.

(b) *Covenants*. Each of the covenants and agreements of the Vendor to be performed prior to or at the Option Closing Date shall have been duly performed in all material respects.

(c) *Consents*. The Vendor shall have taken or caused to be taken all commercially reasonable actions and to have done, or caused to be done, all commercially reasonable things necessary to obtain the Consents related to the Optional Purchased Assets and other approvals contemplated under Section 5.6, in form and substance satisfactory to the Purchaser acting reasonably.

(d) *Optional Purchased Assets*. Subject to Section 8.3, title to the Optional Purchased Assets listed in the Option Notice shall have been transferred to the Purchaser pursuant to the Approval and Vesting Order and filing of a trustee's certificate.

6.5 Optional Purchased Assets Conditions for the Benefit of the Vendor. The obligation of the Vendor to complete the sale of the Optional Purchased Assets at the Closing as contemplated by this Agreement is subject to the satisfaction of each of the following conditions:

(a) *Representations and Warranties*. Each of the representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects at the Effective Date and at the Option Closing Date (unless such representation and warranty is already subject to a materiality qualification, in which case it shall be true and correct in all respects at the Effective Date and at the Option Closing Date) as if made at and as of each such date and time.

(b) *Covenants*. Each of the covenants and agreements of the Purchaser to be performed prior to or at the Option Closing Date shall have been duly performed in all material respects.

(c) *Consents*. The Purchaser shall have taken or caused to be taken all commercially reasonable actions and to have done, or caused to be done, all commercially reasonable things necessary to obtain the Consents related to the Optional Purchased Assets and other approvals contemplated under Section 5.6.

(d) *Option Notice*. The applicable Option Notice shall have been received by the Purchaser on or prior to the Option Expiry Date.

6.6 Termination. This Agreement may be terminated by notice given prior to or at the Closing as follows:

(a) by mutual written agreement of the Parties;

(b) by either the Purchaser or the Vendor by notice in writing to the other Party if the Closing does not occur on or before May 22, 2020;

(c) by the Purchaser by notice in writing to the Vendor if the Vendor shall have failed to comply in any material respect with any of its obligations under this Agreement (other than those to be performed on the Closing Date) for a period of seven (7) Business Days (or a lesser period specified by the Purchaser if the Closing Date is to occur within seven (7) Business Days after the giving of such notice) after the Purchaser shall have notified the Vendor of such failure to comply in writing;

(d) by the Vendor by notice in writing to the Purchaser if the Purchaser shall have failed to comply in any material respect with any of its obligations under this Agreement (other than those to be performed on the Closing Date) for a period of seven (7) Business Days (or a lesser period specified by the Vendor if the Closing Date is to occur within seven (7) Business Days after the giving of such notice) after the Vendor shall have notified the Purchaser of such failure to comply in writing;

(e) by the Purchaser by notice in writing to the Vendor if any condition in Sections 6.1 and 6.2 has not been satisfied by the Closing Date or other applicable date specified therein and the Purchaser has not waived such condition on or before such date; or

(f) by the Vendor by notice in writing to the Purchaser if any condition in Sections 6.1 and 6.3 has not been satisfied by the Closing Date or other applicable date specified therein and the Vendor has not waived such condition on or before such date.

7. CLOSING DELIVERIES

7.1 Vendor's Closing Documents – Closing Date. On the Closing Date, the Vendor will deliver the following to the Purchaser's solicitor, on the condition that the same will only be dealt with in accordance with the procedure set out in Section 7.5:

(a) a court certified copy of the Approval and Vesting Order;

(b) a certificate of the Vendor dated the Closing Date certifying that the Vendor's representations and warranties in this Agreement are true and correct in all material respects as of the Closing (unless such representation and warranty is already subject to a materiality qualification, in which case certifying that it is true and correct in all respects) and the covenants of the Vendor to be performed by the Closing have been performed;

(c) subject to Section 3.5, the Tax Election Form signed by the Vendor;

(d) all deeds, documents of title, conveyances, bills of sale, transfers, assignments, and indentures and other documents necessary or desirable in the Purchaser's opinion, acting reasonably, to effect the assignment, transfer and sale of the Required Purchased Assets as contemplated by this Agreement;

(e) such other documents as may be requested by the Purchaser, acting reasonably, including, without limitation, the Other Transaction Documents related to the Required Purchased Assets; and

(f) evidence of the receipt of Consents related to the Required Purchased Assets obtained by the Vendor prior to the Closing.

7.2 The Purchaser's Closing Documents – Closing Date. On the Closing Date, the Purchaser will deliver the following to the Vendor's solicitor, on the condition that the same will only be dealt with in accordance with the procedure set out in Section 7.5:

(a) payment of the Purchase Price;

(b) any Taxes to be remitted to the Vendor as contemplated by Section 3.4;

(c) a certificate of the Purchaser dated the Closing Date certifying that the Purchaser's representations and warranties in this Agreement are true and correct in all material respects as of the Closing (unless such representation and warranty is already subject to a materiality qualification, in which case certifying that it is true and correct in all respects) and the covenants of the Purchaser to be performed by the Closing have been performed;

(d) subject to Section 3.5, the Tax Election Form as countersigned by the Purchaser;

(e) evidence of the receipt of Consents related to the Required Purchased Assets obtained by the Purchaser prior to the Closing; and

(f) such other documents as may be requested by the Vendor, acting reasonably.

7.3 Vendor's Closing Documents – Option Closing Date. On any Option Closing Date, the Vendor will deliver the following to the Purchaser's solicitor, on the condition that the same will only be dealt with in accordance with the procedure set out in Section 7.5:

(a) a certificate of the Vendor dated on the applicable Option Closing Date certifying that the Vendor's representations and warranties in this Agreement are true and correct in all material respects as of the applicable Option Closing Date (unless such representation and warranty is already subject to a materiality qualification, in which case certifying that it is true and correct in all respects) and the covenants of the Vendor to be performed by the applicable Option Closing Date have been performed;

(b) subject to Section 3.5, the Tax Election Form signed by the Vendor;

(c) all deeds, documents of title, conveyances, bills of sale, transfers, assignments, and indentures and other documents necessary or desirable in the Purchaser's opinion, acting reasonably, to effect the assignment, transfer and sale of the Optional Purchased Assets being acquired by the Purchaser in accordance with the terms hereof, as contemplated by this Agreement;

(d) such other documents as may be requested by the Purchaser, acting reasonably, including, without limitation, the Other Transaction Documents related to the applicable Optional Purchased Assets; and

(e) evidence of the receipt of those Consents related to the applicable Optional Purchased Assets obtained by the Vendor prior to the applicable Option Closing Date.

7.4 The Purchaser's Closing Documents – Option Closing Date. On any Option Closing Date, the Purchaser will deliver the following to the Vendor's solicitor, on the condition that the same will only be dealt with in accordance with the procedure set out in Section 7.5:

(a) any Taxes to be remitted to the Vendor as contemplated by Section 3.4;

(b) a certificate of the Purchaser dated the applicable Option Closing Date certifying that the Purchaser's representations and warranties in this Agreement are true and correct in all material respects as of the applicable Option Closing Date (unless such representation and warranty is already subject to a materiality qualification, in which case certifying that it is true and correct in all respects) and the covenants of the Purchaser to be performed by the applicable Option Closing Date have been performed in all material respects;

(c) subject to Section 3.5, the Tax Election Form as countersigned by the Purchaser;

(d) evidence of the receipt of those Consents related to the applicable Optional Purchased Assets obtained by the Purchaser prior to the applicable Option Closing Date; and

(e) such other documents as may be requested by the Vendor, acting reasonably.

7.5 Terms of Closing. All of the documents and monies will be dealt with as follows, with the Vendor's solicitors and the Purchaser's solicitors extending undertakings to each other to deal with such documents and monies only in accordance with the following, and if circumstances come about which do not permit dealing with such monies in accordance with the following then only in accordance with the mutual agreement between the Vendor and the Purchaser or an order of the Court in the Bankruptcy Proceedings:

(a) in respect of the Closing of the sale of the Required Purchased Assets, except for the certified copy of the Required Court Orders, none of the documents and monies will be dealt with until the deliveries contemplated by this Section 7.5 have been made and the conditions set out in Article 6 have been fulfilled or waived, at which time:

   (i) all remaining documents referenced in Section 7.1 will be released to the Purchaser; and

   (ii) all documents and monies referenced in Section 7.2 will be released to the Vendor;

(b) in respect of the Closing of the sale of the Optional Purchased Assets, none of the documents and monies will be dealt with until the deliveries contemplated by this Section 7.5 have been made and the conditions set out in Article 6 have been fulfilled or waived, at which time:

   (i) all remaining documents referenced in Section 7.3 will be released to the Purchaser; and

   (ii) all documents and monies referenced in Section 7.4 will be released to the Vendor.

8. RISK OF LOSS

8.1 Risk of Loss. Until the Closing Date, the Required Purchased Assets will be and remain at the sole risk of the Vendor, and until the applicable Option Closing Date, the applicable Optional Purchased Assets will be and remain at the sole risk of the Vendor.

8.2 Pre-Closing Loss. If prior to the Closing Date any of the Required Purchased Assets are destroyed or damaged by fire or any other casualty or shall be expropriated or seized by any Governmental Authority, the Purchase Price shall not be affected by such destruction or damage and the insurance proceeds for such destruction or damage or the compensation for such expropriation or seizure paid or payable to the Vendor shall be deemed to be included in the Required Purchased Assets without any adjustment to the Purchase Price and the Purchaser shall accept such proceeds or compensation, or the right to recover the same in replacement for the Required Purchased Assets so destroyed, damaged, expropriated or seized. The Vendor agrees that it will maintain insurance based on liquidation values on the Required Purchased Assets until the Closing Date and on the Optional Purchased Assets until the Option Expiry Date.

8.3 Interim Possession of Optional Purchased Assets. Notwithstanding Sections 8.1 and 8.2, the Parties acknowledge and agree that, prior to the Option Closing Date, certain telephone and computer hardware making up part of the Optional Purchased Assets will be in the possession of prior Employees (the "**Distributed Assets**"). The Vendor shall use commercially reasonable efforts to facilitate the return of all Distributed Assets on or before the applicable

Option Closing Date, but there is no guarantee that such third parties may return the Distributed Assets, or as to the condition of such Distributed Assets upon their return. Accordingly, the Parties further acknowledge and agree that:

(a) the Vendor may not be able to deliver all Distributed Assets to the Purchaser on the Option Closing Date, or at all;

(b) the Vendor makes no representations as to the condition of such Distributed Assets (which, for greater certainty, are being assumed by the Purchaser on an "as is, where is" basis); and

(c) the Vendor shall not bear the risk of loss of a particular Distributed Asset if such Distributed Asset is not delivered to the Purchaser in accordance with the terms of this Agreement provided that the Vendor uses commercially reasonable efforts to take or causes to be taken all actions and does, or causes to be done, all things necessary to secure the return of such Distributed Assets from former Employees.

Notwithstanding anything to the contrary in this Agreement, this Section 8.3 shall survive the Closing.

9. POST-CLOSING MATTERS

9.1 Possession Following Closing Date. The Purchaser will be entitled to take possession of and enjoy the Required Purchased Assets after the payment of the Purchase Price, but subject to the terms of the Transition Services Agreement. The Required Purchased Assets will be at the risk of the Purchaser from and after the Closing Date.

9.2 Names of Company. Forthwith following the Closing Date, the Company shall, and the Vendor shall cause the Company to, discontinue use of the business names purchased as part of the Required Purchased Assets except where legally required to identify the Company until their names have been changed to another name. Following the Closing Date, the Company shall, and the Vendor shall cause the Company to, discontinue use of the business names purchased as part of the Required Purchased Assets, except where legally required to identify the Company until their names have been changed to another name. The Vendor shall, as soon as practical, and to the extent applicable, cause the Company to change their corporate names to their respective numbered company names after the Closing Date.

10. MISCELLANEOUS

10.1 Other Dealings and Court Approval. The Purchaser acknowledges that this Agreement and the carrying out of the Transactions are subject to Court approval. The Vendor hereby advises the Purchaser that the Vendor shall, as set forth herein, present this Agreement, either by itself or together with other agreements relating to the Purchased Assets or some of them, to the Court on notice to the parties which are participating in the Bankruptcy Proceedings. The Purchaser acknowledges having been advised by the Vendor to arrange for its own representation at any Court application to approve this Agreement, it being acknowledged that the Purchaser's ability to make representations at such application is subject to orders of the Court.

10.2 Amendment and Modification; Waiver. This Agreement may only be amended or modified in writing, signed by each of the Parties. No waiver in writing of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

10.3 Expenses. Except as otherwise expressly provided in this Agreement, whether or not the Transaction is consummated, the Parties shall bear their own respective expenses (including, but not limited to, all compensation and expenses of counsel, consultants and accountants) incurred in connection with this Agreement and the Transaction.

10.4 Public Disclosure. Except as may be required to comply with the requirements of Applicable Law, no press release or similar public announcement or communication will be made or caused to be made concerning the execution, performance, terms and conditions of this Agreement unless specifically approved in advance by each of the Parties; provided that to the extent either Party to this Agreement is required by law, to make such a public disclosure, such public disclosure shall only be made after prior consultation with the other Party to this Agreement, or unless otherwise consented to by the Vendor, which consent shall be provided by the Vendor acting reasonably and without delay. The Parties agree that this Section 10.4 has no application with respect to any disclosure which the Vendor, acting reasonably, considers is required in relation to the application for the Approval and Vesting Order. Notwithstanding anything in this Section 10.4, the Purchaser may make public releases or announcements regarding the Transaction in the form attached on Schedule I, or any summary or part thereof.

10.5 Assignment. Neither Party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other Party hereto, other than the Purchaser may assign its rights and obligations under this Agreement to an Affiliate of the Purchaser without written consent of the Vendor.

10.6 Entire Agreement. This Agreement (including without limitation, the agreements and documents in writing contemplated to be delivered hereunder or herewith as of the Effective Date, including the Transition Services Agreement) contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters including without limitation the Term Sheet, which the Parties acknowledge and agree shall terminate upon due execution and delivery of this Agreement. In the event of a conflict between the terms of this Agreement and the Transition Services Agreement, the Transition Services Agreement shall govern to the extent of such conflict.

10.7 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

10.8 Parties in Interest. This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns and, to the extent third parties are named as beneficiaries of a release, indemnity or other covenant hereunder or under any document or instrument delivered pursuant hereto, such third parties shall be entitled to enforce such provisions even though they are not a party hereto and each Party hereto may, with the consent of such third party, enforce such provisions on their behalf. Except as expressly provided in this Section, no third parties shall be beneficiaries of or have any interest in this Agreement.

10.9 Further Assurances. Prior to, on and following the Closing Date, each of the Parties agrees that it shall act in good faith with respect to the satisfaction of its obligations under this Agreement, and, at the reasonable request of the other Party, shall, at its own (unless otherwise provided in this Agreement) expense, take such actions and do such things and, as the case may be, execute and deliver or furnish such additional agreements, documents and instruments as may, from time to time, be necessary or reasonably desirable to better effectuate the Transaction.

10.10 Counterparts. This Agreement and any amendments hereto may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall be considered one and the same agreement. A signed electronic copy, including if signed via digital signature software (e.g. DocuSign) of this Agreement shall be effectual and valid proof of execution and delivery.

10.11 Performance on Holidays. If any action is required to be taken pursuant to this Agreement on or by a specified date which is not a Business Day, then such action shall be valid if taken on or by the next succeeding Business Day.

10.12 Notices. All notices hereunder shall be deemed given if in writing and delivered personally or sent by facsimile, email or by registered or certified mail (return receipt requested) to the Parties at the following addresses (or at such other addresses as shall be specified by like notice):

(a) if to the Purchaser, to:

Global Reach Financial Solutions Inc.
1700 - 360 Main Street
Winnipeg MB
R3C 3Z3
c/o Fillmore Riley LLP

Attention: Brett Flowers and Camilla Richardson
Email: bflowers@globalreachgroup.com
mrichardson@globalreachgroup.com

With a copy to, which shall not constitute delivery:

Dentons Canada LLP
250 Howe St 20th Floor
Vancouver, BC V6C 3R8

Attention: John Sandrelli & Tevia Jeffries
Email: john.sandrelli@dentons.com
tevia.jeffries@dentons.com

(b) if to the Vendor, to:

Ernst & Young Inc.
Suite 1600
700 Georgia Street West
Vancouver, BC V7Y 1A2

Attention: Mike Bell
Email: mike.bell@ca.ey.com

With copy to, which shall not constitute delivery:

MLT Aikins LLP
Suite 2600, 1066 West Hastings Street
Vancouver, BC V6E 3X1

Attention: William E. J. Skelly & Caolan Lemke
Email: WSkelly@mltaikins.com
CLemke@mltaikins.com

Any notice given by mail shall be effective, if mailed at any time other than during a general discontinuance of postal service due to strike, lockout or otherwise, on the fourth Business Day after the post-marked date thereof. Any notice given by facsimile or email shall be effective on the Business Day following the sending. Any notice delivered personally shall be effective at the time it is delivered to the applicable address noted above either to the individual designated above or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. In the event of a general discontinuance of postal service due to strike, lock-out or otherwise, notices and communications shall be delivered personally, by facsimile or by email only.

10.13 Time of the Essence. Time shall be of the essence in respect of the obligations of the Parties arising prior to Closing under this Agreement.

10.14 Governing Law and Court Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein, and the Parties agree to, and do hereby, attorn to the exclusive jurisdiction of the British Columbia Supreme Court in relation to any matter relating to this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, this Agreement has been signed on behalf of each of the Parties as of the Effective Date.

ERNST & YOUNG INC., solely in its capacity as trustee in bankruptcy of the estate of **EncoreFX Inc.**

Per: DocuSigned by: ______________________

Authorized Signatory

Mike Bell Snior Vice President

Print name and title of Authorized Signatory

GLOBAL REACH FINANCIAL SOLUTIONS INC.

Per: DocuSigned by: Camilla Richardson

Authorized Signatory

Camilla Richardson Director

Print name and title of Authorized Signatory

SCHEDULE A

REPRESENTATIONS AND WARRANTIES OF THE VENDOR

The Vendor represents and warrants to the Purchaser as follows:

1. The Vendor is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

2. Subject to the entry of the Approval and Vesting Order and any other orders required by the Court and subject to obtaining of the Consents in connection with the Transaction, including in respect of the assignment of any Purchased Assets,

   (c) the Vendor has all necessary right, power and authority to enter into this Agreement, the Transition Services Agreement and to execute and deliver all other agreements, documents and instruments to be delivered pursuant to such agreements (collectively, the "**Other Transaction Documents**"), and to sell, assign and transfer the Purchased Assets to the Purchaser as set forth in this Agreement and to perform the Transaction and carry out its obligations contemplated by this Agreement and to execute and deliver the Other Transaction Documents; and

   (d) this Agreement constitutes a valid and binding obligation of the Vendor enforceable against it in accordance with its terms subject to any limitations imposed by Applicable Law.

3. All Employees have been terminated by the Vendor prior to the Closing.

SCHEDULE B

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Vendor as follows:

1. The Purchaser is a corporation duly organized and validly subsisting in good standing under the laws of its jurisdiction of organization and has all necessary corporate power, capacity and authority to own its property and assets, to carry on its business as now conducted, to enter into this Agreement and all other agreements, documents and instruments to be delivered by the Purchaser hereunder and to perform the Transaction.

2. This Agreement and all other agreements, documents and instruments required to be delivered by the Purchaser hereunder, have been duly authorized and this Agreement has been, and all such other agreements, documents and instruments will be duly executed and delivered by the Purchaser and constitute and will constitute legal, valid and binding obligations of the Purchaser, enforceable in accordance with their terms, subject to general equity principles and the granting of the Approval and Vesting Order and the obtaining of the Consents. No other proceedings on the part of the Purchaser, nor of any shareholders, nor creditor of the Purchaser are necessary to authorize the entering into of this Agreement and the consummation of the Transaction by the Purchaser.

3. Neither the execution and delivery of this Agreement by the Purchaser, nor the performance of this Agreement by the Purchaser and the consummation by the Purchaser of the Transaction will:

   (i) conflict with or violate the constating documents of the Purchaser or any resolution of either of its directors or shareholders;

   (ii) to the best of the Purchaser's knowledge, without having made any investigation, conflict with or violate any law, rule, regulation, permit, Order, judgment or decree applicable to the Purchaser or by which its properties are bound or affected, the conflict with which or violation of which would prohibit or materially delay the Purchaser's ability to perform its obligations under this Agreement; or

   (iii) to the best of the Purchaser's knowledge, without having made any investigation, result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under any agreement to which the Purchaser is a party or by which the Purchaser or any of its properties is bound or affected and which would prohibit or materially delay the Purchaser's ability to perform its obligations under this Agreement.

4. The Purchaser will on Closing be registered for goods and services tax under the *Excise Tax Act* (Canada).

5. The Purchaser's use and disclosure of Personal Information in connection with the conduct of the Business after Closing will be carried out in compliance with all Applicable Laws, including without limitation PIPA.

6. There are no claims, investigations or other proceedings, including appeals and applications for review, in progress or, to the knowledge of the Purchaser, pending or threatened against or relating to the Purchaser which, if determined adversely to the Purchaser, would:

   (e) prevent the Purchaser from paying the Purchase Price to the Vendor when due;

   (f) enjoin, restrict or prohibit the transfer of all or any part of the Purchased Assets as contemplated by this Agreement; or

   (g) prevent the Purchaser from fulfilling any of its obligations set out in this Agreement or arising from this Agreement.

SCHEDULE C

SAMPLE PROFITABILITY CALCULATION

If in the first annual period the Canadian business is loss making before tax, the payment in respect of the first and second annual period will be 3.5% and 1.75% respectively. For example,

	First Annual Period	**Second Annual Period**
Revenue	CDN 7,000,000	CDN 18,000,000
Profit/(loss) before Tax	Loss of CDN(1,000,000)	
Payment	7,000,000 *3.5% = CDN 245,000	18,000,000 * 1.75% = CDN 315,000
Payment date	90 days following first anniversary of Closing Date	90 days following second anniversary of Closing Date

If in the first annual period the Canadian business is breakeven or profitable, the payment in respect of the second annual period will be 3.5% if revenue is below CDN $18,543,296.

	First Annual Period	**Second Annual Period**
Revenue	CDN 7,000,000	CDN 18,000,000
Profit/(loss) before Tax	Profit of CDN1	
Payment	7,000,000 *3.5% = CDN 245,000	18,000,000 * 3.5% = CDN 630,000
Payment date	90 days following first anniversary of Closing Date	90 days following second anniversary of Closing Date

If in the first annual period the Canadian business is breakeven or profitable, the payment in respect of the second annual period will be and 5.25% if revenue is above or equal to CDN $18,543,296.

	First Annual Period	**Second Annual Period**
Revenue	CDN 7,000,000	CDN 19,000,000
Profit/(loss) before Tax	Profit of CDN1	
Payment	7,000,000 *3.5% = CDN 245,000	19,000,000 * 5.25% = CDN 997,500
Payment date	90 days following first anniversary of Closing Date	90 days following second anniversary of Closing Date

SCHEDULE D

REQUIRED PURCHASED ASSETS

Other than any assets listed as Excluded Assets or Optional Purchased Assets, the following are the required purchased assets (the "**Required Purchased Assets**"):

1. All right, title and interest of the Company in and to any intellectual property used in connection with or relating to the Business or used or located at the owned or leased premises of the Company prior to the Closing Date, including without limitation:
   a. registered domain names
   b. all third party developed computer software and licences
   c. patents
   d. trade secrets
   e. inventions
   f. industrial designs
   g. process copyrights
   h. trademarks and designs
   i. tradenames and designs
   j. applications for intellectual property rights
   k. all usernames and passwords including but not limited to server passwords, networks keys, domain usernames and passwords, sysadmin username and passwords for databases and bitlocker keys and passwords
   l. all client data, transactional data, e-mail correspondence, recorded telephone calls, employee/client monitoring data or any correspondence records of any other means, including client marketing materials
   m. all other business data which relates to the Company's operations in Canada

2. All right, title and interest of the Company in and to all computer software (and any owned source code, interfaces, data, designs whether complete on in process) and hardware systems and all intellectual property therein used in connection with the operation of the Business or used or located at the owned or leased premises of the Company prior to the Closing Date (the "**Information Systems**"), including without limitation:
   a. FX Express Platform
   b. SQL Datawarehouse (ODS)
   c. Pricing Engine
   d. Alliance Lite2
   e. Credit Allocation Tool
   f. Portfolio Shell
   g. Benefix
   h. Profit Pricing Manager
   i. Value Date service
   j. Swift data importer
   k. Payments Tracker

l. Payments file translation
m. Exercised options
n. MTM
o. Rate Extractor
p. FXAll Integration
q. FXO Automation tests
r. SSRS Reporting Tool
s. Sales Smart
t. PowerBI portal
u. Receivables (White Label client product)
v. SOP software (Strategy Optimization Platform)
w. Internal reporting tools relating to:
    i. Management reports
    ii. Daily revenue report
    iii. Historical client Transaction Reports
    iv. Compliance transaction Dashboard
    v. Position reports
    vi. Fintrac US Reports
x. Development and user acceptance testing platforms
y. Project management tools
z. Intranet platform and content
aa. Externally facing platforms
bb. Web portals and content

3. Any Licences and Permits that are able to be transferred to the Purchaser.

4. All tangible assets that are not Optional Purchased Assets, including the following:
    a. books, records and communications of the Company (excluding the corporate minute books)
    b. all regulatory materials and documents
    c. all handbooks and manuals relating to policies and procedures
    d. telephone systems, including mobile phones and all phone numbers
    e. computer equipment including laptops, servers, desktops, monitors, network infrastructure

SCHEDULE E

OPTIONAL PURCHASED ASSETS

All assets listed in the below table, or any other assets owned by the Vendor prior to Closing, wherever located, that are not listed in the attached table, provided that each asset is not a Purchased Asset or an Excluded Asset, are the optional purchased assets (the "**Optional Purchased Assets**"):

Description	Model	Additional Notes
The leases for any real property used by the Company		
All equipment, desks, furniture and other assets owned by the Company at each office location, including air conditioning units for each server room		
All third party software and licenses, subject to the terms of the applicable software development agreement or license		
22in LED 1920x1080		Vancouver
23"LED monitor x 2		[redacted]
23"LED monitor x 2		[redacted]
23"LED monitor x 2		[redacted]
23"LED monitor x 4		
29"LED monitor x 2		[redacted]
2x Hard drives	400-ATHL	Lethbridge Server - Datawarehouse Expansion
32 GB Memory Upgrade		N/A
4x Hard drives	400-ATHS	Lethbridge Server - Datawarehouse Expansion
50% down payment on solar window coverings		
9 x View SonicVG2239SMH	VG2239SMH	[redacted]
9 x View SonicVG2239SMH	VG2239SMH	[redacted]
Additional charges on Feb 2nd order		
Additional memory for Lethbridge servers		Lethbridge Server
ASA 5506-X with FirePOWER services 8GE AC 3DES/AES		Head Office
ASUS PB238Q 23inch Monitor x 1		
ASUS PB238Q 23inch Monitor x 2		
ASUS PB238Q 23inch Monitor x 2		
ASUS PB238Q 23inch Monitor x 2		
ASUS PB238Q 23inch Monitor x 3		
ASUS PB238Q 23inch x 1		
ASUS PB238Q 23inch x 1		Winnipeg
ASUS PB238Q 23inch x 12		
ASUS PB238Q 23inch x 2		
ASUS PB238Q 23inch x 2		Toronto
ASUS PB238Q 23inch x 6		Saskatoon

ASUS PB238Q 23inch x 6		
ASUS PB238Q 23inch x 8		
ASUS PB238Q 23inch x 8		
ASUS PB238Q 23inch x 8		
Banner Display - Signage		
Base Station for Thinkpad X-1 Carbon Ultrabooks x 1		[redacted]
Base Station for Thinkpad X-1 Carbon Ultrabooks x 1		[redacted]
Base Station x 1		
Base Station x 1		[redacted]
Base Station x 1		[redacted]
Base Station x 2		[redacted]
Base Station x 2		[redacted]
Base Station x 3		[redacted]
Base Station x 4		[redacted]
Base Station x 4		
Base Stations x 2		[redacted]
Basestation for Thinkpad X-1 Carbon Ultrabooks x 4		[redacted]
BMO MC (Oct 4th) - NCIX Viewsonic 22inch Monitor x 2		
Boardwalk Data Services Implementation - ASA VPN Facility		Head Office
Cable management rack & fastening tape		Lethbridge Server
Calgary Office - Aastra 6865i x 9		
Cisco ASA 5508 Router		
Cisco FlexStack-Plus Network Stacking Module		
Cisco Meraki Cloud Managed Switch: MS225-24P -HW	MS225	Head Office & All Branches
Cisco Meraki Cloud Managed Switch: MS225-24P x1	MS225	Head Office
Cisco Meraki Router MX450 x2	MX450	FXO Self-Host Project
Cisco Meraki Security/Firewall Appliance MX100	MX100	FXO Self-Host Project
Cisco Meraki Security/Firewall Powercord	MX100	FXO Self-Host Project
Cisco Meraki Switch: MS350 x2	MS350	FXO Self-Host Project
CISCO phone (SPA504G) x 1		Vancouver
CISCO phone (SPA504G) x 2		
CISCO Phone (SPA504G) x 5		
Computer Warranties		Toronto
Custom workstation x 1 (including setup labour)	Other	[redacted]
Dell EMC 48 Port 10GB Switch x2		FXO Self-Host Project
Dell PowerEdge R740xd Servers x3		Lethbridge Server
Dell Storage SCV3020 x1		Lethbridge Server
Dell Ultrasharp U24105 24inch Monitor x 2		
Desks and Chairs	N/A	[redacted]
Desks/Chairs/Kitchen Table	N/A	[redacted]
Docking Station x 7 [redacted]	N/A	
Dockstation x2		[redacted]

Dockstation x2		[redacted]
[redacted] 2 desks and chairs		Downtown Toronto
Edmonton Office - Aastra 6865i x 9		
Encore Sign - [redacted]	N/A	
Encore Sign - [redacted]	N/A	
Final 50% on solar window coverings		
Hard drive upgrades		Lethbridge Server - Datawarehouse Expansion
Hard drive upgrades		Lethbridge Server - Datawarehouse Expansion
HPE Proliant Microserver x 1 / Kingston 8GB RAM x 1		IT support
[redacted] Vancouver Set-up		[redacted]
Kitchener 4 desks and chairs		
Laptop and dockstation (New GTA employees)	Other	
Laptop and dockstation (New GTA employees)	Other	
Laptop and dockstation (New GTA employees)	Other	
Laptop and dockstation (New GTA employees)	Other	
Laptop and dockstation for [redacted] (Credit) & [redacted] (Ottawa)	Other	
Laptop and dockstation for [redacted] (Credit) & [redacted] (Ottawa)	Other	
Laptop and dockstation x 1 [redacted] VAN)	Other	
Laptop Thinkpad T450 Core i5	T450	
Laptops x 2 - [redacted] and replacement for GTA	Other	
Laptops x 2 - [redacted] and replacement for GTA	Other	
Lenovo Docksation x 4 (New Hire Mississauga)		4 New Employees (GTA)
Lenovo Dockstation x 1		Calgary
Lenovo Dockstation x 1 [redacted] Lenovo Laptop - Yoga S1)		[redacted]
Lenovo E540 Workstation x 1	E540	[redacted]
ovo Laptop T450 plus Dockstation	T450	
Lenovo Laptop T450 x 1 plus Dockstation x 2	T450	
Lenovo Laptop T450 x 2 [redacted]	T450	
Lenovo Laptop T450 x 2 [redacted]	T450	
Lenovo Laptop T450 x 2 plus Dockstation	T450	
Lenovo Laptop T450 x 2 plus Dockstation	T450	
Lenovo Laptop T460 plus Dockstation	T460	
Lenovo Laptop T460 plus Dockstation	T460	
Lenovo Laptop T460 with Dock	T460	
Lenovo Laptop Yoga 900 i7 16GB RAM / 512GB SSD	I7	
Lenovo M83 Workstation x 7	M83	Spare workstation for branches
Lenovo M93 Workstation	M93	[redacted]
Lenovo M93 Workstation	M93	[redacted]
Lenovo M93 Workstation x 1	M93	[redacted]

Lenovo M93 Workstations x 5	M93	[redacted]
Lenovo ThinkCentre M83 x 1 plus RAM	M83	
Lenovo ThinkCentre M83 x 1 plus RAM	M93	
Lenovo ThinkPad	Other	
Lenovo Thinkpad	Other	[redacted]
Lenovo ThinkPad / Dockstation	Other	
Lenovo ThinkPad / Dockstation	Other	
Lenovo ThinkPad / Dockstation x 1	Other	
Lenovo ThinkPad / Dockstation x 1	Other	
Lenovo ThinkPad Dockstation x 1 / Dual Travel Adapter x 2		
Lenovo ThinkPad Pro Dock Docking Station x 1		Winnipeg
Lenovo ThinkPad T450 Core i5 8GB RAM 256GB SSD	T450	[redacted]
Lenovo ThinkPad T450 Core i5 8GB RAM 256GB SSD	T450	[redacted]
Lenovo ThinkPad T450 Core i5 8GB RAM 256GB SSD	T450	[redacted]
Lenovo ThinkPad T450 Core i5 8GB RAM 256GB SSD	T450	[redacted]
Lenovo ThinkPad T450 Core i5 8GB RAM 256GB SSD	T450	[redacted]
Lenovo Thinkpad T450 plus Dockstation	T450	
Lenovo Thinkpad T450 plus Dockstation	T450	
Lenovo Thinkpad T450 x 1 plus RAM/Docking Station	T450	
Lenovo Thinkpad T450 x 5 plus RAM/Docking Station	T450	
Lenovo Thinkpad T450 x 5 plus RAM/Docking Station	T450	
Lenovo Thinkpad T450 x 5 plus RAM/Docking Station	T450	
Lenovo Thinkpad T450 x 5 plus RAM/Docking Station	T450	
Lenovo ThinkPad T460 x 2 w/ 3 year warranty	T460	
Lenovo ThinkPad T460 x 2 w/ 3 year warranty	T460	
Lenovo Thinkpad T550 x 1 plus RAM/Docking Station	T550	
Lenovo Thinkpad T550 x 3 plus RAM/Docking Station	T550	
Lenovo Thinkpad T550 x 3 plus RAM/Docking Station	T550	
Lenovo Thinkpad T550 x 3 plus RAM/Docking Station	T550	
Lenovo ThinkPad Ultra Dock Dockstation x 2		
Lenovo Thinkpad X-1	X1	[redacted]
Lenovo Thinkpad X-1 Carbon	X1 Carbon	[redacted]
Lenovo Thinkpad X-1 Carbon	X1 Carbon	[redacted]
Lenovo Thinkpad X-1 Carbon Ultrabook	X1 Carbon	[redacted]
Lenovo Thinkpad X-1 Carbon Ultrabook	X1 Carbon	[redacted]
Lenovo Thinkpad X-1 Carbon Ultrabook	X1 Carbon	[redacted]

Lenovo Thinkpad X-1 Carbon Ultrabook x 1	X1 Carbon	[redacted]
Lenovo Thinkpad X-1 Carbon Ultrabook x 1	X1 Carbon	[redacted]
Lenovo Thinkpad X-1 Carbon Ultrabook x 1	X1 Carbon	[redacted]
Lenovo Thinkpad X-1 Carbon Ultrabook x 1	X1 Carbon	[redacted]
Lenovo Thinkpad X-1 Carbon Ultrabook x 1	X1 Carbon	[redacted]
Lenovo Thinkpad X-1 Carbon ultrabook: Intel i5-3427U/4GB DDR3/SSD/Win7Pro	X1 Carbon	[redacted]
Lenovo Thinkpad X-1 Carbon ultrabook: Intel i5-3427U/4GB DDR3/SSD/Win7Pro	X1 Carbon	[redacted]
Lenovo Thinkpad X-1 Carbon ultrabook: Intel i5-3427U/4GB DDR3/SSD/Win7Pro	X1 Carbon	[redacted]
Lenovo Thinkpad X-1 Carbon ultrabook: Intel i5-3427U/4GB DDR3/SSD/Win7Pro	X1 Carbon	[redacted]
Lenovo Thinkpad X-1 Carbon ultrabook: Intel i5-3427U/4GB DDR3/SSD/Win7Pro	X1 Carbon	[redacted]
Lenovo Thinkpad X-1 Carbon ultrabook: Intel i5-3427U/4GB DDR3/SSD/Win7Pro	X1 Carbon	[redacted]
Lenovo Thinkpad X-1 Carbon ultrabook: Intel i5-3427U/4GB DDR3/SSD/Win7Pro x 1	X1 Carbon	[redacted]
Lenovo Thinkpad X-1 Carbon ultrabook: Intel i5-3427U/4GB DDR3/SSD/Win7Pro x 1	X1 Carbon	[redacted]
Lenovo Thinkpad X-1 Carbon ultrabook: Intel i5-3427U/4GB DDR3/SSD/Win7Pro x 1	X1 Carbon	[redacted]
Lenovo Thinkpad X-1 Carbon ultrabook: Intel i5-3427U/4GB DDR3/SSD/Win7Pro x 4	X1 Carbon	[redacted]
Lenovo Thinkpad X-1 Carbon x 1	X1 Carbon	[redacted]
Lenovo Thinkpad X-1 Carbon x 1	X1 Carbon	[redacted]
Lenovo Thinkpad X-1 Carbon x 2	X1 Carbon	Spare for Victoria Office
Lenovo Thinkpad X-1 Carbon x 2	X1 Carbon	
Lenovo Thinkpad X-1 Carbon x 2	X1 Carbon	Spare
Lenovo Thinkpad X-1 Carbon x 2	X1 Carbon	Spare
Lenovo ThinkPad X1 Carbon20FB	X1 Carbon	
Lenovo ThinkPad x4 T460	T460	
Lenovo ThinkPad x4 T460	T460	
Lenovo ThinkPad x4 T460	T460	
Lenovo ThinkPad x4 T460	T460	
Lenovo ThinkPad x4 T460 Return Docking Stations		
Lenovo Ultra Dock Dockstation x 1		[redacted]
Lenovo Workstation (Len CarX1i7) x 1	X1 Carbon	[redacted]
Lenovo Workstation (Len CarX1i7) x 1	X1 Carbon	[redacted]
Lenovo Workstation (Len M83FFi5)	M83	[redacted]
Lenovo Workstation (Len M83FFi5)	M83	[redacted]
Lenovo Workstation (Len M83FFi5)	M83	[redacted]
Lenovo Workstation (Len M83FFi5)	M83	[redacted]
Lenovo Workstation (Len M83FFi5) x 1	M83	[redacted]
Lenovo Workstation (Len M83FFi5) x 1	M83	[redacted]
Lenovo Workstation (Len M83FFi5) x 1	M83	[redacted]
Lenovo Workstation (Len M83FFi5) x 3	M83	[redacted]
Lenovo Workstation: Intel i5-4770 8GB 500GB	Other	
Lenovo Workstation: Intel i5-4770 8GB 500GB	Intel I5	Ottawa

Lenovo Workstation: Intel i5-4770 8GB 500GB	Intel I5	Ottawa
Lenovo X1 i5 Workstation x 5	X1 i5	Spare workstation for branches
LG 29inch IPS Monitor x 2		[redacted]
LG 29UM57-P x 3		Treasury
Load Balancer License - testing phase		Lethbridge Server
Load Balancing Device		Lethbridge Server
Meraki MX100 license - testing phase	MX100	FXO Self-Host Project
Meraki Router MX100 x1	MX100	Head Office & All Branches
Meraki Router MX48 x7	MX48	Head Office & All Branches
Meraki Router MX84 Q2PN-4RFD-YKMN	MX84	Waterloo Office
Meraki Router MX84 Q2PN-4RFD-YKMN	MX84	Downtown Toronto
Meraki Switch 48LP x2	48LP	Head Office & All Branches
Meraki Switch Q2GW-TRPA-44XQ	MS225	Waterloo Office
Meraki Switch Q2GW-TRPA-44XQ	MS225	Downtown Toronto
Meraki Switch x7		Head Office & All Branches
Microsoft SQL Server - Perpetual license		Lethbridge Server
Mississauga Office		
Mississauga Office - Aastra 6865i x 12		
Mississauga Office - Aastra 6865i x 12		[redacted]
Mississauga Office - Aastra 6865i x 2		
Mississauga Office - New Furniture (accommodating new employees)		
Mississauga Office - Plantronics PL-CS540 x 4	PLCS540	Mississauga
Mississauga Office - SPA504G x 4		
Monitor x 18 (Edmonton)		
Monitor x 6 (Saskatoon)		
Monitor x 8 (Calgary)		
MS SQL Server/ Remote Desktop Server		
MS SQL Server/ Remote Desktop Server		New server - life: 3yr
MS225 Switch	MS225	FXO Self-Host Project
NCIX - Viewsonic 22inch Monitor x 2		[redacted]
NCIX - Viewsonic 22inch Monitor x 4		[redacted]
NCIX - Viewsonic LED Monitor x 3		[redacted] (Saskatoon)
Network Stacking Module		GTA
New furniture for new Calgary office, moved May3118		
Office chair x 6		
Office Desks for Head Office		
Office Desks for Head Office		
Ottawa Office - Aastra 6865i x 9		
Polycom Soundstation IP7000 x 1		
Rack screws		Lethbridge Server
Router MS450 License - testing phase	MS450 License	FXO Self-Host Project
Samsung 24inch Monitor x 1		
Saskatoon Office - Aastra 6865i x 9		
Saskatoon Office (Desk)		[redacted]
Shipping equipment to Lethbridge during		Lethbridge Server

September		
Shipping Meraki gear to Canadian branches		Head Office & All Branches
Source Office Furnishing - Office chairs x 3 (Head Office)		
Spare - Aastra 6865i x 5		
Spare CISCO Phone (SPA504G) x 5		
Switch MS350 License - testing phase	MS350 License	FXO Self-Host Project
System enhancement/upgrade to the server workstation		
Table	N/A	[redacted]
Thinkpad & Dock	Other	
Thinkpad & Dock	Other	
Thinkpad Carbon 20KH	Carbon 20KH	
Thinkpad LEN-20HD000RUS	Other	
Thinkpad Pro Docking Station	N/A	
Thinkpad T470	T470	
Thinkpad T470	T470	
Thinkpad T470	T470	
Thinkpad T470	T470	
Thinkpad T470	T470	
Thinkpad T470	T470	
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Thinkpad T470	T470	
Thinkpad T470	T470	
Thinkpad T470	T470	
Thinkpad T470	T470	
Thinkpad T470	T470	
Thinkpad T470 20HD000RUS + dock & warranty	T470	[redacted]
Thinkpad T470 20JM0009US + dock & warranty	T470	
Thinkpad T470 20JM0009US + dock & warranty	T470	
Thinkpad T470 Core i5 + Dock	T470	
Thinkpad T470 Core i5 + Dock	T470	
Thinkpad T470 Core i57300	T470	
Thinkpad T470 Core i57300	T470	
Thinkpad T470 Core i57300	T470	
Thinkpad T480	T480	
Thinkpad T480	T480	
Thinkpad T480	T480	
Thinkpad T480	T480	

Thinkpad T480	T480	
Thinkpad T480	T480	
Thinkpad T480	N/A	
Thinkpad T480 w/dock & warranty	T480	
Thinkpad T480 w/dock & warranty	T480	
Thinkpad T480 w/dock & warranty	T480	
Thinkpad T480 w/dock & warranty	T480	
Thinkpad T480 w/dock & warranty	T480	
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Thinkpad T480 w/dock & warranty	N/A	
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Thinkpad T480 w/dock & warranty	N/A	
Thinkpad T480 w/dock & warranty	N/A	
Thinkpad T480 w/dock & warranty	N/A	
Thinkpad T480 w/dock & warranty	N/A	
Thinkpad T480 w/dock & warranty	N/A	
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Thinkpad T480 w/dock & warranty	N/A	

Thinkpad T480 w/dock & warranty	N/A	
Thinkpad T480 w/dock & warranty	N/A	
Thinkpad T480 w/dock & warranty	N/A	
Thinkpad T480 w/dock & warranty	N/A	
Thinkpad T480 w/dock & warranty	N/A	
Thinkpad T480 w/dock & warranty	N/A	
Thinkpad T480 w/dock & warranty	N/A	
Thinkpad T480 w/dock & warranty	N/A	
Thinkpad T480 w/dock & warranty	N/A	
Thinkpad T490 14" Notebook & warranty	N/A	
Thinkpad T490 14" Notebook & warranty	N/A	
Thinkpad T490 14" Notebook & warranty	N/A	
Thinkpad Thinkstation P330 (2nd Gen) 30CY Tower & warranty	N/A	
Thinkpad X1 Carbon	X1 Carbon	
TV & Wall Mount	N/A	Downtown Toronto
Two new desks and chairs for VAN office		
Vancouver Office - Aastra 6865i x 2		
Vancouver Office - Aastra 6865i x 9		
Vancouver Office - New Furniture (Two new hire)		
Victoria Office - Aastra 6865i x 8		
Victoria Office - Aastra 6865i x 9		
Victoria Office (new desks for 1st and 2nd floor)		
Victoria Office [redacted]		[redacted]
Viewsonic 22inch Monitor (VG2239SMH) x 2		Mississauga
Viewsonic 22inch Monitor (VG2239SMH) x 4		[redacted]
Viewsonic 22inch Monitor x 2		[redacted]
Viewsonic 22inch Monitor x 2 / Dockstation x 1		[redacted]
Viewsonic 22inch Monitor x 2 / Dockstation x 1		[redacted]
Viewsonic 22inch Monitor x 2 / Dockstation x 1		[redacted]
ViewSonic VG2239Smh - LED 22inch x 2		[redacted]
ViewSonic VG2239Smh - LED 22inch x 2		Edmonton
ViewSonic VG2239SMH - LED 22inch x 2		[redacted]
ViewSonic VG2239SMH - LED 22inch x 2		Winnipeg
ViewSonic VG2239Smh - LED 22inch x 4		
ViewSonic VG2239Smh - LED 22inch x 8		[redacted]
Winnipeg Office - Aastra 6865i x 9		

SCHEDULE F

EXCLUDED ASSETS

The following assets are the excluded assets (the "**Excluded Assets**"):

1. cash, money, and all investment property, including without limitation shares, stock, warrants, bonds, debentures, debenture stock and other securities (in each case whether evidenced by a security certificate or an uncertificated security), security entitlements, securities accounts, futures contracts and futures accounts and all other financial assets of the Company, wherever located
2. Embedded Assets
3. corporate records (constating documents, resolutions, minutes, etc.)
4. finance and accounting records
5. tax and transfer pricing
6. payroll and human resource files
7. banking agreements and term sheets
8. emails where correspondence is not required to support ongoing client relationships
9. regulatory compliance support and communication (Fintrac, AMF)
10. all files relating to EncoreFX Ltd., EncoreFX (Australia) and EncoreFX (NZ)
11. accounts receivable
12. Prepaid Expenses including any lease deposits
13. investments in subsidiaries
14. open and closed derivative contracts
15. GST refunds or other government receivables
16. all other intangibles including without limitation contracts, agreements, clearing house options, permits, licences, consents, approvals, authorizations, orders, judgments, all present and future litigation rights, certificates, rulings, insurance policies and contracts, subsidies, franchises, immunities, warranties, privileges and benefits and all goodwill, to the extent such intangible does not relate directly to any of the Required Purchased Assets, or Optional Purchased Assets.

SCHEDULE G

FORM OF APPROVAL AND VESTING ORDER

(see attached)

District of British Columbia
Division No. 3 – Vancouver
Court No. VLC-S-B-20024
Estate No. 11-2634864

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUTPCY OF ENCOREFX INC.

ORDER MADE AFTER APPLICATION

APPROVAL AND VESTING ORDER

BEFORE THE HONOURABLE	)	
	)	DD/MM/2020
MADAM JUSTICE FITZPATRICK	)	

THE APPLICATION of Ernst & Young Inc., in its capacity as licensed trustee in bankruptcy (the "**Trustee**") of the assets, undertakings and properties of the of the estate of EncoreFX Inc. (the "**Debtor**") coming on for hearing at Vancouver, British Columbia, on the ____ day of May, 2020; AND ON HEARING William E.J. Skelly, counsel for the Trustee, and those other counsel listed on **Schedule "A"** hereto, and no one appearing for ________, although duly served; AND UPON READING the material filed, including the Report of the Trustee dated ________________ (the "**Report**");

THIS COURT ORDERS AND DECLARES THAT:

1. The time for service of the Notice of Application herein be and is hereby abridged such that the Notice of Application is properly returnable today and service hereof upon any interested party other than those parties on the service list maintained by the Trustee in this proceeding is hereby dispensed with.

2. The sale transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement for the Acquisition of Certain Assets of EncoreFX Inc. dated May [ ], 2020 (the "**Sale Agreement**") between the Trustee and 12014084 Canada Ltd. (the "**Purchaser**"), a copy of which is attached as **Appendix "A"** to the Report is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Trustee is hereby authorized and approved, and the Trustee is hereby authorized and directed to take such additional steps and

execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement (the "**Purchased Assets**").

3. Upon delivery by the Trustee to the Purchaser of a certificate substantially in the form attached as **Schedule "B"** hereto (the "**Trustee's Certificate**"), all of the Debtor's right, title and interest in and to the Required Purchased Assets described in the Sale Agreement and listed on **Schedule "C"** hereto (which, for clarity, excludes the Excluded Assets described in the Sale Agreement and hereto listed on **Schedule "D"**) shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing, all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Trustee's Certificate all Claims shall attach to the net proceeds from the sale of the Required Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

5. The Trustee is to file with the Court a copy of the Trustee's Certificate forthwith after delivery thereof.

6. Pursuant to Section 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Trustee is hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the company's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. Subject to the terms of the Sale Agreement, possession of the Required Purchased Assets shall be delivered by the Trustee to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement), subject to the permitted encumbrances as set out in the Sale Agreement.

8. Upon the exercise of the Purchaser's continuing option set out in the Sale Agreement to acquire some or all of the Optional Purchased Assets described in the Sale Agreement and listed on **Schedule "E"** hereto (which, for clarity, excludes the Excluded Assets described in the Sale Agreement and hereto listed on **Schedule "D"**), the Trustee shall deliver to the Purchaser supplemental Trustee's certificates setting out the Optional Purchased Assets in respect of which the option has been exercised (each, a "**Supplemental Trustee's Certificate**").

9. Upon delivery of a Supplemental Trustee's Certificate, the terms of this Order shall apply to the Optional Purchased Assets in respect of which the Purchaser exercised its option as though they were Required Purchased Assets with effect from the date of closing for the purchase of any Optional Purchased Assets (each, an "**Option Closing Date**").

10. The Trustee, with the consent of the Purchaser, shall be at liberty to extend the Closing Date or the Option Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.

11. Notwithstanding:

    (a) these proceedings;

    (b) any applications for a bankruptcy order in respect of the Debtor now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and

    (c) any assignment in bankruptcy made by or in respect of the Debtor,

    the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

12. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Trustee and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such

assistance to the Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Trustee and its agents in carrying out the terms of this Order.

13. The Trustee or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of
Lawyer for Ernst & Young Inc., in its capacity as trustee in bankruptcy of the estate of EncoreFX Inc.

< William E.J. Skelly >

BY THE COURT

REGISTRAR

Schedule A – List of Counsel

Counsel Name	Appearing For

Schedule B – Trustee's Certificate

District of British Columbia
Division No. 3 – Vancouver
Court No. VLC-S-B-20024
Estate No. 11-2634864

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUTPCY OF ENCOREFX INC.

TRUSTEE'S CERTIFICATE

All capitalized terms used herein and not otherwise defined have the meaning ascribed to them in the Asset Purchase Agreement dated May [ ], 2020 (the "**Sale Agreement**") between Ernst & Young Inc., in its capacity as licensed trustee in bankruptcy (the "**Trustee**") of the assets, undertakings and properties of the of the estate of EncoreFX Inc. (the "**Debtor**") and 12014084 Canada Ltd. (the "**Purchaser**"), as purchaser, , a copy of which is attached as Schedule [ ] to the Trustee's Second Report dated [ ], 2020.

PURSUANT TO AN ORDER of this Honourable Court (the "**Court**") made May [ ], 2020 (the "**Vesting Order**"), the Sale Agreement and related transaction were approved.

PURSANT TO PARAGRAPHS [2 AND 3/7 AND 8] OF THE VESTING ORDER and pursuant to the Sale Agreement, the Trustee hereby certifies as follows:

1. The Trustee confirms that the Purchaser has delivered the Purchase Price to the Trustee; and

2. The Trustee confirms that all conditions precedent to the Sale Agreement and the transfer of those Purchased Assets set forth on the attached schedule have been satisfied or waived.

DATED at the City of Vancouver, in the Province of British Columbia, this ___ day of __________, 2020.

ERNST & YOUNG INC., in its capacity as licensed trustee in bankruptcy of EncoreFX Inc., and not in its personal capacity

By:

____

Mike Bell
Senior Vice President

Schedule C – Required Purchased Assets

Schedule D – Excluded Assets

Schedule E – Optional Purchased Assets

SCHEDULE H

FORM OF TRANSITION SERVICES AGREEMENT

(see attached)

TRANSITION SERVICES AGREEMENT

THIS AGREEMENT is made the 5 day of May, 2020 (the "**Effective Date**").

AMONG:

GLOBAL REACH FINANCIAL SOLUTIONS INC., a corporation incorporated under the laws of Canada, having an address at 1700 - 360 Main Street, Winnipeg, Manitoba R3C 3Z3 c/o Fillmore Riley LLP

(the "**Purchaser**")

AND:

ERNST & YOUNG INC., having an office at 1600-700 Georgia Street West, Vancouver, British Columbia, solely in its capacity as trustee in bankruptcy of the estate of EncoreFX Inc.

(the "**Vendor**")

RECITALS:

A. Pursuant to an asset purchase agreement between the Purchaser and the Vendor dated as of the __ day of May, 2020 (the "**Purchase Agreement**"), the Purchaser has purchased certain assets of the estate of EncoreFX Inc. (the "**Company**") and has an option to purchase certain other assets of the Company.

B. In order to facilitate the orderly transfer of the Purchased Assets (as herein defined) to the Purchaser and to assist the Vendor with winding down the Company, the Parties have agreed to deliver the Services (as herein defined) and other obligations set out in this Agreement.

NOW, THEREFORE, in consideration of the covenants, representations, warranties and agreements contained herein, the Parties hereto covenant and agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Definitions

Unless otherwise specifically provided or the context otherwise requires, where used in this Agreement (including the Schedules hereto) and the Recitals to this Agreement, the following terms shall have the meanings set forth or as referenced below:

"**Affiliate**" with respect to any Person means another Person which is affiliated with the first mentioned Person within the meaning thereof in the *Securities Act* (British Columbia).

"**Commencement Date**" means the Closing Date.

"**Company**" has the meaning ascribed thereto in Recital A.

"**Confidential Information**" has the meaning ascribed thereto in Section 5.1.

"**Contract**" means any agreement, indenture, contract, lease, deed of trust, license (other than from a Governmental Authority), option, purchase order or other legally enforceable instrument, commitment, entitlement, privilege or restriction, whether written or oral.

"**Damages**" means any and all obligations (including corrective and remedial obligations), liabilities, damages (including but not limited to injury to or death of Persons (including but not limited to employees of the Purchaser)) and damages to or destruction or loss of property, fines, penalties, losses (including without limitation economic losses of third parties), actions, suits, claims, judgments, orders, directives, injunctions, decrees or awards of any federal, provincial, or local court or administrative or other Governmental Authority and costs and expenses (including but not limited to attorneys' fees, court costs and expert witness fees).

"**Effective Date**" means the date first set out above.

"**Initial Period**" has the meaning ascribed thereto in Section 2.3.

"**Lease Costs**" has the meaning ascribed thereto in Section 2.8.

"**Leased Premises**" has the meaning ascribed thereto in Section 2.7(b).

"**License Costs**" has the meaning ascribed thereto in Section 2.9.

"**Parties**" means the Purchaser and the Vendor, and "**Party**" means any one of them as the context requires.

"**Purchase Agreement**" has the meaning ascribed thereto in Recital A.

"**Services**" means the services to be performed or provided by the Purchaser set out on Schedule A.

"**Term**" means the Initial Period plus any extension thereof in accordance with this Agreement.

"**Transition Employees**" has the meaning ascribed thereto in Section 2.1.

"**Transition Fee**" has the meaning ascribed thereto in Section 2.2.

"**Vendor Representatives**" has the meaning ascribed thereto in Section 5.1.

1.2 Gender and Number.

Words and defined terms importing the singular shall include and have a comparable meaning when used in the plural, and vice versa, and words importing gender include all genders.

1.3 Currency.

All references to currency shall mean Canadian Dollars unless otherwise expressly provided.

1.4 Schedules.

Schedule A – Services, attached as a Schedule hereto, is integral to and forms part of this Agreement.

1.5 Section Headings and References.

All Section headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. Unless otherwise indicated, references to Articles or Sections are to Articles or Sections in the main body of this Agreement.

1.6 Non Application of *Contra Proferentem*.

The Parties agree that each has been involved in the negotiation and drafting of this Agreement and accordingly the doctrine of *contra proferentem* shall have no application to the interpretation of this Agreement or any documents contemplated herein or ancillary hereto.

1.7 Other Terms.

Any capitalized terms used and not defined herein shall have the meaning ascribed to such term in the Purchase Agreement. Other terms may be defined elsewhere in the text of this Agreement and, unless otherwise indicated, shall have such meaning throughout this Agreement. All accounting terms not otherwise defined herein have the meanings attributable to them under GAAP and all determinations of an accounting nature required to be made shall be made in accordance with GAAP, applied consistently with prior periods. Any references in this Agreement to the word "including" shall mean "including but not limited to".

ARTICLE 2
TERM, SERVICES AND CONSIDERATION

2.1 Transitional Services.

The Purchaser hereby covenants to the Vendor that it shall provide the Services during the time periods set out on Schedule A, or any extension thereof, in accordance with the provisions of this Agreement. The Purchaser further covenants that it shall procure the services of such former Employees of the Company that are subsequently employed by the Purchaser or any Employees hired by the Purchaser after the Effective Date who are required to perform or assist in the provision of the Services during the Term (the "**Transition Employees**"), or any extension thereof.

2.2 Transition Fee.

In exchange for the provision of the Services during the Term, the Vendor shall pay to the Purchaser a weekly fee of the lesser of:

(a) 15% of all compensation paid or payable to the Former Employees; and

(b) CDN $14,600.00,

(the "**Transition Fee**").

The Transition Fee shall be payable within ten (10) Business Days following the Purchaser issuing a written invoice. The Purchaser shall provide the Vendor with all information reasonably required to assess the Transition Fee.

2.3 Extension of the Term.

After the initial four (4) week period of the Term (the "**Initial Period**"), the Purchaser shall use its commercially reasonable efforts to continue to provide the Services until the Vendor elects to terminate the Services in accordance with Section 6.1. The Vendor shall continue to pay the Transition Fee for each additional weekly period after the Initial Period, provided that, if the time and expense required to provide the Services materially changes following the Initial Period, the Parties shall, acting reasonably and in good faith, negotiate a new mutually agreeable Transition Fee.

2.4 Service Standards.

Each Party shall perform its obligations under this Agreement in good faith and in compliance with Applicable Law.

2.5 Vendor Access.

The Purchaser shall provide the Vendor with access to its Books and Records and Embedded Assets under its control or possession, as reasonably required to support any asset recovery activities (including litigation support) regarding client accounts during the Access Period, provided that: (a) the Vendor delivers to the Purchaser reasonable prior written notice requesting access, (b) the access is performed during normal business hours in Vancouver, British Columbia, (c) a representative of the Purchaser may be present during such access, (d) such access does not result in any undue interference to the business operations of the Purchaser, and (e) the Vendor shall only use or disclose any Personal Information making up any portion of the Embedded Assets for the same purposes for which it was collected, used or disclosed.

2.6 Preserve Records.

If the Purchaser wishes to destroy any Books and Records and/or Embedded Assets, the Purchaser shall first advise the Vendor of its intention to destroy such information and the Vendor shall be given an opportunity to make copies of any information prior to such destruction. The Purchaser shall use its commercially reasonable efforts to retain all original

Books and Records and to preserve copies of the Embedded Assets during the Access Period, or such other period as may be approved by the inspectors of the trustee or the Court.

2.7 Purchaser Access and Vendor Assistance.

The Vendor shall provide access and information to the Purchaser for the purpose of managing and operating the Required Purchased Assets and any Optional Purchased Assets acquired by the Purchaser, and providing the Services including:

(a) access to the Bank Accounts;

(b) access to all leased real property used by the Company (the "**Leased Premises**"); and

(c) access to all Embedded Assets in the Vendor's control and possession during the period that the Purchaser is providing the Services.

2.8 Lease Costs.

The Vendor shall continue to pay when due, all costs arising from and after the Commencement Date under the leases of the Leased Premises used by the Company prior to Closing where such lease is not included in the Purchased Assets (including payment of all insurance premiums, utility fees, and property taxes) (the "**Lease Costs**"), and the Purchaser shall reimburse the Vendor for the Lease Costs of each lease until the Purchaser provides the Vendor with written notice that it does not intend to acquire a particular lease. Any reimbursement by the Purchaser for Lease Costs shall be delivered to the Vendor within ten (10) Business Days of the Vendor providing an invoice for such Lease Costs together with all information the Purchaser deems necessary for the purposes of assessing the Lease Costs. The Vendor may disclaim its interest in an applicable Leased Premise following the Purchaser delivering notice that it does not intend to acquire the lease for such Leased Premise.

2.9 License Costs.

The Vendor shall continue to pay when due, all costs of third party software licenses used by the Company prior to Closing where such licenses are not a Required Purchased Asset (including payment of all subscription premiums, licensing fees, and other applicable charges, excluding any costs associated with the Vendor disclaiming any license) (the "**License Costs**") and the Purchaser shall reimburse the Vendor for any License Costs until the Purchaser provides the Vendor with written notice that it does not intend to acquire a particular license. Any reimbursement shall be paid by the Purchaser within ten (10) Business Dates of the Vendor providing an invoice for such License Costs together with all information the Purchaser deems necessary for the purposes of assessing the License Costs. The Vendor may disclaim its interest in any third party software and licenses following the Purchaser delivering notice that it does not intend to acquire the applicable software or license.

2.10 Consents to Assumed Assets

As soon as is reasonably possible, and in any event, prior to expiry of the Initial Period, the Parties shall co-operate with each other to take, or cause to be taken, all commercially reasonable actions and to do, or cause to be done, all commercially reasonable things necessary to secure:

(a) Consents of any third party to any assignment or transfer of the Required Purchased Assets; and

(b) waivers or releases of the Vendor and/or the Company in respect of the Assumed Obligations.

Any costs or expenses incurred by the Vendor in connection with obtaining such Consents requested by the Purchaser shall be reimbursed by the Purchaser. Notwithstanding anything to the contrary in this Agreement, this Section 2.10 shall survive termination of this Agreement indefinitely.

ARTICLE 3
LIABILITY AND INDEMNITY

3.1 General.

Each Party shall indemnify and hold harmless the other Party and each of its Affiliates, and each officer, director, employee, representative and agent of the other Party and each of its Affiliates, against any loss or liability to the extent arising from: (a) the negligence, recklessness, fraud or willful misconduct of such Party, or (b) any breach of any of its representations, warranties or covenants under this Agreement. Notwithstanding anything to the contrary in this Agreement, this Section 3.1 shall survive termination of this Agreement.

ARTICLE 4
RELATIONSHIP

4.1 Independent Contractor.

Nothing in this Agreement shall be regarded or construed as creating any relationship, whether employer/employee, joint venture, agency, association, partnership or otherwise, between the Parties and any person, agent, company or employee related to, belonging to or employed or retained by such Party, other than an independent contractor relationship as set out herein.

ARTICLE 5
CONFIDENTIALITY

5.1 Confidential Information.

In the course of performing the Services, the Vendor will have access to certain matters which are confidential to the Purchaser and its Affiliates, including but not limited to, trade secrets, technical information, marketing strategies, sales and pricing policies, financial information, business, marketing or technical plans, programs, methods, techniques, concepts, formulas, documentation, intellectual property, software, industrial designs, products, customer and supplier lists and personnel information (the "**Confidential Information**"). Except with the prior written consent of the Purchaser, neither the Vendor nor any of its officers, employees, agents or representatives (the "**Vendor Representatives**") shall, directly or indirectly, disclose any Confidential Information to any person, other than the Court or the appointed inspector, nor shall the Vendor Representatives use or copy the Confidential Information for any purpose other than winding down the Company. These restrictions on the disclosure and use of Confidential Information shall apply for the duration of the Term, any extension, and at all times thereafter and shall survive any termination of this Agreement.

5.2 Confidentiality Obligations.

The Vendor agrees that failure to comply with said the confidentiality obligations under this Agreement may constitute irreparable injury to the Purchaser and its Affiliates, for which damages, even if available, may not be an adequate remedy. Accordingly, the Purchaser is entitled to seek temporary, preliminary and permanent injunctive or other equitable relief by court to compel performance of the Vendor's obligations, or to prevent breaches or threatened breaches of this Agreement, and to the granting of the remedy of specific performance, in addition to any other rights or remedies available hereunder or at law or in equity, and this provision shall survive any termination of this Agreement.

ARTICLE 6
TERMINATION

6.1 Early Termination of the Term.

This Agreement and the Parties' obligations provided for herein shall terminate:

(a) upon the mutual written agreement of the Parties;

(b) by the Vendor on one (1) weeks' prior written notice, together with payment of any accrued and unpaid Transition Fees payable to such date of termination;

(c) at the option of the Purchaser by giving the Vendor prior written notice (which termination shall be effective immediately upon the giving of such notice together with payment of any accrued and unpaid Lease Costs) if the Vendor breaches a term of this Agreement, which breach is not remedied within five (5) Business Days after written notice of such breach is given by the Purchaser; or

(d) if during any period following the Initial Period, the Parties, acting reasonably and in good faith, are unable to reach agreement on the adjusted Transition Fee within five (5) Business Days of a request by either the Vendor or the Purchaser to have the Transition Fee adjusted.

ARTICLE 7
GENERAL PROVISIONS

7.1 Further Assurances.

Each of the Parties agrees that it shall, during the Term, act in good faith with respect to the satisfaction of its obligations under this Agreement, and, at the reasonable request of the other Party, shall, at its own expense (unless otherwise provided in this Agreement or the Purchase Agreement), take such actions and do such things and, as the case may be, execute and deliver or furnish such additional agreements, documents and instruments as may, from time to time, be necessary or reasonably desirable to carry out the terms of this Agreement.

7.2 Notices.

All notices hereunder shall be deemed given if in writing and delivered personally or sent by facsimile, email or by registered or certified mail (return receipt requested) to the Parties at the following addresses (or at such other addresses as shall be specified by like notice):

(a) if to the Purchaser, to:

Global Reach Financial Solutions Inc.
1700 - 360 Main Street
Winnipeg MB
R3C 3Z3
c/o Fillmore Riley LLP

Attention: Brett Flowers and Camilla Richardson
Email: bflowers@globalreachgroup.com
mrichardson@globalreachgroup.com

With a copy to, which shall not constitute delivery:

Dentons Canada LLP
250 Howe St 20th Floor
Vancouver, BC V6C 3R8

Attention: John Sandrelli & Tevia Jeffries
Email: john.sandrelli@dentons.com
tevia.jeffries@dentons.com

(b) if to the Vendor, to:

Ernst & Young Inc.
Suite 1600
700 Georgia Street West
Vancouver, BC V7Y 1A2

Attention: Mike Bell
Email: mike.bell@ca.ey.com

With copy to, which shall not constitute delivery:

MLT Aikins LLP
Suite 2600, 1066 West Hastings Street
Vancouver, BC V6E 3X1

Attention: William E. J. Skelly & Caolan Lemke
Email: WSkelly@mltaikins.com
CLemke@mltaikins.com

Any notice given by mail shall be effective, if mailed at any time other than during a general discontinuance of postal service due to strike, lockout or otherwise, on the fourth Business Day after the post-marked date thereof. Any notice given by facsimile or email shall be effective on the Business Day following the sending. Any notice delivered personally shall be effective at the time it is delivered to the applicable address noted above either to the individual designated above or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. In the event of a general discontinuance of postal service due to strike, lock-out or otherwise, notices and communications shall be delivered personally, by facsimile or by email only.

7.3 Counterparts.

This Agreement and any amendments hereto may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall be considered one and the same agreement. A signed electronic copy, including if signed via digital signature software (e.g. DocuSign) of this Agreement shall be effectual and valid proof of execution and delivery.

7.4 Expenses.

Except as otherwise expressly provided in this Agreement, the Parties shall bear their own respective expenses (including, but not limited to, all compensation and expenses of counsel, consultants and accountants) incurred in connection with this Agreement.

7.5 Assignment.

No Party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other Parties hereto, other than the Purchaser may assign its rights and obligations under this Agreement to an Affiliate of the Purchaser without written consent of the Vendor.

7.6 Parties in Interest.

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns and no third parties shall be beneficiaries of or have any interest in this Agreement.

7.7 Entire Agreement.

This Agreement (including without limitation, the agreements and documents in writing contemplated to be delivered hereunder or herewith, including the Purchase Agreement and all agreements to be entered into in accordance with the Purchase Agreement) contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters.

7.8 Amendments and Modifications; Waiver.

This Agreement may only be amended or modified in writing, signed by each of the Parties. No waiver in writing of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

7.9 Governing Law and Court Jurisdiction.

This Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein (without reference to conflict of law principles), and the Parties agree to, and do hereby, attorn to the exclusive jurisdiction of the British Columbia Supreme Court in relation to any matter relating to this Agreement.

7.10 Time of Essence.

Time shall be of the essence in respect of the obligations of the Parties.

7.11 Severability.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

[Signature page follows]

IN WITNESS WHEREOF, this Agreement has been signed on behalf of each of the Parties as of the Effective Date.

ERNST & YOUNG INC., solely in its capacity as trustee in bankruptcy of the estate of **EncoreFX Inc.**

DocuSigned by:

Per: ______________________________

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Authorized Signatory

Mike Bell Snior Vice President

Print name and title of Authorized Signatory

GLOBAL REACH FINANCIAL SOLUTIONS INC.

DocuSigned by:

Per: Camilla Richardson

8DBD8AE020E7415...

Authorized Signatory

Camilla Richardson Director

Print name and title of Authorized Signatory

SCHEDULE A

SERVICES

The Purchaser shall provide the following services to the Vendor (collectively, the "**Services**"):

1. During the Initial Period and any extension thereof:

    a. accounting, treasury, and credit risk services necessary to wind-down the Company, including assisting with government and tax filings and preparing statements regarding client accounts;

    b. access to all Books and Records and Embedded Assets relating to Excluded Assets, to the extent such access is necessary to support any asset recovery activities (including litigation support) regarding client accounts;

2. During the sixty (60) day period immediately following the Closing:

    a. general support related to any asset or debt recovery activities relating to the Monetizable Excluded Assets, as reasonably requested by the Vendor.

SCHEDULE I

FORM OF PUBLIC RELEASE

(see attached)

Global Reach

Global Reach Expands Into Canada

[•] May 2020

Global Reach Group, a leading provider of corporate and personal foreign exchange, is pleased to announce that it is further enhancing its global footprint by entering the Canadian market.
This is the latest step in the Group's international expansion plan, following its entry into Spain and the Netherlands in 2019.

Global Reach will establish a presence across Canada, with branches in 8 locations, as well as welcoming staff from EncoreFX Canada into the Group.

Founded in 2001 and headquartered in the UK, Global Reach now has operations in six countries, including offices in South Africa and Cyprus. In 2016, Inflexion Private Equity invested in Global Reach, to support the Group's ambitious growth strategy.

Nicholas Fullerton, CEO at Global Reach Group, commented: "This is another important milestone in the growth of Global Reach Group, as we continue to strengthen our business and expand into new geographies. We are pleased to welcome our new colleagues in Canada to the Group and look forward to working with their talented and well-established team. This is a challenging time for everyone, and the health and wellbeing of our employees everywhere remains our top priority. We are eager to begin collaborating and sharing experience across our growing group, while supporting our employees wherever they are."

Paul Lennox, President at Global Reach Canada, said "It is a pleasure to be joining Global Reach Group and I look forward to working closely with Nicholas and the wider team. We are excited to begin building upon our shared strengths to maintain excellent service for our clients, while taking advantage of the Group's innovative technology offering to enhance our customer experience. Our team shares many similarities with Global Reach, and we look forward to contributing to the continued success of the Group."

-ENDS-

For further information, please contact:

Aimee Cole, Head of Marketing
Phone: 020 3805 1677
Email: acole@globalreachgroup.com

About Global Reach

Global Reach began trading in 2001 and now employs a team of more than 200 people, providing both corporate FX solutions and personal foreign exchange services.

Clients can access over 80 major currencies, as well as Option products through its fully regulated subsidiary, Global Reach Markets. In 2016, Inflexion Private Equity acquired FC Exchange and became a major shareholder of Global Reach Partners, with both companies combining to form Global Reach Group.

Global Reach Group is authorised by the Financial Conduct Authority (FCA) as an Authorised Payments Institution for the provision of payment services (FRN 504315).