

SHARE PURCHASE AGREEMENT

between

BELZBERG TECHNOLOGIES INC.

- and -

ASTARAKI-SALEEMI FAMILY TRUST

- and -

HOSS ASTARAKI

- and -

SIMA SALEEMI

AIRD & BERLIS LLP

Barristers and Solicitors

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SHARE PURCHASE AGREEMENT

THIS AGREEMENT made as of February 22, 2011

AMONG:

BELZBERG TECHNOLOGIES INC., a corporation incorporated under the laws of Ontario ("**Belzberg**")

- and -

HOSS ASTARAKI AND SIMA SALEEMI, in their capacities as trustees for the **ASTARAKI-SALEEMI FAMILY TRUST**, a trust formed under the laws of Ontario (the "**Trust**")

- and -

HOSS ASTARAKI, of the City of Toronto, in the Province of Ontario (the "**Astaraki**")

- and -

SIMA SALEEMI, of the City of Toronto, in the Province of Ontario (the "**Saleemi**")

(the Trust, Astaraki and Saleemi are herein referred to as the "**Sellers**")

WHEREAS:

- A. The Sellers are the registered and beneficial owner of all of the issued and outstanding shares in the capital of Frontline Technologies Corporation ("**Frontline**").
- B. Belzberg wishes to purchase, and the Sellers wish to sell, all of the issued and outstanding shares of Frontline on the terms and conditions herein contained.

THE PARTIES AGREE AS FOLLOWS:

ARTICLE 1 INTERPRETATION

1.1 Defined Terms

In this Agreement and in the schedules hereto, unless there is something in the subject matter or context inconsistent therewith, the following terms and expressions will have the following meanings:

"**Affiliate**" means an affiliate as defined in the *Business Corporations Act*, Ontario.

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

“Applicable Law” means, as to any Person,

- (a) any statute, regulation, ordinance, decree, treaty or similar requirement made or issued under sovereign or statutory authority, including Canadian Securities Laws; and
- (b) any guideline, rule, requirement, policy, Order, judgment, injunction, award or decree of any Governmental Authority whether or not having the force of law,

applicable to or binding upon that Person or to which that person or any of his property is subject.

“Appurtenances” means all buildings, structures, fixtures, improvements and appurtenances located on or forming part of the Real Properties or Belzberg Leased Premises or Frontline Leased Premised, as applicable.

“arm’s length” will have the meaning ascribed to such term under the Tax Act.

“Astaraki” means Hoss Astaraki.

“Belzberg” means Belzberg Technologies Inc., a corporation incorporated under the laws of Ontario, on an unconsolidated basis and except as otherwise specifically provided for herein, does not include any subsidiary of Belzberg.

“Belzberg Audited Financial Statements” has the meaning set forth in Section 3.2(9)(a)(i) hereof.

“Belzberg Benefit Plans” has the meaning set forth in Section 3.2(37)(a) hereof.

“Belzberg Business” means the business carried on by Belzberg which primarily involves the supply of trade execution software and services to professional trades.

“Belzberg Common Shares” means the issued and outstanding common shares in the capital of Belzberg as disclosed in Section 3.2(7) of the Belzberg Disclosure Schedule.

“Belzberg Compensation Policies” has the meaning set forth in Section 3.2(37)(c) hereof.

“Belzberg Disclosure Schedule” means Schedule 3.2 attached hereto, as referred to in the first paragraph of Section 3.2 hereof.

“Belzberg Domain Names” means all domain name registrations used in or pertaining to Belzberg Business, together with all rights and interests arising from the use thereof and all goodwill associated therewith.

“Belzberg Employee and Contractor Disclosure Document” means that certain document dated the date hereof and delivered by Belzberg to the Sellers setting out the information described in Section 3.1(36)(b) hereof.

“Belzberg Employees” means individuals currently employed or retained under contract by Belzberg on a full-time, part-time or temporary basis, including those employees on disability leave, parental leave or other absence.

“Belzberg Equipment” means all of Belzberg’s furniture, fixtures, machinery, equipment, motor vehicles, office equipment, computers, tools, replacement parts and other tangible personal property now or hereafter owned or used in connection with the operation of the Belzberg Business wherever located.

“Belzberg Financial Statements” has the meaning set forth in Section 3.2(9) hereof.

“Belzberg Government Assistance Programs” has the meaning set forth in Section 3.2(42) hereof.

“Belzberg Information Circular” means the information circular required by Applicable Law to be sent by Belzberg to the holders of the Belzberg Common Shares in connection with the meeting of the holders of the Belzberg Common Shares referred to in Section 4.1(6) hereof.

“Belzberg Leased Premises” means all leasehold property and interests therein which are disclosed in Section 3.2(22) of the Belzberg Disclosure Schedule, including all Appurtenances, rights of way, licences or rights of occupation, easements or other similar rights of Belzberg in connection with such leasehold property.

“Belzberg Leases” has the meaning set forth in Section 3.2(22) hereof.

“Belzberg Licences” means all of the licenses, permits, certificates of authority, authorizations, registrations, rulings, determinations, Orders, qualifications to do business or similar rights or approvals granted or issued by any Governmental Authority relating to Belzberg or its property or assets or the Belzberg Business.

“Belzberg Licensed Intellectual Property” means all Intellectual Property that is used by Belzberg but owned by another person, excluding any third party software programs which are purchased off-the-shelf by Belzberg and which are not, individually or in the aggregate, material to the Business.

“Belzberg Material Adverse Change” means, when used in connection with Belzberg or the Belzberg Business, any change, event or occurrence, and **“Material Adverse Effect”** means, in respect of Belzberg and the Belzberg Business, any state of facts, which is or could be expected to be materially adverse to the Belzberg Business, operations, results of operations, assets, liabilities, condition (financial or otherwise) or prospects of Belzberg, other than as a result of: (i) changes generally affecting the Canadian economy or the global economy; (ii) changes generally affecting the electronic trade execution industry which do not have a materially disproportionate affect on Belzberg relative to other participants in the electronic trade execution industry; (iii) the announcement or pendency of the Transactions hereunder; (iv) changes in

Applicable Law; or (v) changes in GAAP, IFRS or regulatory principles applicable to Belzberg. Reference in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a Belzberg Material Adverse Change has occurred or whether a state of facts exists that has or could have a Material Adverse Effect.

“Belzberg Material Contracts” means all Contracts which are material to the Belzberg Business (all of which are disclosed in Section 3.2(34) of the Belzberg Disclosure Schedule).

“Belzberg Most Recent Balance Sheet” means the balance sheet forming part of Belzberg Most Recent Financial Statements.

“Belzberg Most Recent Financial Statements” has the meaning set forth in Section 3.2(9)(a)(ii) hereof.

“Belzberg Most Recent Fiscal Year End” has the meaning set forth in Section 3.2(9)(a)(i) hereof.

“Belzberg Most Recent Month End” has the meaning set forth in Section 3.2(9)(a)(ii) hereof.

“Belzberg Owned Intellectual Property” means all Intellectual Property that is developed by, for or on behalf of Belzberg and is owned by Belzberg, as set out in Section 3.2(25) hereof.

“Belzberg Proprietary Information” means all Proprietary Information that is owned by Belzberg.

“Belzberg Registrations” has the meaning set forth in Section 3.2(25)(b) hereof.

“Belzberg Required Working Capital Amount” has the meaning set forth in Section 8.2(1) hereof.

“Belzberg Working Capital” has the meaning set forth in Section 8.2(1) hereof.

“BTU” means Belzberg Technologies (USA) Inc., a corporation incorporated under the laws of the State of New Jersey.

“Business Day” means any day other than a day which is a Saturday, a Sunday or a statutory holiday in Toronto, Ontario or a day on which banks in the City of Toronto are not generally open for business.

“Canadian Securities Laws” means, collectively, the securities legislation and related rules, regulations, instruments and published policy statements of each of the Provinces and Territories of Canada.

“Claim” means any written demand, claim, complaint, suit, action, cause of action, investigation, proceeding or notice by any person alleging actual or potential Liability for any loss or for any Default under any law, Contract, license or benefit plan.

“Class A Restricted Shares” means the Class A Restricted Shares of Belzberg having the rights, privileges, restrictions and conditions set forth in, and to be created by the filing of, the Articles of Amendment attached as Schedule 5.2(11) hereof;

“Closing Date” means the second Business Day immediately following the holding of the meeting of holders of Belzberg Common Shares pursuant to Section 4.2(5), or such other date as the Sellers and Belzberg may agree upon.

“Closing Time” means 10:00 a.m. (Eastern Standard Time) on the Closing Date or such other time on the Closing Date as the parties hereto may agree upon.

“Consents” means all consents, waivers, approvals, authorizations and exemptions.

“Contract” means, with respect to any Person, any contract, agreement, instrument, Lease, License, purchase order, obligation, undertaking or other binding commitment, whether written or oral, to which such Person or such Person’s properties, operations, business or assets are bound.

“CRA” means the Canada Revenue Agency or any successor agency thereto.

“Damages” means all costs, expenses, obligations, fees (including reasonable legal fees and expenses), losses, and other Liabilities.

“Default” means, with respect to a Contract, license, law, Organizational Document, benefit plans or other document or instrument: (i) a violation, breach or default, (ii) the occurrence of an event that, with the passage of time or the giving of notice or both, would constitute a violation, breach or default, or (iii) the occurrence of an event that (with or without the passage of time or the giving of notice or both) would give rise to a right of damages, specific performance, termination, suspension, renegotiation or acceleration (including acceleration of payment).

“Determination Date” has the meaning set forth in Section 8.2(1) hereof.

“Encumbrances” means mortgages, charges, pledges, security interests, liens, encumbrances, actions, claims, demands and equities of any nature whatsoever or howsoever arising and any rights or privileges capable of becoming any of the foregoing.

“Finansia Agreement” means the Sale and Purchase Asset Agreement between IT Source Solutions Inc. (operating as Finansia) and Frontline made effective the 15th day of September, 2010.

“Finansia Business” means the business carried on by Frontline using the assets acquired pursuant to the Finansia Agreement.

“Frontline” means Frontline Technologies Corporation, a corporation incorporated under the laws of Ontario.

“Frontline Audited Financial Statements” has the meaning set forth in Section 3.1(9)(a)(i) hereof.

“Frontline Benefit Plans” has the meaning set forth in Section 3.1(37)(a) hereof.

“Frontline Business” means the business carried on by Frontline and the Subsidiary which primarily involves the supply of trade execution software and services to professional trades.

“Frontline Business Intellectual Property” has the meaning set forth in Section 3.1(25)(d) hereof.

“Frontline Compensation Policies” has the meaning set forth in Section 3.1(37)(c) hereof.

“Frontline Disclosure Schedule” has the meaning set forth in Section 3.1 hereof.

“Frontline Domain Names” means all domain name registrations used in or pertaining to Frontline Business, together with all rights and interests arising from the use thereof and all goodwill associated therewith.

“Frontline Employee and Contractor Disclosure Document” means that certain document dated the date hereof and delivered by the Sellers to Belzberg setting out the information described in Section 3.1(36)(b) hereof.

“Frontline Employees” means individuals currently employed or retained under contract by Frontline on a full-time, part-time or temporary basis, including those employees on disability leave, parental leave or other absence.

“Frontline Equipment” means all of Frontline’s furniture, fixtures, machinery, equipment, motor vehicles, office equipment, computers, tools, replacement parts and other tangible personal property now or hereafter owned or used in connection with the operation of the Frontline Business wherever located.

“Frontline Financial Statements” has the meaning set forth in Section 3.1(9)(a) hereof.

“Frontline Government Assistance Programs” has the meaning set forth in Section 3.1(42) hereof.

“Frontline Leased Premises” means all leasehold property and interests therein which are disclosed in Section 3.1(22) of the Frontline Disclosure Schedule, including all Appurtenances, rights of way, licences or rights of occupation, easements or other similar rights of Frontline in connection with such leasehold property.

“Frontline Leases” has the meaning set forth in Section 3.1(22) hereof.

“Frontline Licensed Intellectual Property” means all Intellectual Property that is used by Frontline but owned by another person, excluding any third party software programs which are purchased off-the-shelf by Frontline and which are not, individually or in the aggregate, material to the Business.

“Frontline Licenses” means all of the licenses, permits, certificates of authority, authorizations, registrations, rulings, determinations, Orders, qualifications to do business or similar rights or

approvals granted or issued by any Government Authority relating to Frontline or its property or assets or the Frontline Business.

“Frontline Material Adverse Change” means, when used in connection with Frontline or the Frontline Business, any change, event or occurrence, and **“Material Adverse Effect”** means, in respect of Frontline and the Frontline Business, any state of facts, which is or could be expected to be materially adverse to the Frontline Business, operations, results of operations, assets, liabilities, condition (financial or otherwise) or prospects of Frontline, other than as a result of: (i) changes generally affecting the Canadian economy or the global economy; (ii) changes generally affecting the electronic trade execution industry which do not have a materially disproportionate affect on Frontline relative to other participants in the electronic trade execution industry; (iii) the announcement or pendency of the Transactions hereunder; (iv) changes in Applicable Law; or (v) changes in GAAP or regulatory principles applicable to Frontline. Reference in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a Frontline Material Adverse Change has occurred or whether a state of facts exists that has or could have a Material Adverse Effect.

“Frontline Material Contracts” means all Contracts which are material to The Frontline Business (all of which are disclosed in Section 3.1(34) of the Frontline Disclosure Schedule).

“Frontline Most Recent Balance Sheet” means the balance sheet forming part of Frontline Most Recent Financial Statements.

“Frontline Most Recent Financial Statements” has the meaning set forth in Section 3.1(9)(a)(ii) hereof.

“Frontline Most Recent Fiscal Year End” has the meaning set forth in Section 3.1(9)(a)(i) hereof.

“Frontline Most Recent Month End” has the meaning set forth in Section 3.1(9)(a)(ii) hereof.

“Frontline Owned Intellectual Property” means all Intellectual Property that is developed by, for or on behalf of Frontline and is owned by Frontline, as set out in Section 3.1(25) hereof.

“Frontline Proprietary Information” means all Proprietary Information that is owned by Frontline.

“Frontline Registrations” has the meaning set forth in Section 3.1(25)(b) hereof.

“Frontline Share Appreciation Units” means the units issued to employees of Frontline pursuant to the Frontline Share Appreciation Unit Grants Agreement.

“Frontline Shares” means the 80 Class A Common Shares, the 20 Class B Common Shares, the 100,000 Class B Preference Shares and the 100,000 Class A Preference Shares as specified in Section 3.1(7) of the Frontline Disclosure Schedule.

“Frontline Target Working Capital Amount” means \$1.00.

“Frontline’s Transaction Expenses” means, except as otherwise expressly set forth in this Agreement, the aggregate amount of all out-of-pocket fees and expenses incurred by or on behalf of, or paid or payable by, Frontline in connection with the process of selling Frontline Shares or otherwise relating to the negotiation, preparation or execution of this Agreement or any documents or agreements contemplated hereby or the performance or consummation of the Transactions contemplated hereby, as of the Closing Date, including: (i) any fees and expenses associated with obtaining the Consents or any other necessary or desirable waivers or approvals of any Governmental Authority or third parties on behalf of Frontline, (ii) any fees or expenses associated with obtaining the release and termination of any Encumbrances attaching to Frontline Shares; (iii) all investment banking, M&A advisor, brokers’ or finders’ fees; and (iv) fees and expenses of legal counsel, advisors, consultants, investment bankers, accountants, auditors and experts.

“Frontline Working Capital Amount” means, at any particular date, the current assets of Frontline shown on the Statement less the current liabilities of Frontline shown on the Statement, including all of the Frontline Transaction Expenses to the extent that they have not been paid on that date.

“Frontline Working Capital Objection Notice” has the meaning set forth in Section 2.4(b) hereof.

“Frontline Working Capital Statement” has the meaning set forth in Section 2.4(a) hereof.

“GAAP” means generally accepted accounting principles in Canada which are applicable as at the date on which any calculation made hereunder is to be effective or as at the date of any Financial Statements referred to herein, as the case may be, as set forth in the opinions and pronouncements of the relevant Canadian public and private accounting boards and institutes.

“Governmental Authority” means any government, government regulatory authority, government department, government agency, government commission, government bureau, government official, government minister, Crown corporation, government board or other governmental law, rule or regulation-making entity:

- (a) having jurisdiction or purporting to have jurisdiction on behalf of any nation, or any province, state or other geographic or political subdivision thereof; or
- (b) exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

“IFRS” means International Financial Reporting Standards.

“Indemnified Party” has the meaning set forth in Section 9.4 hereof.

“Indemnifying Party” has the meaning set forth in Section 9.4 hereof.

“Indemnity Cap” has the meaning set forth in Section 9.6(c) hereof.

“Indemnity Claim” has the meaning set forth in Section 9.4 hereof.

“Independent Accountants” means KPMG or such other firm of chartered accountants selected by the Sellers from PriceWaterhouseCoopers, Deloitte & Touche and Ernst & Young.

“Intellectual Property” means, collectively, (i) all inventions (whether patentable or unpatentable and whether or not reduced to practice) and all improvements thereto, (ii) all patents and patent applications including all divisional, continuations, continuations-in-part, renewals, reissues, re-examinations, substitutions, and extensions thereof, (iii) all trademarks, logos, symbols, designs, trade dress, distinguishing guise, trade names, brand names, and corporate names, together with all translations, adaptations, derivations and combinations thereof, including all goodwill associated therewith, and all applications, registrations and renewals in connection therewith, (iv) all copyrightable works, all registered and unregistered copyrights, and all applications, registrations and renewals in connection therewith, (v) all industrial designs and other industrial property rights, (vi) all Proprietary Information and all trade secrets and other confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals), (vii) all Software (viii) all other proprietary rights anywhere in the world in the nature of intellectual property, (ix) all copies and tangible embodiments of the foregoing (in whatever form or medium), and (x) all past, present and future causes of action, rights of recovery and claims for damages, accounting for profits, royalties, or other relief relating, referring or pertaining to any of the foregoing and including the right to file applications for registration of, or for obtaining, any of the foregoing anywhere in the world.

“Interim Period” means the period from the date hereof to the earlier of (i) the date of termination of this Agreement in accordance with Section 5.1(14) or 5.2(12) and (ii) the Closing Date.

“Knowledge” of a certain matter means the actual knowledge of: (i) in relation to the Sellers, Astaraki and the knowledge which he would have if he conducted such reasonable inquiry that a prudent person in similar circumstances would consider necessary as to that matter; and (ii) in relation to Belzberg, the President and Chief Executive Officer and the Vice President Finance and the knowledge which such persons would have if they conducted such reasonable inquiry that a prudent person in similar circumstances would consider necessary as to that matter.

“Lease” shall mean any lease, agreement (whether oral or written) or tenancy for real property, together with all subleases, amendments, extensions, addenda, assignments, waivers and all other rights of use and/or occupancy, and Contracts and documents relating to any of the foregoing.

“Liabilities” and words of similar import include any direct or indirect liability, indebtedness, Tax, penalty, assessment, fine, guarantee, endorsement, Claim, or other loss, damage, deficiency, cost, expense, obligation or responsibility, absolute or contingent, known or unknown, asserted or unasserted, choate or inchoate, accrued or unaccrued, liquidated or unliquidated, secured or unsecured, and whether due or to become due and regardless of when asserted.

“Litigation” has the meaning set forth in Section 8.2(1) hereof.

“Litigation Costs” has the meaning set forth in section 8.2(1) hereof.

“Order” means any award, decision, injunction, judgment, order, ruling or verdict entered, issued, made or rendered by any court, Governmental Authority or arbitrator.

“Ordinary Course of Business” means the ordinary course of business, consistent with past custom and practice (including with respect to the nature, quantity and frequency of past actions).

“Organizational Documents” means the articles or certificate of incorporation, bylaws or other governing or constating documents of a corporation or other entity.

“Person” means and includes any individual, corporation, partnership, limited partnership, limited liability corporation, firm, joint venture, syndicate, association, trust, government, Governmental Authority and any other form of entity or organization.

“Personal Information” means information about an identifiable individual, including such information on the applicable party’s customers, suppliers, employees, officers, directors, principals, and agents.

“Privacy Laws” means all laws of Canada governing the collection, use, disclosure and retention of Personal Information including the *Personal Information Protection and Electronic Documents Act* (Canada) (PIPEDA), the *Personal Information Protection Act* (PIPA) (British Columbia), the *Personal Information Protection Act* (PIPA) (Alberta), and *An Act respecting the protection of personal information in the private sector* (Quebec).

“Privacy Policies” means all privacy, data protection and similar policies adopted or used by the applicable party in respect of Personal Information, including any privacy breach notification policies and policies regarding the complaints process.

“Proprietary Information” means, with respect to any Person, all confidential information of that Person including: (a) Intellectual Property of that Person that is not generally available to third parties; (b) all trade secrets, Source Code, Source Materials, ideas, concepts, research and development, know-how, formulas, compositions, processes, techniques, technical data, designs, drawings, specifications, and business methods of that Person, (c) all financial, technical, commercial and other information of that Person, including all data, materials, documents, customer and supplier lists, financial reports, pricing and cost information, business plans and marketing information that relate to the business, strategies, or operations of that Person which is disclosed or otherwise made available by such Person or any Affiliate of that Person to a party to this Agreement or any Affiliate of that party in connection with the Transactions contemplated by this Agreement, (d) all copies and tangible embodiments of the foregoing (in whatever form or medium), and (e) each of the terms, conditions and other provisions contained in this Agreement and in the agreements or documents to be delivered pursuant to this Agreement. Notwithstanding the preceding sentence, Proprietary Information shall not include any information that (i) is in the public domain at the time of disclosure to the recipient or that enters the public domain after such disclosure through no breach by the recipient of any obligation owed to the discloser, (ii) is lawfully possessed in writing by the recipient at the time of disclosure to such recipient and is not subject to any other contractual, legal or fiduciary

obligation of confidentiality by the recipient in favour of the discloser, or (iii) has been disclosed to a party by any third person, provided that the party to whom such disclosure has been made does not have actual knowledge that such person is prohibited from disclosing such information (either by reason of contractual, legal or fiduciary duty or obligation).

“**Purchase Price**” has the meaning set forth in Section 2.2 hereof.

“**Real Properties**” means all real property and interests therein owned by a Person, including all Appurtenances, rights of way, licenses or rights of occupation, easements or other similar rights of such Person in connection with such real property.

“**Restructuring Costs**” has the meaning set forth in Section 8.2(1) hereof.

“**Saleemi**” means Sima Saleemi.

“**Sellers**” means Astaraki, Saleemi and the Trust.

“**Sellers’ Fundamental Representations**” means the representations and warranties made by the Sellers contained in Sections 3.1(1), 3.1(2), 3.1(4) and 3.1(7) hereof.

“**Software**” means all computer programs, operating systems, firmware and applications software (including all versions of Source Code and object code therefor), program files, data files, computer related data, field and data definitions and relationships, data definition specifications, data models, program and system logic, interfaces, program modules, routines, sub-routines, algorithms, program architecture, design concepts, system designs, program structure, sequence and organization, screen displays and report layouts, and all other materials related to such software, if any.

“**Source Code**” means the human-readable form of a computer instruction, including Source Materials.

“**Source Materials**” means, in relation to items of Software, supporting materials that would enable a reasonably skilled programmer to compile, debug, and support and/or make improvements to such Software in a commercially reasonable manner including (i) any Source Code related thereto, reasonably annotated, (ii) technical and system documentation including detailed design, functional, operational, and technical documentation, flow charts, diagrams, file layouts, report layouts, screen layouts, business rules, data and database models and structures, working papers and reasonably related notes and memoranda in electronic or written format that were made or obtained in relation to the design and development of such Software, and compilation instructions related to such Software, (iii) listing by name, version, and vendor of relevant third party compilers, utilities, and other Software that are necessary for normal operation of such Software to which the source materials relate including sufficient information to procure a license from such vendors, (iv) a reasonably detailed listing of relevant equipment and information necessary for normal operation of such Software, and (v) all other information reasonably necessary to rebuild, install, and otherwise implement the Software in the context of the applicable system(s) including, all relevant tools, programs, files, encryption keys, make files, installation instructions, systems settings, and database settings.

“Special Committee” means a special committee consisting of three independent (within the meaning of National Instrument 52-110) directors of Belzberg, two of whom shall be Cameron MacDonald and Steven Sadler (or, in the event that such persons are unwilling or unable, or become unqualified, to serve, replacements chosen by them), the mandate of which shall be to determine the amount of the USBD Sale Distribution in accordance with Section 8.2 hereof and act on behalf of Belzberg pursuant to Section 2.4, 10.10 and 10.11 hereof and which Special Committee shall be empowered to determine such rules and procedures for its operation as it determines to be appropriate. Without limiting the generality of the foregoing, (a) the Special Committee may hold its meetings at such times and places as its members shall determine to be advisable, (b) members of the Special Committee may attend any meeting of the Special Committee in person or by telephone, and (c) in carrying out its responsibilities, the Special Committee shall establish its own procedures, including the appointment of a Chairman and Secretary, the establishment of a quorum for meetings, the timing and place of meetings and such other procedures as it considers necessary or advisable.

“Subsidiary” means 1634904 Ontario Ltd., a corporation incorporated under the laws of Ontario.

“Subsidiary Business” means the business carried on by the Subsidiary, which primarily involves the leasing of premises and subleasing of such premises to Frontline.

“Subsidiary Lease” means the lease of real property entered into between 1239079 Ontario Limited and the Subsidiary made as of the 2nd day of March 2006, as amended by the amending agreements to such lease as set forth in Schedule 3.1(22) hereof.

“Subsidiary Shares” means those shares in the capital of the Subsidiary owned by Frontline.

“Subsidiary Sublease” means the agreement entered into between the Subsidiary and Frontline on or about the 2nd day of March 2006, to sublease the real property contemplated in the Subsidiary Lease.

“Supplemental Belzberg Disclosure” has the meaning set forth in Section 4.2(4)(b) hereof.

“Supplemental Sellers Disclosure” has the meaning set forth in Section 4.1(4)(b) hereof.

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

“Tax Returns” means all returns, reports, declarations, elections, statements, bills, schedules, forms or written information of, or in respect of, Taxes that are, or are required to be, filed with or supplied to any Taxing Authority.

“Taxes” means all federal, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority including, (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employer health, pension plan, anti-dumping, countervail, excise, severance, stamp, occupation,

or premium tax, (ii) all withholdings on amounts paid to or by the relevant person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law.

“Taxing Authority” means any federal, provincial, state, local or foreign Governmental Authority having responsibility for Taxes.

“Third Party Claim” has the meaning set forth in Section 9.7(a) hereof.

“Threshold Amount” has the meaning set forth in Section 9.6(b) hereof.

“Transactions” means all transactions contemplated herein.

“Trust” means the Astaraki-Saleemi Family Trust, a trust formed and existing under the laws of Ontario.

“TSX” means the Toronto Stock Exchange.

“USBD Sale Costs” has the meaning set forth in Section 8.2(1) hereof.

“USBD Sale Distribution” has the meaning set forth in Section 8.2(1) hereof.

“USBD Sale Distribution Determination Statement” has the meaning set forth in Section 8.2(3)(b) hereof.

“USBD Sale Distribution Objection Notice” has the meaning set forth in Section 8.2(3)(c) hereof.

“US Broker Dealer Business” means the assets employed and business carried on by the US Broker Dealer Subsidiaries and the assets and liabilities of BTU that are determined to be discontinued in accordance with Section 8.2(2) hereof.

“US Broker Dealer Subsidiaries” means Electronic Brokerage Systems, LLC and Robert C. Sheehan & Associates, LLC.

1.2 Schedules

The schedules which are attached to this Agreement are incorporated into this Agreement by reference and are deemed to be part hereof.

Schedule 3.1	-	Frontline Disclosure Schedule
Schedule 3.2	-	Belzberg Disclosure Schedule
Schedule 3.1(9)	-	Frontline Financial Statements
Schedule 3.2(9)	-	Belzberg Financial Statements

Schedule 5.1(8)	-	Opinion of Sellers' Counsel
Schedule 5.2(7)	-	Opinion of Belzberg's Counsel
Schedule 5.2(8)	-	Astaraki Employment Agreement
Schedule 5.2(11)	-	Belzberg Form of Articles of Amendment

In the event of a conflict between a provision in the body of this Agreement and a provision of a Schedule, the provision in the body of this Agreement will prevail.

1.3 Currency

Unless otherwise indicated, all dollar amounts referred to in this Agreement are in lawful money of Canada.

1.4 Choice of Law and Attornment

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

1.5 Interpretation Not Affected by Headings or Party Drafting

The division of this Agreement into articles, sections, paragraphs, subsections and clauses and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein", "hereunder" and similar expressions refer to this Agreement and the schedules hereto and not to any particular article, section, paragraph, clause or other portion hereof and include any agreement or instrument supplementary or ancillary hereto. The parties hereto acknowledges that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and the parties hereby agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting party shall not be applicable in the interpretation of this Agreement.

1.6 Including

Where the word "including" or "includes" is used in this Agreement, it means "including (or includes) without limitation".

1.7 Number and Gender

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

- (a) words in the singular number include the plural and such words shall be construed as if the plural had been used;
- (b) words in the plural include the singular and such words shall be construed as if the singular had been used, and

- (c) words importing the use of any gender shall include all genders where the context or party referred to so requires, and the rest of the sentence shall be construed as if the necessary grammatical and terminological changes had been made.

1.8 Time of Essence

Time shall be of the essence hereof.

1.9 Severability

If any term or provision of this Agreement or of any of the Schedules attached hereto or of any agreement made in order to carry out the Transactions is held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, all remaining terms and provisions of this Agreement, the Schedules attached hereto and such other agreements shall remain in full force and effect and enforceable to the fullest extent permitted by law.

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase of Frontline Shares

On the terms and subject to the fulfilment of the conditions hereof, the Sellers will sell, assign and transfer to Belzberg, and Belzberg will purchase and accept from the Sellers, the Frontline Shares, free and clear of all Encumbrances.

2.2 Purchase Price

The price (the "Purchase Price") payable by Belzberg to the Sellers for Frontline Shares will be the aggregate of the following:

- (i) \$1,000,000; and
- (ii) the fair market value of 7,881,926 fully paid and non-assessable Class A Restricted Shares as at the Closing Time.

2.3 Payment of Purchase Price

The Purchase Price will be paid at the Closing Time as follows:

- (a) as to \$1,000,000, Belzberg will pay to Astaraki on behalf of the Sellers by certified cheque, bank draft or wire transfer in immediately available funds, the sum of \$1,000,000; and
- (b) as to the remainder of the purchase price, Belzberg will issue to the Sellers an aggregate of 7,881,926 fully paid and non-assessable Class A Restricted Shares as follows:

Astaraki-Saleemi Family	788,192 Class A Restricted Shares
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Trust	
Hoss Astaraki	788,192 Class A Restricted Shares
Sima Saleemi	6,305,542 Class A Restricted Shares

- (c) Each Seller shall be entitled to make an income tax election pursuant to section 85 of the *Income Tax Act* (Canada) (and the equivalent provision of any provincial income tax law) with respect to the transfer of the Frontline Shares to Belzberg in exchange for Class A Restricted Shares of Belzberg. Each Seller must provide two completed copies of the necessary election forms which have been executed by such Seller to Belzberg. The amount to be elected in such forms shall be an amount determined by such Seller (or his or her professional advisors), provided that such elected amount complies with the statutory limitations. The parties agree that for income and corporations tax purposes the acquisition cost to Belzberg and proceeds of disposition to the Sellers of the Frontline Shares disposed of to Belzberg in consideration of Class A Restricted Shares shall be deemed to be an amount equal to the amount so elected. Belzberg agrees to execute any election forms provided to it by a Seller and to return such forms to such Seller within 30 days of the receipt thereof for filing by such Seller with the applicable tax authority. With the exception of execution or causing execution of the election by Belzberg, compliance with the requirements to a valid election and the filing of such election shall be the sole responsibility of the Sellers making the election.

2.4 Adjustments to the Belzberg Required Working Capital Amount

- (a) As promptly as practicable following the Closing Date and, in any event, not later than 30 days thereafter, Belzberg will cause a statement (the “**Frontline Working Capital Statement**”), in accordance with GAAP consistently applied in accordance with the past practices of Frontline (except that the assets and liabilities of the Finasia Business and the effects of the operation of the Finasia Business from January 1, 2011 to and including the Closing Date shall be excluded from the calculation of the Frontline Working Capital Amount), to be prepared, setting forth the Frontline Working Capital Amount as of the Closing Date, and Belzberg will deliver the Frontline Working Capital Statement to the Sellers and the Special Committee.
- (b) The Sellers and Belzberg, acting through the Special Committee, will have the right to review all work papers and procedures used to prepare the Frontline Working Capital Statement. If neither the Sellers nor Belzberg, acting through the Special Committee, within 10 Business Days after receipt by the Sellers and the Special Committee of the Frontline Working Capital Statement, notify Belzberg in writing that they object to any of the items in the Frontline Working Capital Statement (a “**Frontline Working Capital Objection Notice**”) and specify the basis for such objection and each amount in dispute, the Frontline Working Capital Statement will become final and binding upon the parties for the purposes of this Agreement and the Frontline Working Capital Amount as of the

Closing Date will be as set forth in the Frontline Working Capital Statement. In the event that neither the Sellers nor Belzberg, acting through the Special Committee, give a Frontline Working Capital Objection Notice to Belzberg within such 10 Business Day period, the Sellers and Belzberg shall be deemed to have waived any right to seek recourse to arbitration or the courts in respect of the Frontline Working Capital Statement and the Frontline Working Capital Amount for all purposes will be as set forth in the Frontline Working Capital Statement.

- (c) If the Sellers and Belzberg, acting through the Special Committee, together with their respective advisors, are unable to resolve any objections set forth in any Frontline Working Capital Objection Notice within 10 Business Days after such Frontline Working Capital Objection Notice is received by Belzberg, the dispute will be submitted to the Independent Accountants who will be instructed by the Sellers and Belzberg, acting through the Special Committee, jointly, to resolve the dispute in an expeditious manner in accordance with the terms of this Agreement. The Independent Accountants will make a determination as to the matter or matters in dispute and of the Frontline Working Capital Amount, which determination shall be set forth in a written statement addressed and delivered concurrently to Belzberg and the Sellers. Such determination shall be final and binding on the parties and the parties acknowledge and confirm that they each hereby expressly waive any right to seek recourse to arbitration or the courts in respect of such determination.
- (d) Following the final determination of the Frontline Working Capital Amount as of the Closing Date in accordance with Section 2.4(b) or 2.4(c), the Belzberg Required Working Capital Amount will be increased or decreased on a dollar-for-dollar basis by the amount, if any, by which the Frontline Working Capital Amount is more or less than the Frontline Target Working Capital Amount, respectively. Notwithstanding the foregoing, (i) the reduction in the Belzberg Required Working Capital Amount pursuant to this Section 2.4(d) will be limited to \$300,000 and (ii) if the Frontline Working Capital Amount is more than \$300,000 less than the Frontline Target Working Capital Amount, the Sellers shall pay to Belzberg in cash the amount of such excess in cash, which payment shall be treated as a reduction in the Purchase Price.
- (e) The Sellers will bear any fees, costs and expenses of the Independent Accountants retained under Section 2.4(c) to resolve any dispute in respect of the Frontline Working Capital Statement.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties by the Sellers.

The Sellers jointly and severally represent and warrant to Belzberg that as of the date hereof the statements contained in this Section 3.1 are correct and complete, except as disclosed in Schedule 3.1 attached hereto (the "**Frontline Disclosure Schedule**"), and confirm that Belzberg

is relying upon the accuracy of such representations and warranties in connection with its purchase of Frontline Shares and the completion of the other Transactions hereunder. Nothing in the Frontline Disclosure Schedule shall be deemed adequate to disclose an exception to a representation and warranty made herein unless the Frontline Disclosure Schedule identifies the exception with particularity and describes the relevant facts. Without limiting the generality of the foregoing, the mere listing or inclusion of a copy of a document or other item shall not be deemed adequate to disclose an exception to a representation and warranty made herein, unless the representation or warranty has to do with the existence of the document or other item itself. All information that is necessary to make a given section of the Frontline Disclosure Schedule complete and accurate, but that is not fully disclosed in that section shall, nevertheless, be deemed to be complete and accurate if it is disclosed in another paragraph of the Frontline Disclosure Schedule and appropriate cross-references are included in all applicable sections of the Frontline Disclosure Schedule. The Frontline Disclosure Schedule will be arranged in paragraphs corresponding to the numbered and lettered paragraphs contained in this section.

(1) *Corporate and Trust Authority and Binding Obligation.*

The Trust has been created and is existing as a trust under the laws of the Province of Ontario and Astaraki and Saleemi have been duly appointed as trustees of the Trust. Astaraki and Saleemi have the power and authority in their capacities as trustees of the Trust to execute and deliver this Agreement on behalf of the Trust and to perform the obligations of the Trust under this Agreement. Each of the Sellers has good right and authority and capacity to execute and deliver this Agreement, to sell, assign and transfer the Frontline Shares to Belzberg in the manner contemplated herein, to carry out all of the other Transactions and to perform all of the Sellers' obligations under this Agreement. This Agreement is a valid and legally binding obligation of the Sellers, enforceable against them in accordance with its terms, and at the Closing Time each other agreement contemplated hereby will have been duly authorized, executed and delivered by the Sellers and Frontline and will constitute a valid and legally binding obligation of the Sellers and Frontline, as the case may be, enforceable against them in accordance with its terms, subject to:

- (a) bankruptcy, insolvency, moratorium, reorganization and other laws relating to or affecting the enforcement of creditors' rights generally, and
- (b) the fact that equitable remedies, including the remedies of specific performance and injunction, may only be granted in the discretion of a court.

(2) *No Other Purchase Agreements.*

No person has any agreement, option, understanding or commitment, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment, including convertible or exchangeable securities or obligations of any nature, for:

- (a) the purchase, subscription, allotment or issuance of, or conversion or exchange into, any of the unissued shares in the capital of Frontline or any other securities of Frontline;
- (b) the purchase from the Sellers of any of Frontline Shares;

- (c) the purchase, subscription, allotment or issuance of, or conversion or exchange into, any of the unissued shares in the capital of the Subsidiary or any other securities of the Subsidiary; or
- (d) the purchase from Frontline of any of the Subsidiary Shares.

(3) *Contractual and Regulatory Consents.*

Except for the Consents disclosed in Section 3.1(3) of the Frontline Disclosure Schedule, Frontline is not under any obligation, contractual or otherwise, to request or obtain the Consent or approval of any Person, and no permits, licenses, certifications, authorizations or approvals of, or notifications to, any Governmental Authority are required to be given or obtained by Frontline or the Sellers:

- (a) in connection with the execution, delivery or performance by the Sellers or Frontline of this Agreement or any other agreement contemplated herein or the completion of any of the Transactions;
- (b) to avoid the loss of any Frontline Licence;
- (c) in order that the authority of Frontline to carry on the Frontline Business in the Ordinary Course of Business and in the same manner as presently conducted remains in good standing and in full force and effect as of and following the closing of the Transactions; or
- (d) in order that the authority of the Subsidiary to carry on the Subsidiary Business in the Ordinary Course of Business and in the same manner as presently conducted remains in good standing and in full force and effect as of and following the closing of the Transactions.

Complete and correct copies of any Contracts under which Frontline is obligated to request or obtain any Consent, permit, license, certification, authorization or approval or give any notice referred to in this Section 3.1(3) have been provided to Belzberg.

(4) *Status, Organizational Documents and Licences.*

- (a) Frontline is a body corporate duly incorporated and validly existing under the laws of its jurisdiction of incorporation. Frontline is not a reporting issuer, as such term is defined under Canadian Securities Laws. Frontline has all necessary corporate power, authority and capacity to own its properties and to carry on the Frontline Business as it is now being conducted.
- (b) The articles, by-laws and other Organizational Documents of Frontline, as amended to the date hereof, are disclosed in Section 3.1(4)(b) of the Frontline Disclosure Schedule, and complete and correct copies of each of those documents have been delivered to Belzberg.

- (c) Frontline is duly licensed, registered and qualified as a corporation to do business, is up-to-date in the filing of all required corporate returns and other notices and filings and is otherwise in good standing in all respects, in each jurisdiction in which:
- (i) it owns or leases property; or
 - (ii) the nature or conduct of the Frontline Business or any part thereof, or the nature of the property of Frontline or any part thereof, makes such qualification necessary or desirable to enable the Frontline Business to be carried on as now conducted or to enable the property and assets of Frontline to be owned, leased and operated by it.
- (d) All of the Frontline Licences are disclosed in Section 3.1(4)(d) of the Frontline Disclosure Schedule and are valid and subsisting. Complete and correct copies of the Frontline Licences have been delivered to Belzberg. Frontline is in compliance with all terms and conditions of the Frontline Licences. There are no proceedings in progress, pending or, to the Knowledge of the Sellers, threatened, which could result in the revocation, cancellation or suspension of any of the Frontline Licences.
- (e) Frontline has not: proposed a compromise or arrangement to its creditors generally or had one proposed on its behalf; had any application for a bankruptcy order filed against it; taken any proceeding with respect to a compromise or arrangement; taken any proceeding to make an assignment of all of its property for the general benefit of its creditors or to have itself declared bankrupt or wound up; taken or been made the subject of any proceeding to have a receiver appointed over its property; had any encumbrancer take possession of any of its property; or had any execution, distress or analogous process become enforceable or become levied upon any of its property.
- (f) The Subsidiary is a body corporate duly incorporated and validly existing under the laws of its jurisdiction of incorporation. The Subsidiary is not a reporting issuer, as such term is defined under Canadian Securities Laws. The Subsidiary has all necessary corporate power, authority and capacity to own its properties and to carry on its business as it is now being conducted.
- (g) The articles, by-laws and other Organizational Documents of the Subsidiary, as amended to the date hereof, are disclosed in Section 3.1(4)(g) of the Frontline Disclosure Schedule, and complete and correct copies of each of those documents have been delivered to Belzberg.
- (h) The Subsidiary is duly licensed, registered and qualified as a corporation to do business, is up-to-date in the filing of all required corporate returns and other notices and filings and is otherwise in good standing in all respects, in each jurisdiction in which:
- (i) it owns or leases property; or

- (ii) the nature or conduct of the Subsidiary's business or any part thereof, or the nature of the property of the Subsidiary or any part thereof, makes such qualification necessary or desirable to enable the Subsidiary's business to be carried on as now conducted or to enable the property and assets of the Subsidiary to be owned, leased and operated by it.
- (i) The Subsidiary has not: proposed a compromise or arrangement to its creditors generally or had one proposed on its behalf; had any application for a bankruptcy order filed against it; taken any proceeding with respect to a compromise or arrangement; taken any proceeding to make an assignment of all of its property for the general benefit of its creditors or to have itself declared bankrupt or wound up; taken or been made the subject of any proceeding to have a receiver appointed over its property; had any encumbrancer take possession of any of its property; or had any execution, distress or analogous process become enforceable or become levied upon any of its property.

(5) *Compliance with Organizational Documents, Agreements and Laws.*

The execution, delivery and performance of this Agreement and each of the other agreements contemplated or referred to herein by Frontline, and the completion of the Transactions, will not:

- (a) constitute or result in a Default under:
 - (i) any term or provision of any of the articles, by-laws or other Organizational Documents of Frontline;
 - (ii) subject to obtaining the Consents disclosed in Section 3.1(3) of the Frontline Disclosure Schedule, the terms of any Contract to which Frontline is a party or by which it is bound;
 - (iii) subject to obtaining the Consents disclosed in Section 3.1(3) of the Frontline Disclosure Schedule, any term or provision of any of the Frontline Licences; or
 - (iv) any Applicable Law of any jurisdiction in which the Frontline Business is carried on;
- (b) result in the imposition of any Encumbrance upon any of the assets of Frontline or any of the Frontline Shares;
- (c) restrict, hinder, impair or limit the ability of Frontline to carry on the Frontline Business in each jurisdiction and in the manner in which it is now being carried on;
- (d) give any Governmental Authority or other person the right to challenge any of the Transactions or to exercise any remedy or obtain any relief under any Applicable Law;

- (e) cause Frontline to become subject to or liable for the payment of any Taxes or cause any of the assets of Frontline to be re-assessed or re-valued by any Taxing Authority;
 - (f) constitute or result in a Default under:
 - (i) any term or provision of any of the articles, by-laws or other Organizational Documents of the Subsidiary;
 - (ii) subject to obtaining the Consents referred to in Section 3.1(3) of the Frontline Disclosure Schedule, the terms of any Contract to which the Subsidiary is a party or by which it is bound;
 - (iii) the terms of any Contract to which the Subsidiary is a party or by which it is bound;
 - (iv) any Applicable Law of any jurisdiction in which the Subsidiary's business is carried on;
 - (g) result in the imposition of any Encumbrance upon any of the assets of the Subsidiary or any of the Subsidiary Shares;
 - (h) restrict, hinder, impair or limit the ability of the Subsidiary to carry on the Subsidiary's business in each jurisdiction and in the manner in which it is now being carried on; or
 - (i) cause the Subsidiary to become subject to or liable for the payment of any Taxes or cause any of the assets of the Subsidiary to be re-assessed or re-valued by any Taxing Authority.
- (6) *Corporate Records.*
- (a) The corporate records and minute books of Frontline, all of which have been provided to Belzberg, contain complete and accurate minutes of all meetings of the directors and shareholders of Frontline held since its incorporation, and original signed copies of all resolutions and by-laws duly passed or confirmed by the directors or shareholders of Frontline other than at a meeting. All such meetings were duly called and held. The share certificate books, register of security holders, register of transfers and register of directors and any similar corporate records of Frontline are complete and accurate.
 - (b) The corporate records and minute books of the Subsidiary, all of which have been provided to Belzberg, contain complete and accurate minutes of all meetings of the directors and shareholders of the Subsidiary held since its incorporation, and original signed copies of all resolutions and by-laws duly passed or confirmed by the directors or shareholders of the Subsidiary other than at a meeting. All such meetings were duly called and held. The share certificate books, register of

security holders, register of transfers and register of directors and any similar corporate records of the Subsidiary are complete and accurate.

(7) *Authorized and Issued Capital.*

- (a) The authorized and issued capital of Frontline and the respective registered and beneficial owners of the Frontline Shares are as disclosed in Section 3.1(7)(a) of the Frontline Disclosure Schedule. No shares in the capital of Frontline other than the Frontline Shares are outstanding. Except as disclosed in Section 3.1(7)(a) of the Frontline Disclosure Schedule, the Sellers are the registered and beneficial owners of all of the Frontline Shares, free and clear of any and all Encumbrances. All of Frontline Shares have been duly authorized and validly issued as fully paid and non-assessable shares.
- (b) No shares or other securities of Frontline have been issued in violation of any Applicable Law, the Organizational Documents of Frontline, any Frontline Licenses, the terms of any shareholders' agreement pertaining to the ownership of shares of Frontline or any Contract to which Frontline was or is a party or by which it was or is bound.
- (c) The sale and transfer of Frontline Shares pursuant to this Agreement is not subject to any right of first refusal or other right in favour of any person under any Contract to which Frontline is a party.
- (d) The designations, powers, preferences, rights, qualifications, limitations and restrictions in respect of each class and series of authorized shares of Frontline are as set forth in the articles of Frontline, complete copies of which have been delivered to Belzberg.
- (e) The authorized and issued capital of the Subsidiary is as disclosed in Section 3.1(7)(e) of the Frontline Disclosure Schedule and Frontline is the registered and beneficial owner of the Subsidiary Shares. No shares in the capital of the Subsidiary other than the Subsidiary Shares are outstanding. Frontline is the registered and beneficial owner of all of the Subsidiary Shares, free and clear of any and all Encumbrances. All of the Subsidiary Shares have been duly authorized and validly issued as fully paid and non-assessable shares.
- (f) No shares or other securities of the Subsidiary have been issued in violation of any Applicable Law, the Organizational Documents of the Subsidiary, the terms of any shareholders' agreement pertaining to the ownership of shares of the Subsidiary or any Contract to which the Subsidiary was or is a party or by which it was or is bound.
- (g) The designations, powers, preferences, rights, qualifications, limitations and restrictions in respect of each class and series of authorized shares of the Subsidiary are as set forth in the articles of the Subsidiary, complete copies of which have been delivered to Belzberg.

(8) *Shareholders' Agreements, etc.*

- (a) Except as disclosed in Section 3.1(8)(a) of the Frontline Disclosure Schedule, there are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the shares of Frontline.
- (b) Except as disclosed in Section 3.1(8)(b) of the Frontline Disclosure Schedule, there are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the shares of the Subsidiary.

(9) *Frontline Financial Statements.*

- (a) Attached hereto as Schedule 3.1(9) are the following financial statements:
 - (i) the audited consolidated financial statements of Frontline (the "**Frontline Audited Financial Statements**") as of and for the fiscal year ended August 31, 2010 (the "**Frontline Most Recent Fiscal Year End**"), including the balance sheet, income statement, statement of changes in financial position and statement of retained earnings, together with the notes to such financial statements and the opinion of Frontline's auditors on such financial statements; and
 - (ii) the audited consolidated financial statements of Frontline (the "**Frontline Most Recent Financial Statements**") as of and for the four month period ended December 31, 2010 (the "**Frontline Most Recent Month End**") including the balance sheet, income statement, statement of changes in financial position and statement of retained earnings, together with the notes to such financial statements.

(Such financial statements are herein called the "**Frontline Financial Statements**").

- (b) The Frontline Financial Statements have been prepared in accordance with GAAP, consistently applied. Each of the Frontline Financial Statements presents fairly all of the consolidated assets and liabilities of Frontline and the consolidated financial condition of Frontline as of such dates and the results of operations of Frontline for such periods.
- (c) The consolidated financial condition of Frontline is now at least as good as the consolidated financial condition reflected in Frontline Most Recent Financial Statements.
- (d) The Frontline Financial Statements do not contain any extraordinary items or items of special or non-recurring income or any other income not earned in the Ordinary Course of Business, except as expressly specified therein or as disclosed in Section 3.1(9) of the Frontline Disclosure Schedule. The Frontline Financial

Statements reflect all of the costs incurred in the operation of the Frontline Business.

(10) *Financial Records and Systems.*

- (a)** All material financial transactions of Frontline have been recorded in the financial books and records of Frontline in accordance with good business practice, and such financial books and records:
 - (i)** accurately reflect in all material respects the basis for the financial condition and the revenues, expenses and results of operations of Frontline shown in the Frontline Financial Statements; and
 - (ii)** present fairly in accordance with GAAP consistently applied, the financial condition of Frontline as of the date thereof and the revenues, expenses and results of the operations of Frontline for the periods covered thereby.
- (b)** Frontline maintains systems of internal accounting and financial controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit the preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the actual levels at reasonable intervals and appropriate action is taken with respect to any differences.
- (c)** No information, records or systems pertaining to the operation or administration of the Frontline Business are in the possession of, recorded, stored, maintained by or otherwise dependent upon any other person.

(11) *No Undisclosed Liabilities.*

There are no Liabilities of Frontline of any kind whatsoever, and there is no basis for assertion against Frontline of any Liabilities of any kind, other than:

- (a)** Liabilities disclosed or reflected in or provided for in the Frontline Financial Statements;
- (b)** Liabilities which have been incurred in the Ordinary Course of Business since the Frontline Most Recent Month End and which, in the aggregate, do not have a Material Adverse Effect on Frontline; and
- (c)** Liabilities disclosed in Section 3.1(11)(c) of the Frontline Disclosure Schedule.

(12) *Indebtedness.*

Except as disclosed in the Frontline Most Recent Financial Statements and in Section 3.1(12) of the Frontline Disclosure Schedule:

- (a) Frontline does not have any credit facilities, bonds, debentures, mortgages, promissory notes, securitization agreements or other indebtedness outstanding and is not under any obligation to create or issue any bonds, debentures, mortgages, promissory notes, securitization agreements or other indebtedness;
- (b) Frontline is not subject to any Contract for any material leasing transaction of a type required to be capitalized in accordance with GAAP; and
- (c) Frontline is not a party to or bound by any Contract providing any guarantee, indemnification, assumption or endorsement or any similar commitment with respect to the obligations, indebtedness or other Liabilities of any person.

(13) *Absence of Certain Changes or Events.*

Except as reflected in the Frontline Most Recent Financial Statements or as disclosed in Section 3.1(13) of the Frontline Disclosure Schedule, since the Frontline Most Recent Fiscal Year End, Frontline has not:

- (a) incurred any Liability or series of Liabilities outside the Ordinary Course of Business or involving more than \$10,000;
- (b) paid or satisfied any Liability, except:
 - (i) current Liabilities reflected in the Frontline Most Recent Financial Statements;
 - (ii) current Liabilities incurred in the Ordinary Course of Business since the Frontline Most Recent Month End; and
 - (iii) scheduled payments pursuant to obligations under loan agreements or other Contracts reflected in the Frontline Most Recent Financial Statements;
- (c) created or permitted to exist any Encumbrance upon any of its properties or assets;
- (d) made any capital expenditure (or series of related capital expenditures) outside the Ordinary Course of Business or involving more than \$10,000;
- (e) delayed or postponed the payment of accounts payable or other Liabilities outside the Ordinary Course of Business;

- (f) sold, assigned, transferred, leased or otherwise disposed of any of its properties or assets, except in the Ordinary Course of Business;
- (g) purchased, leased or otherwise acquired any properties or assets, except in the Ordinary Course of Business;
- (h) waived, cancelled, compromised or written-off any rights, claims, accounts receivable or other amounts payable to Frontline, except in the Ordinary Course of Business;
- (i) written down the value of its inventories, except in the Ordinary Course of Business;
- (j) entered into any transaction or Contract, except in the Ordinary Course of Business;
- (k) terminated, discontinued, closed or disposed of any plant, facility or business operation;
- (l) had any supplier or licensor terminate, or communicate to Frontline its intention or threat to terminate, its relationship with Frontline, or the intention to substantially reduce the quantity of products or services it sells or licenses to Frontline, except in the case of suppliers or licensors whose sales to Frontline are not, in the aggregate, material to the Frontline Business;
- (m) had any customer terminate, or communicate to Frontline its intention or threat to terminate, its relationship with Frontline, or the intention to substantially reduce the quantity of products or services it purchases from Frontline, or its dissatisfaction with the products or services sold by Frontline, except in the case of customers whose purchases from Frontline are not, in the aggregate, material to the Frontline Business;
- (n) made any material change in the method of billing customers or the credit terms made available by Frontline to its customers;
- (o) made any material change with respect to any method of management, operation or accounting in respect of the Frontline Business;
- (p) suffered any damage, destruction or loss (whether or not covered by insurance) which has had or could have a Material Adverse Effect on Frontline Business;
- (q) made any loans to any person;
- (r) except in the Ordinary Course of Business, granted any license or sublicense of any rights in, under or with respect to any Frontline Business Intellectual Property;
- (s) suffered any material loss or decline in the profitability of the Frontline Business;

- (t) experienced any material change in its relationships with its lenders or other creditors;
- (u) experienced any Frontline Material Adverse Change or experienced any Material Adverse Effect on Frontline, and the Sellers do not have any Knowledge of any event or condition which is likely to result in such a Frontline Material Adverse Change or Material Adverse Effect; or
- (v) authorized, agreed or otherwise become committed to do any of the foregoing.

(14) *Dividends and Distributions.*

Except as otherwise disclosed in Section 3.1(14) of the Frontline Disclosure Schedule, since the Frontline Most Recent Fiscal Year End, Frontline has not declared or paid any dividend or made any other distribution on any of its shares of any class, or redeemed or purchased or otherwise acquired any of its shares of any class, or reduced its authorized capital or issued capital, or agreed to do any of the foregoing.

(15) *Tax Matters.*

- (a) Each of Frontline and the Subsidiary has prepared and filed on a timely basis with all appropriate Taxing Authorities all Tax Returns and other documents that it is required to file in respect of any Taxes for all fiscal periods ending prior to the Closing Date. All such Tax Returns and other documents are correct and complete in all material respects.
- (b) Each of Frontline and the Subsidiary has paid in full all Taxes due on or before the Closing Date and, in the case of Taxes accruing on or before the Closing Date that are not due on or before the Closing Date, each of Frontline and the Subsidiary has made adequate provision in its books and records and the Frontline Financial Statements for such payment. Neither Frontline nor the Subsidiary has any liability for Taxes other than those provided for in the Frontline Audited Financial Statements and those arising in the Ordinary Course of Business since the Frontline Most Recent Fiscal Year End.
- (c) Each of Frontline and the Subsidiary has withheld from each payment made to any of its present or former employees, officers, directors and to all persons who are non-residents of Canada for purposes of the Tax Act, all amounts required pursuant to any Applicable Law to be withheld or remitted and has remitted such amounts within the applicable periods to the appropriate Taxing Authorities. Each of Frontline and the Subsidiary has withheld all Canada Pension Plan contributions, employment insurance premiums, employer health taxes and other Taxes payable by it in respect of its employees and has or will have remitted such amounts to the appropriate Taxing Authority within the time required under Applicable Law. Each of Frontline and the Subsidiary has charged, collected and remitted on a timely basis all Taxes as required under Applicable Law on any sale, supply or delivery whatsoever, made by Frontline or the Subsidiary.

- (d) Neither Frontline nor the Subsidiary has received any notices of reassessments with respect to Taxes that have been issued and are outstanding. No Taxing Authority has challenged, disputed or questioned Frontline or the Subsidiary in respect of Taxes or in respect of any Tax Returns, filings or other reports filed under any statute providing for Taxes. Neither Frontline nor the Subsidiary has received any indication from any Taxing Authority that an assessment or a reassessment in respect of Frontline or the Subsidiary is being considered or is proposed or is currently under discussion. Neither Frontline nor the Subsidiary has executed or filed any agreement extending the period for assessment, reassessment or collection of any Taxes.
- (e) As of the date of this Agreement, each of Frontline and the Subsidiary is a Canadian-controlled private corporation as defined in the Tax Act. Each of Frontline and the Subsidiary is properly registered and licensed for the purposes of paying, collecting or remitting all applicable taxes relating to its business. Each of Frontline and the Subsidiary has properly applied for and filed claims for all Tax refunds or rebates to which it is entitled, including any applicable Tax rebates based on the goods and services tax or harmonized sales tax. Except as disclosed in Section 3.1(15)(e) of the Frontline Disclosure Schedule, neither Frontline nor the Subsidiary has filed or been party to any election pursuant to Section 85 of the Tax Act or the corresponding provisions of any provincial statute.
- (f) Neither Frontline nor the Subsidiary has deducted any amount in computing its income in a taxation year which may be included in a subsequent taxation year under section 78 of the Tax Act or the similar provisions of a provincial taxing statute.
- (g) No circumstances exist which would make Frontline or the Subsidiary subject to the application of section 17 or any of sections 79 to 80.04 of the Tax Act or the similar provisions of a provincial taxing statute.
- (h) Frontline has not, nor has the Subsidiary, acquired property from a non-arm's length person, within the meaning of the Tax Act, for consideration, the value of which is less than the fair market value of the property acquired, in circumstances which would subject such Frontline to a Liability under section 160 of the Tax Act.
- (i) Neither Frontline nor the Subsidiary has made an "excessive eligible dividend election" as defined in subsection 89(1) of the Tax Act in respect of any dividend paid, or deemed by any provision of the Tax Act to have been paid, on any class of shares in its capital.
- (j) Neither Frontline nor the Subsidiary has made a capital dividend election under subsection 83(2) of the Tax Act in an amount which exceeds the amount in its capital dividend account at the time of such election.

- (k) Neither Frontline nor the Subsidiary has claimed any reserves for Taxes which could result in an amount being included in its income for any taxation period ending after the date of this Agreement.
- (l) Each of Frontline and the Subsidiary has prepared on a timely basis and maintained transfer pricing documentation as required by subsection 247(4) of the Tax Act.

(16) *Litigation and Orders.*

- (a) Except for the matters disclosed in Section 3.1(16)(a) of the Frontline Disclosure Schedule:
 - (i) there are no litigation, arbitration or administrative proceedings pending (including any proceeding purportedly on behalf of Frontline or the Subsidiary) and there is no Claim pending or threatened, by or, to the Knowledge of the Sellers, against or affecting Frontline or the Subsidiary, at law or in equity, or before or by any court, arbitrator or Governmental Authority; and
 - (ii) there are no grounds on which any such proceeding or Claim might be commenced or made with any reasonable likelihood of success.

With respect to each matter disclosed in Section 3.1(16)(a) of the Frontline Disclosure Schedule, the Sellers have delivered to Belzberg copies of all pleadings, correspondence and other documents relating to such matters.

- (b) Except as disclosed in Section 3.1(16)(b) of the Frontline Disclosure Schedule:
 - (i) there is no Order to which Frontline, the Subsidiary or any of their respective assets or properties are subject and the Sellers are not subject to any Order that relates to the Frontline Business or assets of Frontline or the business or assets of the Subsidiary;
 - (ii) each of Frontline and the Subsidiary is in full compliance with all of the terms and conditions of each Order disclosed in Section 3.1(16)(b) of the Frontline Disclosure Schedule and has been in such compliance since the date on which each Order was made;
 - (iii) no event has occurred and no circumstance exists that may constitute or result in (with or without notice or lapse of time) a violation of or failure to comply with any term or condition of any such Order; and
 - (iv) neither Frontline nor the Subsidiary has received any notice or other communication from any Governmental Authority or other person regarding any actual or alleged violation or failure to comply with any term or condition of any such Order.

(17) *Title to Assets.*

- (a)** Frontline is the owner of and has good and marketable title to all of its properties and assets, including all properties and assets acquired by Frontline after the Frontline Most Recent Fiscal Year End and all properties and assets reflected in the Frontline Most Recent Financial Statements, free and clear of all Encumbrances whatsoever, except for:
- (i)** the properties and assets disposed of, utilized or consumed by Frontline since the Frontline Most Recent Fiscal Year End in the Ordinary Course of Business;
 - (ii)** the Encumbrances disclosed or reflected in the Frontline Most Recent Financial Statements;
 - (iii)** liens for Taxes not yet due and payable; and
 - (iv)** the Encumbrances disclosed in Section 3.1(17)(a) of the Frontline Disclosure Schedule.
- (b)** Frontline has not granted general security interests on any of its property or assets, other than under those general security agreements and other documents disclosed in Section 3.1(17)(b) of the Frontline Disclosure Schedule. All other Encumbrances granted by Frontline apply only to specific identified items of property.

(18) *Condition of Property*

All of the Equipment and other physical assets of Frontline are in good operating condition and in a state of good maintenance and repair, reasonable wear and tear excepted, and are adequate and sufficient for the continuing conduct of the Frontline Business as presently conducted. No other person owns any assets which are being used in the Business, except for the Frontline Leased Premises, the Frontline Licensed Intellectual Property and personal property leased by Frontline as disclosed in Section 3.1(18) of the Frontline Disclosure Schedule.

(19) *Accounts Receivable.*

The accounts receivable of Frontline reflected in the Frontline Most Recent Balance Sheet and all accounts receivable of Frontline arising since the Frontline Most Recent Month End arose from bona fide transactions in the Ordinary Course of Business and are valid, enforceable and fully collectible accounts (subject to a reasonable allowance, consistent with past practice, for doubtful accounts as reflected in the Frontline Most Recent Financial Statements). Such accounts receivable are not subject to any set-off or counterclaim rights. Since the Frontline Most Recent Month End, no event has occurred which would, under the practices of Frontline in effect when the Frontline Most Recent Balance Sheet was prepared, require a material increase in the allowance for doubtful accounts of Frontline.

(20) Inventory.

The current inventory of Frontline is good and usable and capable of being processed and sold in the Ordinary Course of Business at normal profit margins, subject to a reasonable allowance for obsolete inventory consistent with the allowance reflected in Frontline Audited Financial Statements. Frontline's current inventory level is consistent with past practice and is sufficient to satisfy Frontline's current sales forecasts.

(21) Real Properties.

Frontline does not own or have any right, title or interest in any real property, except for Frontline's leasehold interest in the Frontline Leased Premises.

(22) Leased Premises.

Section 3.1(22) of the Frontline Disclosure Schedule attached hereto discloses all Leases under which Frontline leases any real property (the "**Frontline Leases**"). There are no Contracts whereby Frontline has the obligation to lease any other real property. The names of the other parties to such Frontline Leases, the description of the Frontline Leased Premises, the term, rent and other amounts payable under such Leases and all renewal and extension options available under such Frontline Leases are accurately described in Section 3.1(22) of the Frontline Disclosure Schedule. Complete and correct copies of such Frontline Leases have been provided to Belzberg.

- (a) The use by Frontline of the Frontline Leased Premises and the activities being carried out thereon do not contravene any zoning or building laws, ordinances, regulations, covenants, official plans or Applicable Law.
- (b) The Frontline Leased Premises are serviced by all private and public utility services that are reasonably necessary for the operation of the Frontline Business on the Frontline Leased Premises.
- (c) In respect of each of the Frontline Leases, except as disclosed in Section 3.1(22) of the Frontline Disclosure Schedule, and except as otherwise specifically set out therein:
 - (i) each Frontline Lease has been duly authorized, executed and delivered by Frontline, and to the Knowledge of the Sellers, each of the other parties thereto and constitutes a valid and legally binding obligation against Frontline, and to the Knowledge of the Sellers, each of the other parties thereto, enforceable against such parties, in accordance with its terms;
 - (ii) each Frontline Lease is in good standing and is in full force and effect without amendment and, with respect to each Frontline Lease: (A) all obligations and covenants on the part of Frontline have been fully and properly performed to the date hereof; (B) all rents and additional rents

have been paid to date in accordance with the terms of the Frontline Lease and no waiver, indulgence or postponement of Frontline's obligations has been granted by the landlord; and (C) no notice has been received by Frontline from any landlord indicating that such landlord is considering exercising any early right of termination afforded to the landlord under its Frontline Lease;

- (iii) all measures, including in respect of registration of notice thereof on title to the real property affected by each Frontline Lease, have been taken to preserve and protect Frontline's interests thereunder;
 - (iv) Frontline has not sub-let, assigned, licensed or otherwise dealt with or conveyed any part of the Frontline Leased Premises or any of its rights under any of the Frontline Leases; and
 - (v) to the Knowledge of the Sellers all obligations and covenants on the part of the landlord in each Frontline Lease have been fully and properly performed to date.
- (d) Frontline has full, uninterrupted and unencumbered rights of ingress to and egress from each of the Frontline Leased Premises for pedestrians and vehicles to and from public roads abutting each of such properties along the full frontages of each of the properties abutting such roads.

(23) *Contracts with Respect to Premises.*

Each of the Contracts entered into by Frontline with respect to the furnishing of supplies or services to the Frontline Leased Premises or with respect to the management, maintenance, cleaning or operation of the Frontline Leased Premises is in good standing, there being no material Default thereunder by Frontline or, to the Knowledge of the Sellers, any of the other contracting parties thereto, and contains the entire agreement between the parties identified therein.

(24) *Leases of Personal Property.*

Except as disclosed in Section 3.1(24) of the Frontline Disclosure Schedule, Frontline is not the lessee under any lease of personal property in respect of which the annual financial obligation exceeds \$5,000. Complete and correct copies of each of the leases disclosed in Section 3.1(24) of the Frontline Disclosure Schedule have been provided to Belzberg.

(25) *Intellectual Property.*

- (a) Section 3.1(25) of the Frontline Disclosure Schedule discloses and contains a description of all Frontline Intellectual Property (other than the Frontline Proprietary Information and Software) and all Frontline Domain Names, websites and web portals owned or used by Frontline. Section 3.1(25) of the Frontline Disclosure Schedule identifies such Frontline Intellectual Property separately as Frontline Owned Intellectual Property or Frontline Licensed Intellectual Property.

- (b) Frontline has good and valid title to all of the Frontline Owned Intellectual Property and the Frontline Domain Names, free and clear of any and all Encumbrances, except as disclosed in Section 3.1(25) of the Frontline Disclosure Schedule. Except as disclosed in Section 3.1(25) of the Frontline Disclosure Schedule Frontline is listed in the records of the appropriate governmental agency as the sole owner of record for each of the registrations (if any) in respect of the Frontline Owned Intellectual Property and the Frontline Domain Names disclosed in Section 3.1(25) of the Frontline Disclosure Schedule (hereinafter called the “**Frontline Registrations**”). Other than in relation to those Frontline Domain Names for which Frontline is not an owner, as disclosed in Section 3.1(25) of the Frontline Disclosure Schedule, all of the Frontline Registrations have been duly maintained, including the submission of all necessary filings in accordance with the legal and administrative requirements of the appropriate jurisdictions; have not lapsed, expired or been abandoned; and are valid, subsisting and in proper form and enforceable.
- (c) Frontline has an exclusive or non-exclusive right to use the Frontline Licensed Intellectual Property, as disclosed in Section 3.1(25) of the Frontline Disclosure Schedule. Except as disclosed in Section 3.1(25) of the Frontline Disclosure Schedule, no license, royalty or other fee is required to be paid by Frontline to any other person in respect of the use of any of the Frontline’s Licensed Intellectual Property. All of the Frontline Intellectual Property (other than the Frontline Owned Intellectual Property) which is in the possession of or is used by Frontline is duly and properly licensed to Frontline and Frontline has paid all fees with respect to all copies thereof.
- (d) The Frontline Owned Intellectual Property, the Frontline Licensed Intellectual Property and the Frontline Domain Names, websites and web portals (together the “**Frontline Business Intellectual Property**”) constitute all of the Intellectual Property required for the proper carrying on of the Frontline Business.
- (e) Frontline has protected its rights in Frontline Business Intellectual Property in the manner and to the extent that a reasonably prudent person operating the Frontline Business would do and, without limiting the generality of the foregoing, has protected its rights in the manner disclosed in Section 3.1(25) of the Frontline Disclosure Schedule. Nothing has been done or, to the Knowledge of the Sellers, omitted to be done by Frontline, and, to the Knowledge of the Sellers, nothing has been done or omitted to be done by any other Person, which would jeopardize the validity, enforceability or subsistence of any of the Frontline Business Intellectual Property.
- (f) Except as disclosed in Section 3.1(25) of the Frontline Disclosure Schedule, Frontline has the exclusive right to use all of Frontline Business Intellectual Property and has not granted any licence or other rights to any other person in respect of Frontline Business Intellectual Property.

- (g) There are no restrictions on the ability of Frontline or any successor to or assignee from Frontline to use and exploit all rights in Frontline Business Intellectual Property, other than restrictions imposed by the licensors pertaining to the Frontline Licensed Intellectual Property. No trade secrets, know-how, confidential information or other proprietary right of Frontline has been disclosed or authorized to be disclosed to any person other than in the Ordinary Course of Business and pursuant to written non-disclosure or confidentiality agreements. No trade secret, know-how, confidential information or other proprietary right of Frontline has been invalidated or committed to the public domain.
- (h) None of the former or present employees, officers, directors or independent contractors of Frontline holds any right, title or interest, directly or indirectly, in whole or in part, in or to any part of Frontline Business Intellectual Property, or has asserted any claim with regard to any Frontline Business Intellectual Property. The Frontline Owned Intellectual Property was developed either by employees of Frontline during the time they were employed by Frontline or independent contractors hired by Frontline, and all rights arising from the work of such employees and independent contractors in respect of the Frontline Owned Intellectual Property are owned by Frontline. The Frontline Owned Intellectual Property developed by Frontline's employees or independent contractors does not include any inventions of such employees or independent contractors made prior to the time at which they were engaged by Frontline or any Intellectual Property of any previous employer of any such employee or independent contractor. All employees and independent contractors of Frontline have entered into written agreements with Frontline: (A) to maintain the confidentiality of all confidential information relating to the Frontline Business Intellectual Property, (B) providing that all work product developed by them relating to the Frontline Business Intellectual Property is the property of Frontline and has been assigned to Frontline and such employees and independent contractors have waived all of their rights, including any moral rights which were applicable to such work product and other rights relating to Frontline Business Intellectual Property, and (C) confirming that they are not parties to any contracts with any other person (including any former employer) which contains any restrictive covenants on the ability of such employee or independent contractor to discharge their obligations to Frontline. No employee of Frontline or independent contractor of Frontline, during his or her period of engagement by Frontline, has developed or assisted in any enhancement of Frontline Business Intellectual Property (other than enhancements included in and forming part of Frontline Business Intellectual Property) or the development of any product based upon Frontline Business Intellectual Property or any part thereof which is not included in Frontline Business Intellectual Property.
- (i) To the Knowledge of the Sellers, neither the use of the Frontline Business Intellectual Property nor the conduct of the Frontline Business infringes, encroaches upon or otherwise violates the Intellectual Property rights of any other person or contravenes any Applicable Law, Order or restrictive covenant. None of the rights of Frontline in and to the Frontline Business Intellectual Property

will be materially adversely affected by the consummation of the Transactions hereunder.

- (j) To the Knowledge of the Sellers, no person has infringed or breached or is infringing or breaching any rights of Frontline in and to the Frontline Business Intellectual Property. There have been no Claims, applications, disputes, oppositions or proceedings in relation to the Frontline Business Intellectual Property and there are no other facts, matters or circumstances which might have a Material Adverse Effect on the ownership of the Frontline Owned Intellectual Property, or the right of Frontline to use, exploit or enforce anywhere in the world any of the Frontline Business Intellectual Property.

(26) Information Technology

- (a) The data processing systems used by Frontline adequately meet the data processing needs of the Frontline Business as presently conducted. The data storage facilities of Frontline are adequate and properly protected. Frontline owns all content on all websites disclosed in Section 3.1(26)(a) of the Frontline Disclosure Schedule.
- (b) All Software which comprises part of the Frontline Owned Intellectual Property:
 - (i) fully conforms, in all material respects, as to its functionality, performance and operation with all related documentation, specifications, warranties or other descriptions thereof established by or for Frontline or conveyed to any customers or business partners of Frontline;
 - (ii) is operative in all material respects for its intended purposes, free of any material problems, defects, deficiencies, bugs, errors, viruses or other corrupting influences; and
 - (iii) has been maintained in compliance with all applicable Contracts.
- (c) To the Knowledge of the Sellers, all Software which comprises part of the Frontline Licensed Intellectual Property:
 - (i) fully conforms, in all material respects, as to its functionality, performance and operation, with all related documentation, specifications, warranties or other descriptions thereof provided by the licensors thereof;
 - (ii) is operative in all material respects for its intended purposes, free of any material problems, defects, deficiencies, bugs, errors, viruses or other corrupting influences; and
 - (iii) has been maintained in compliance with all applicable Contracts.
- (d) No Software which comprises part of the Frontline Owned Intellectual Property and, to the Knowledge of the Sellers, no Software which comprises part of the

Frontline Licensed Intellectual Property, contains any undocumented code, disabling mechanism or protection feature intentionally designed to prevent its proper use or which may distort, damage or disable any related data or other software, operating systems, computers or equipment with which the Software interacts.

- (e) Frontline has lawfully obtained a sufficient number of copies of all Software which comprises part of the Frontline Licensed Intellectual Property in order to comply with the terms of all associated licenses.
- (f) The Software which comprises part of the Frontline Business Intellectual Property provides Frontline with the right to (i) distribute or otherwise render the Software accessible to customers and business partners of Frontline, and (ii) grant run-time licenses to all customers and business partners sufficient for the intended and expected use of the Software.
- (g) Frontline has not provided any third parties with access to the Source Code or Source Materials for the Software which comprises part of the Frontline Business Intellectual Property, other than contractors who have authored any portions thereof and have entered into written agreements with Frontline providing that all work product developed by them relating to the Software is the property of Frontline and will be maintained in confidence. No customers or licensees of Frontline are entitled to receive the Source Code or Source Materials for Software which comprises part of the Frontline Business Intellectual Property under an escrow agreement or otherwise, except as disclosed in Section 3.1(26)(g) of the Frontline Disclosure Schedule.
- (h) All Frontline Business Intellectual Property has been subjected to commercially appropriate security controls by Frontline so as to restrict the use and disclosure thereof solely to authorized persons

(27) *Subsidiaries and Other Interests.*

Except as disclosed in Section 3.2(27) of the Frontline Disclosure Schedule, Frontline has no subsidiaries and does not own any securities issued by, or any equity or ownership interest in, any other corporation or other entity. Frontline is not subject to any obligation to make any investment in or capital contribution to any person in any manner whatsoever.

(28) *Partnerships or Joint Ventures.*

Except as disclosed in Section 3.2(28) of the Frontline Disclosure Schedule, Frontline is not a partner or participant in any partnership, joint venture, profit-sharing arrangement or other association of any kind and is not party to any Contract under which Frontline agrees to carry on any part of the Frontline Business or any other activity in such manner or by which Frontline agrees to share any revenue or profit with any other person.

(29) Customers.

The Sellers have previously delivered to Belzberg a true and complete list of all customers of the Frontline Business as of the date hereof. Such customer list accurately summarizes, with respect to each customer, all information disclosed in Section 3.1(29) of the Frontline Disclosure Schedule. Frontline is the sole and exclusive owner of, and has the unrestricted right to use, such customer list. Neither the customer list nor any information relating to the customers of the Frontline Business has, within the three years prior to the date of this Agreement, been made available to any person other than Belzberg. Since the Frontline Most Recent Month End, there has been no modification or change in Frontline's business relationship with any customer which has had or could have a Material Adverse Effect on Frontline. The Sellers have no Knowledge of any facts (including the execution of this Agreement and completion of the Transactions) which will or could reasonably be expected to result in the loss of any customers or sources of revenue of the Frontline Business and which, in the aggregate, would have a Material Adverse Effect on Frontline.

(30) Suppliers.

Disclosed in Section 3.1(30) of the Frontline Disclosure Schedule are the names and addresses of all the suppliers from which Frontline ordered services, materials, supplies, merchandise and other goods with an aggregate purchase price of \$5,000 or more during the twelve-month period ended on the Frontline Most Recent Month End. Except as disclosed in Section 3.1(30) of the Frontline Disclosure Schedule, Frontline has not received any notice that any such supplier will not sell services, raw materials, supplies, merchandise and other goods to Frontline at any time, on terms and conditions substantially similar to those governing its current sales to Frontline, subject only to general and customary price increases.

(31) Warranties and Discounts.

Except as disclosed in Section 3.1(31) of the Frontline Disclosure Schedule:

- (a) Frontline has not given any warranty in respect of any of the products sold or the services provided by it, except warranties made in the Ordinary Course of Business and in the form of Frontline's standard terms of sale, a copy of which has been provided to Belzberg, and except for warranties implied by law;
- (b) Each product or service sold, licensed or delivered by Frontline has been in material conformity with all applicable contractual commitments and all express and implied warranties, and Frontline does not have any liability (and there is no basis for any present or future Claim against Frontline) for replacement or repair of any product or re-performance of any service or other Damages in connection therewith, subject only to the reserve for warranty claims, if any, set forth in the Frontline Most Recent Financial Statements as adjusted for the passage of time through the Closing Date in accordance with the normal, past custom and practice of Frontline;
- (c) during each of the three fiscal years of Frontline ended immediately preceding the date hereof, no claims have been made against Frontline for breach of warranty or

contract requirement or negligence or for a price adjustment or other concession in respect of any defect in or failure to perform or deliver any products, services or work which had, in any such year, an aggregate cost exceeding \$5,000;

- (d) there are no repair contracts or maintenance obligations of Frontline in favour of the customers or users of products of the Frontline Business, except obligations incurred in the Ordinary Course of Business and in accordance with Frontline's standard terms of sale provided to Belzberg;
- (e) Frontline is not subject to any Contract which would require Frontline to repurchase any products sold to customers or to adjust any price or grant any refund, discount or other concession to customers; and
- (f) Frontline is not required to provide any letters of credit, bonds or other financial security arrangements in connection with any transactions with its suppliers or customers.

(32) *Product and Service Liabilities.*

Frontline does not have any Liability, and there is no basis for any Liability, arising out of any injury to individuals or damage to property as a result of the ownership, possession, use or license of any product or service manufactured, sold, leased, licensed or delivered by Frontline prior to the date hereof.

(33) *Reseller, Agency and Distribution Agreements.*

Section 3.1(33) of the Frontline Disclosure Schedule lists all Contracts to which Frontline is a party or by which it is bound under which the right to resell, manufacture, process, market or use any product, service or other property of Frontline has been granted, licensed or otherwise provided by Frontline to any agent, distributor, dealer, licensee, franchisee or other person. Section 3.1(33) of the Frontline Disclosure Schedule also lists all Contracts to which Frontline is a party or by which it is bound under which the right to resell, market, manufacture, process or use any product, service or other product has been granted to Frontline by any other person or by which Frontline has been appointed as an agent, dealer, distributor, licensee or franchisee. Complete and correct copies of all of the Contracts referred to in this Section have been provided to Belzberg. None of the Contracts listed in the Frontline Disclosure Schedule grant to any person any authority to incur any liability or obligation or enter into any agreement on behalf of Frontline. The Sellers have no Knowledge of any intention of the other parties to any of the Contracts referred to in this Section to terminate such Contracts.

(34) *Material Contracts.*

- (a) The Contracts disclosed in Section 3.1(34) of the Frontline Disclosure Schedule constitute all Contracts to which Frontline is a party and which are material to the Business. Without limiting the generality of the foregoing, the Contracts disclosed in Section 3.1(34) of the Frontline Disclosure Schedule include:

- (i) all credit facilities, bonds, debentures, mortgages, promissory notes and other agreements or commitments relating to the borrowing of money or any guarantee;
- (ii) all Contracts limiting the freedom of Frontline to engage in any line of business or to compete with any other person;
- (iii) all Contracts not entered into in the Ordinary Course of Business;
- (iv) all Contracts or arrangements with any Affiliate, director, officer, employee or shareholder of Frontline or any person with whom Frontline (or its present or former directors, officers, employees and shareholders) does not deal at arm's length;
- (v) all Contracts involving any joint venture or partnership or agreement to share profits;
- (vi) all Contracts relating to the lease (whether as lessee or lessor) or use of any real estate, including the Frontline Leased Premises;
- (vii) all Contracts relating to the licensing or use of any Intellectual Property (other than standard, commercial Software made available to Frontline by way of shrink-wrap or click-wrap licenses that do not embody material customizations);
- (viii) all Contracts of Frontline:
 - (A) the termination of which would have a Material Adverse Effect on Frontline;
 - (B) which involve an aggregate payment or other Liability by Frontline to any other person in excess of \$10,000;
 - (C) which involve an aggregate payment or other Liability by any person to Frontline in excess of \$10,000; or
 - (D) which involve any commitment to or by Frontline that may reasonably extend beyond one year; and
- (ix) all Contracts entered into in contemplation of a sale or possible sale of Frontline Shares or the Frontline Business.

True and complete copies of all of the Contracts disclosed in Section 3.1(34) of the Frontline Disclosure Schedule have been provided to Belzberg.

- (b) Except as disclosed in Section 3.1(34) of the Frontline Disclosure Schedule, each of the Contracts listed therein has been validly authorized, executed and delivered by Frontline and, to the Knowledge of the Sellers, by all other parties thereto, and

constitutes a legal, valid and binding obligation enforceable in accordance with its terms against Frontline and, to the Knowledge of the Sellers, against all other parties thereto, subject to the availability of equitable remedies and the effect of bankruptcy, insolvency and similar laws affecting the rights of creditors generally. Each such Contract was entered into by Frontline with counterparties reasonably believed by Frontline to be financially responsible and capable of carrying out their obligations thereunder.

(35) *Good Standing of Contracts.*

- (a)** All of the Contracts to which Frontline is a party are now in good standing and in full force and effect without amendment thereto and Frontline is entitled to all benefits thereunder.
- (b)** Frontline is not, and has not at any time since 2006 been, in Default of any of its obligations under any Contract to which it is a party, to the extent that such Default would have or could reasonably be expected to have a Material Adverse Effect on Frontline. Without limiting the generality of the foregoing, Frontline is in compliance with all requirements of its Contracts with its lenders, including all financial covenants thereunder.
- (c)** To the Knowledge of the Sellers, the other parties to such Contracts are not in Default of any of their obligations thereunder, to the extent that such Default would have or could reasonably be expected to have a Material Adverse Effect on the Frontline.

(36) *Employees.*

- (a)** Section 3.1(36) of the Frontline Disclosure Schedule sets out:
 - (i)** a complete list of all Frontline Employees; and
 - (ii)** their positions/titles.
- (b)** The Frontline Employee and Contractor Disclosure Document delivered by the Sellers to Belzberg sets out with respect to Frontline Employees as of the date hereof, in a non-individually identifiable format:
 - (i)** their status (i.e. full time, part time, temporary, casual, seasonal, co-op student);
 - (ii)** their total annual remuneration, including a breakdown of salary and bonus or other incentive compensation, if any;
 - (iii)** other material terms and conditions of their employment (other than Frontline Benefit Plans and Frontline Compensation Policies);

- (iv) whether the Frontline Employee is providing services pursuant to a written employment contract;
 - (v) their total length of employment including any prior employment that would affect calculation of years of service for any purpose, including statutory entitlements, contractual entitlements (express or implied), benefit entitlements or pension entitlements, and their age; and
 - (vi) whether any Frontline Employees are on any approved or statutory leave of absence.
- (c) Except as listed in the Frontline Employee and Contractor Disclosure Document, Frontline has no written employment Contract with any Frontline Employee.
- (d) The Frontline Employee and Contractor Disclosure Document sets out, as of the date hereof, a list of all independent contractors and consultants who provide services to Frontline, including their: (i) names; (ii) titles; (iii) current compensation; (iv) eligibility to participate in any Frontline Benefit Plans; (v) length of relationship with Frontline; (vi) rights of Frontline to terminate their contracts; and (vii) other material terms and conditions.
- (e) Except as set out in the Frontline Employee and Contractor Disclosure Document, Frontline is not a party to or bound by any Contract to pay any management, services or consulting fee.
- (f) Frontline is not bound by or a party to any collective bargaining agreement.
- (g) No trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent:
- (i) holds bargaining rights with respect to any Frontline Employees by way of certification, interim certification, voluntary recognition, designation or successor rights;
 - (ii) has served Frontline with an application to be certified as the bargaining agent of any Frontline Employees; or
 - (iii) has served Frontline with an application to have Frontline declared a related employer or successor employer pursuant to applicable labour legislation.
- (h) There are no actual, pending or, to the Knowledge of the Sellers, threatened organizing activities of any trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent in respect of any Frontline Employees. There has been no attempt to organize, certify or establish any labour union or employee association in relation to any of the Frontline Employees. There are no actual, pending or, to the Knowledge of the Sellers, threatened unfair labour practice complaints, strikes, work stoppages, picketing, lock-outs, hand-

billings, boycotts, slowdowns, arbitrations, grievances, complaints, charges or similar labour related disputes or proceedings pertaining to Frontline, and there have not been any such activities or disputes or proceedings within the last year.

- (i) Since Frontline Most Recent Fiscal Year End, there have been no:
- (i) increases or decreases in staffing levels of Frontline except in the Ordinary Course of Business;
 - (ii) material changes in the terms and conditions of employment of any Frontline Employees, including their salaries, remuneration and any other payments to them; or
 - (iii) material changes in any remuneration payable or benefits provided to any officer, director, consultant, independent contractor or agent of Frontline;

and Frontline has not agreed or otherwise become committed to change any of the foregoing since that date.

- (j) Frontline is employing all Frontline Employees in compliance, in all material respects, with all Applicable Laws pertaining to Taxes, health, labour and employment, including those pertaining to occupational health and safety, workplace safety and insurance, pay equity, employment equity, employment standards and human rights, and is not in material breach of any such Applicable Laws.
- (k) Frontline is in compliance in all material respects with applicable workers' compensation laws and regulations made pursuant thereto and there are no pending or outstanding assessments, levies or penalties thereunder.
- (l) All accruals for wages, salaries, bonuses, unpaid vacation pay, premiums for employment insurance, health premiums, Canada Pension Plan contributions and Frontline Benefit Plan payments have been properly accrued for and reflected in Frontline Financial Statements and the books and records of Frontline.
- (m) There is no Claim or proceeding against Frontline brought or, to the Knowledge of the Sellers, threatened or demanded by any of Frontline Employees on account of or for: (i) damages for wrongful dismissal, severance, termination pay or any similar claim; (ii) overtime pay, other than overtime pay for work done during the current payroll period; (iii) wages or salary for any period other than the current payroll period; (iv) any amount of vacation pay or pay in lieu of vacation time, other than vacation time or pay in lieu thereof earned in respect of the current fiscal year of Frontline, or (v) any violation of any law relating to minimum wages or maximum hours of work.

(37) *Employee Frontline Benefit Plans.*

- (a) Section 3.1(37)(a) of the Frontline Disclosure Schedule contains a list of every bonus, deferred compensation, incentive compensation, share purchase, stock option, stock appreciation, phantom stock, savings, profit sharing, severance or termination pay, health or other medical, life, disability or other insurance (whether insured or self-insured), supplementary unemployment benefit, pension, retirement and supplementary retirement plan, program, agreement or arrangement maintained, contributed to, or provided by Frontline for the benefit of any Frontline Employees, former employees of Frontline or dependent or independent contractors of Frontline or their respective dependants or beneficiaries (the “**Frontline Benefit Plans**”) (whether written or unwritten) except for any statutory plans to which Frontline is obliged to contribute or comply, including the Canada Pension Plan or plans administered pursuant to applicable federal or provincial health, worker’s compensation and employment insurance legislation.
- (b) Except as disclosed in Section 3.1(37)(b) of the Frontline Disclosure Schedule, no Frontline Benefit Plan established or maintained for the benefit of any Frontline Employees or former employees or independent contractors of Frontline is a pension, retirement or supplementary retirement plan, program, agreement or arrangement, superannuation or retirement savings arrangement, including pension plans, supplemental pensions, “registered pension plans” (as defined in the Tax Act) and “retirement compensation arrangements” (as defined in the Tax Act), and no such plan has ever been established or maintained for the benefit of any Frontline Employee or former employees of Frontline.
- (c) Section 3.1(37)(c) of the Frontline Disclosure Schedule contains a list of all compensation policies and practices of Frontline (the “**Frontline Compensation Policies**”) (whether written or unwritten) applicable to any Frontline Employees, including, policies regarding holidays, sick leave, vacation, disability and death benefits, termination and severance pay, automobile allowances and expense reimbursements.
- (d) Frontline has delivered or made available to Belzberg true, complete and up-to-date copies of (i) all written Frontline Benefit Plans and Frontline Compensation Policies and all amendments thereto, (ii) all summary descriptions of Frontline Benefit Plans and Frontline Compensation Policies (whether written or unwritten) provided to past or present participants therein, (iii) where applicable, the statement of investment policies for each plan and all funding agreements, (iv) all service provider Contracts or other Contracts in respect of Frontline Benefit Plans (including, Contracts pertaining to insurance, investment management, subscription and participation and administration and record keeping) and, (v) if applicable, the two most recent actuarial reports, the financial statements and evidence of any registration in respect of Frontline Benefit Plans.

- (e) No promises or commitments have been made by Frontline to amend any Frontline Benefit Plan or Frontline Compensation Policy.
- (f) All of Frontline Benefit Plans are duly registered where required by Applicable Law (including registration with the relevant Taxing Authority where such registration is required to qualify for Tax exemption or other beneficial Tax status) and have been administered in compliance with their terms and all Applicable Law in all material respects.
- (g) All Contracts in respect of the Frontline Benefit Plans are valid and Frontline can enforce such Contracts or cause such Contracts to be enforced (except as enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the rights of creditors generally and for the fact that specific performance is an equitable remedy available only in the discretion of the court).
- (h) All employer and employee payments, contributions and premiums required under Applicable Law and the terms of the Frontline Benefit Plans have been satisfied in all material respects and there are no outstanding material Defaults in respect thereof.
- (i) Where a Frontline Benefit Plan has been partially wound up, any surplus assets existing as of the date of the partial wind up has been dealt with in accordance with Applicable Law.
- (j) No Frontline Benefit Plan is the result of a merger of one or more Frontline Benefit Plans, the assets of which were at the time of the merger or previously held in trust.
- (k) There are no Claims, investigations or other proceedings pending or, to the Knowledge of the Sellers, threatened with respect to the Frontline Benefit Plans against Frontline, the funding agent, the insurers or the fund of such Frontline Benefit Plans, other than claims for benefits in the ordinary course. To the Knowledge of the Sellers, there is no basis for any such Claim with respect to any alleged breach of Frontline's obligations under any Frontline Benefit Plan.
- (l) No order has been made or notice given pursuant to any Applicable Law requiring (or proposing to require) Frontline to take (or refrain from taking) any action in respect of any Frontline Benefit Plan and, except for the Transactions contemplated by this Agreement, no event has occurred and no condition or circumstance exists that has resulted or could reasonably result in any Frontline Benefit Plan: (i) being ordered or required to be terminated or wound-up in whole or in part, (ii) having its registration under any Applicable Law refused or revoked, (iii) being placed under the administration of any trustee or any regulatory authority or (iv) being required to pay any material amount of Taxes or penalties under any Applicable Law.

- (m) All of the Frontline Benefit Plans are fully funded in accordance with their terms and all Applicable Law and applicable generally accepted actuarial principles.
- (n) Except as disclosed in Section 3.1(37)(n) of the Frontline Disclosure Schedule, Frontline has no obligation in respect of any Frontline Benefit Plans that are multi-employer pension plans or multi-employer benefit plans.
- (o) Neither the execution, delivery or performance of this Agreement, nor the consummation of any of the Transactions contemplated by this Agreement, will (i) result in the payment of any bonus, golden parachute, change of control payment, severance or other amount to any Frontline Employee or former employee or independent contractor of Frontline or director or officer of Frontline (whether or not under any Frontline Benefit Plan), (ii) materially increase the benefits payable or provided under any Frontline Benefit Plan, (iii) result in any acceleration of the time of payment or vesting of any such benefit, or (iv) increase or accelerate employer contributions thereunder.
- (p) None of the Frontline Benefit Plans require or permit a retroactive increase in premiums or payments. The level of insurance reserves, if any, under any self-insured Frontline Benefit Plan is reasonable and sufficient to provide for all incurred but unreported claims.

(38) Privacy.

Except as disclosed in Section 3.1(38) of the Frontline Disclosure Schedule:

- (a) Frontline has been and is now in compliance with (i) all Privacy Laws, and all regulations, industry and/or professional standards, industry and/or professional codes and industry and/or professional practices relating to the collection, use, disclosure and retention of Personal Information applicable to Frontline (including industry and or professional codes, standards and practices to which Frontline subscribes voluntarily or is bound), and (ii) all of the principles and standards in Privacy Laws.
- (b) Frontline has Privacy Policies in accordance with Privacy Laws and Frontline is in compliance with such Privacy Policies.
- (c) Frontline has taken all appropriate steps, including entering into contractual arrangements, to ensure that all third parties with whom Frontline may, from time to time, disclose or otherwise grant access to Personal Information, and/or from or by which Frontline may collect or be granted access to Personal Information, are complying with all applicable Privacy Laws and Privacy Policies.
- (d) The performance of the Transactions (including the disclosure and/or transfer of Personal Information throughout the due diligence phase and other disclosures of Personal Information by Frontline to Belzberg prior to the date hereof) do not breach any Privacy Laws and/or any Privacy Policies.

- (e) There are no actual or threatened complaints, proceedings, investigations, audits or other Claims against Frontline, brought by the Office of the Privacy Commissioner of Canada, the Information and Privacy Commissioner of Ontario or any other Governmental Authority, or by any person in respect of the collection, use or disclosure of Personal Information by Frontline, nor are there any grounds, facts or circumstances of which the Sellers have Knowledge, that may give rise to any such complaints or proceedings.

(39) Insurance.

Frontline maintains insurance in respect of its properties, assets, business and personnel, covering such risks and in such amounts as a reasonably prudent corporation carrying on a business similar to the Frontline Business would maintain. Section 3.1(39) of the Frontline Disclosure Schedule sets out an accurate description of each insurance policy maintained by Frontline, including coverage limits, deductibles and exclusions. Complete copies of all such policies have been provided to Belzberg. Such insurance policies are in full force and effect and Frontline is not in Default with respect to the payment of any premium or compliance with any provisions of such policies. Frontline has not received notice from any insurers regarding cancellation of any such insurance policies or any retrospective or future premium adjustment. To the Knowledge of the Sellers, there are no circumstances under which Frontline would be required to or, in order to maintain its coverage, should give any notice to, the insurers under any such insurance policies which has not been given. Frontline has not failed to present any claim under any such insurance policy in due and timely fashion. Frontline has not received notice from any of its insurers denying any claims or indicating that a defence to any liability claim will be afforded with a reservation of rights.

(40) Related Party Matters.

Except as disclosed in Section 3.1(40) of the Frontline Disclosure Schedule, Frontline is not a party to or bound by any agreement with, is not indebted to, and no amount is owing to Frontline by, any Affiliate of Frontline or any officers, former officers, directors, former directors, shareholders, former shareholders, employees or former employees of Frontline or any Affiliate of Frontline or any person not dealing at arm's length with any of the foregoing persons. Since the Frontline Most Recent Fiscal Year End, Frontline has not made or authorized any payments to or conferred any benefits on any such persons, except for salaries and other employment compensation payable to employees of Frontline in the Ordinary Course of Business and at the regular rates payable to them. None of the foregoing persons owns, directly or indirectly, any property or assets used by Frontline in the operation of the Frontline Business or has transferred any property or assets to Frontline or has any direct or indirect ownership interest in any firm, corporation or other person with which Frontline has a business relationship. None of the foregoing persons has any direct or indirect ownership interest in any firm, corporation or other person which competes with Frontline. None of the foregoing persons are, directly or indirectly, interested in any Contract with Frontline.

(41) Bank Accounts and Powers of Attorney.

The name and address of each bank, trust company or similar institution with which Frontline has one or more accounts or one or more safe deposit boxes, the number of each such account and safe deposit box and the names of all persons authorized to draw thereon or to have access thereto are as disclosed in Section 3.1(41) of the Frontline Disclosure Schedule. Except as disclosed in Section 3.1(41) of the Frontline Disclosure Schedule, Frontline has not granted to any person any power of attorney authorizing any person to incur any obligations or Liabilities on behalf of Frontline.

(42) Government Assistance.

Section 3.1(42) of the Frontline Disclosure Schedule describes all agreements, loans, other funding arrangements and assistance programs (collectively called "**Frontline Government Assistance Programs**") which are outstanding in favour of Frontline from any Governmental Authority. Complete and correct copies of all documents relating to the Frontline Government Assistance Programs have been delivered to Belzberg. Frontline has performed all of its obligations under the Frontline Government Assistance Programs, and no basis exists for any Governmental Authority to seek payment or repayment by Frontline of any amount or benefit received by it under any Frontline Government Assistance Program.

(43) Restrictions on Doing Business.

Frontline is not a party to or bound by any Contract which would restrict or limit its right to carry on any business or activity or to solicit business from any person or in any geographical area, would impair any business practice of Frontline, or would otherwise restrict or limit the conduct of the Frontline Business as Frontline may determine. Frontline is not subject to any Applicable Law or Order which is not of general application to persons carrying on a business similar to the Frontline Business. To the Knowledge of the Sellers, there are no facts or circumstances which could materially affect the ability of Frontline to continue to operate the Frontline Business as presently conducted following the completion of the Transactions.

(44) Compliance with Laws.

Frontline is not, and has not been, in violation of Applicable Law. No event has occurred and no circumstances exist that (without or without notice or lapse of time) may constitute or result in a violation by Frontline of any Applicable Law.

(45) Reports.

Frontline has complied in all material respects with its obligations to all applicable Governmental Authorities to file complete and correct copies of all forms, reports, schedules, statements and other documents required to be filed by it, and such documents (i) do not contain any misrepresentation of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (ii) comply in all material respects with the requirements of Applicable Law.

(46) *Investment Banking and Brokers' Fees.*

Except as disclosed in Section 3.1(46) of the Frontline Disclosure Schedule there is no investment banker, M&A advisor, broker, finder or other intermediary who has been retained by or is authorized to act on behalf of the Sellers or Frontline who might be entitled to any fee or commission in connection with the Transactions hereunder.

(47) *Sellers' Residency.*

The Sellers are not non-residents of Canada within the meaning of the Tax Act.

(48) *Investment Canada Act.*

None of the assets of Frontline constitutes a "cultural business" as defined in section 14.1(6) of the Investment Canada Act and none of the assets of Frontline constitutes a specific type of business activity set out in Schedule IV to the Investment Canada Regulations.

(49) *Disclosure.*

No representation or warranty contained in this Section 3.1, and no statement contained in any schedule, certificate, list, summary or other disclosure document provided or to be provided to Belzberg pursuant hereto or in connection with the Transactions contemplated hereby contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact which is necessary in order to make the statements contained therein not misleading.

(50) *Assets and Liabilities of the Subsidiary*

The Subsidiary has no assets other than its rights under the Subsidiary Lease and its rights under the Subsidiary Sublease and the Subsidiary has no liabilities other than its liabilities under the Subsidiary Lease and its liabilities under the Subsidiary Sublease. The Subsidiary carries on no business other than leasing premises pursuant to the Subsidiary Lease and subleasing such premises to Frontline pursuant to the Subsidiary Sublease.

3.2 Representations and Warranties by Belzberg.

Belzberg represents and warrants to each of the Sellers that as of the date hereof the statements contained in this Section 3.2 are correct and complete, except as disclosed in Schedule 3.2 attached hereto (the "**Belzberg Disclosure Schedule**"), and confirms that the Sellers are relying upon the accuracy of such representations and warranties in connection with the sale of the Frontline Shares, the acquisition of Class A Restricted Shares and the completion of the Transactions hereunder. Nothing in the Belzberg Disclosure Schedule shall be deemed adequate to disclose an exception to a representation and warranty made herein unless the Belzberg Disclosure Schedule discloses the exception with particularity and describes the relevant facts. Without limiting the generality of the foregoing, the mere listing or inclusion of a copy of a document or other item shall not be deemed adequate to disclose an exception to a representation and warranty made herein, unless the representation or warranty has to do with the existence of the document or other item itself. All information that is necessary to make a given section of the Belzberg Disclosure Schedule complete and accurate, but that is not fully disclosed in that

section shall, nevertheless, be deemed to be complete and accurate if it is disclosed in another paragraph of the Belzberg Disclosure Schedule and appropriate cross-references are included in all applicable sections of the Belzberg Disclosure Schedule. The Belzberg Disclosure Schedule will be arranged in paragraphs corresponding to the numbered and lettered paragraphs contained in this section.

(1) *Corporate Authority and Binding Obligation.*

Belzberg has good right and full corporate power, authority and capacity to execute and deliver this Agreement, to issue from treasury the Class A Restricted Shares referred to in Section 2.3(b) hereof to the Sellers in the manner contemplated herein, to carry out all of the other Transactions and to perform all of Belzberg's obligations under this Agreement. Belzberg and its board of directors have taken all necessary actions, steps and corporate and other proceedings to approve and authorize, validly and effectively, the entering into and the execution, delivery and performance of this Agreement and each other agreement contemplated hereunder, and the issuance of the Class A Restricted Shares referred to in Section 2.3(b) hereof to the Sellers and the completion of the other Transactions, subject to obtaining those Consents and approvals disclosed in Section 3.2(3) of the Belzberg Disclosure Schedule or referred to in Sections 5.1(12) and 5.1(13) of this Agreement. This Agreement is a valid and legally binding obligation of Belzberg, enforceable against Belzberg in accordance with its terms, and at the Closing Time each other agreement contemplated hereby to which Belzberg is a party will have been duly authorized, executed and delivered by Belzberg and will constitute a valid and legally binding obligation of Belzberg, enforceable against it in accordance with its terms, subject, in each case, to:

- (a) bankruptcy, insolvency, moratorium, reorganization and other laws relating to or affecting the enforcement of creditors' rights generally, and
- (b) the fact that equitable remedies, including the remedies of specific performance and injunction, may only be granted in the discretion of a court.

(2) *No Other Purchase Agreements.*

Except as disclosed in Section 3.2(2) of the Belzberg Disclosure Schedule, no person has any agreement, option, understanding or commitment, or any right or privilege (whether by law, preemptive or contractual) capable of becoming an agreement, option or commitment, including convertible or exchangeable securities or obligations of any nature, for the purchase, subscription, allotment or issuance of, or conversion or exchange into, any of the unissued shares in the capital of Belzberg or any other unissued securities of Belzberg.

(3) *Contractual and Regulatory Consents.*

Except for the Consents disclosed in Section 3.2(3) of the Belzberg Disclosure Schedule, Belzberg is not under any obligation, contractual or otherwise, to request or obtain the consent or approval of any person, and no permits, licenses, certifications, authorizations or approvals of, or notifications to, any Governmental Authority are required to be obtained by Belzberg:

- (a) in connection with the execution, delivery or performance by Belzberg of this Agreement or any other agreement contemplated herein or the completion of any of the Transactions;
- (b) to avoid the loss of any Belzberg Licence, or
- (c) in order that the authority of Belzberg to carry on the Belzberg Business in the Ordinary Course of Business and in the same manner as presently conducted remains in good standing and in full force and effect as of and following the closing of the Transactions.

Complete and correct copies of any Contracts under which Belzberg is obligated to request or obtain any Consent have been provided to Astaraki.

(4) *Status, Organizational Documents and Licences.*

- (a) Belzberg is a body corporate duly incorporated and validly existing under the laws of its jurisdiction of incorporation. Belzberg has all necessary corporate power, authority and capacity to own its properties and to carry on its business as it is now being conducted.
- (b) The articles, by-laws and other Organizational Documents of Belzberg, as amended to the date hereof, are disclosed in Section 3.2(4)(b) of the Belzberg Disclosure Schedule, and complete and correct copies of each of those documents have been delivered to Astaraki.
- (c) Belzberg is duly licensed, registered and qualified as a corporation to do business, is up-to-date in the filing of all required corporate returns and other notices and filings and is otherwise in good standing in all respects, in each jurisdiction in which:
 - (i) it owns or leases property, or
 - (ii) the nature or conduct of the Belzberg Business or any part thereof, or the nature of the property of the Belzberg Business or any part thereof, makes such qualification necessary or desirable to enable the Belzberg Business to be carried on as now conducted or to enable the property and assets of Belzberg to be owned, leased and operated by it.
- (d) All of the Belzberg Licences are disclosed in Section 3.2(4)(d) of the Belzberg Disclosure Schedule and are valid and subsisting. Complete and correct copies of the Belzberg Licences have been delivered to the Sellers. Belzberg is in compliance with all terms and conditions of Belzberg Licences. There are no proceedings in progress, pending or, to the Knowledge of Belzberg, threatened, which could result in the revocation, cancellation or suspension of any of the Belzberg Licences.

- (e) Belzberg has not: proposed a compromise or arrangement to its creditors generally or had one proposed on its behalf; had any application for a bankruptcy order filed against it; taken any proceeding with respect to a compromise or arrangement; taken any proceeding to make an assignment of all of its property for the general benefit of its creditors or to have itself declared bankrupt or wound up; taken or been made the subject of any proceeding to have a receiver appointed over its property; had any encumbrancer take possession of any of its property; or had any execution, distress or analogous process become enforceable or become levied upon any of its property.

(5) *Compliance with Organizational Documents, Agreements and Laws.*

The execution, delivery and performance of this Agreement and each of the other agreements contemplated or referred to herein by Belzberg, and the completion of the Transactions, will not:

- (a) constitute or result in a Default under:
- (i) any term or provision of any of the articles, by-laws or other Organizational Documents of Belzberg;
 - (ii) the terms of any Contract to which Belzberg is a party or by which any of them is bound;
 - (iii) subject to obtaining the Consents disclosed in Section 3.2(3) of the Belzberg Disclosure Schedule, any term or provision of any of the Belzberg Licences; or
 - (iv) any Applicable Law of any jurisdiction in which the Belzberg Business is carried on;
- (b) result in the imposition of any Encumbrance upon any of the assets of Belzberg;
- (c) restrict, hinder, impair or limit the ability of Belzberg to carry on the Belzberg Business in each jurisdiction and in the manner in which it is now being carried on;
- (d) give any Governmental Authority or other person the right to challenge any of the Transactions or to exercise any remedy or obtain any relief under any Applicable Law; or
- (e) cause Belzberg to become subject to or liable for the payment of any Taxes or cause any of the assets of Belzberg to be re-assessed or re-valued by any Taxing Authority.

Belzberg is compliant with all laws relating to the regulation of securities. No information provided to, or document filed with, any securities regulator, or any Governmental Authority, by or on behalf of Belzberg contains any misrepresentation or omits to include any material information.

(6) Corporate Records.

The corporate records and minute books of Belzberg, all of which have been provided to Astaraki, contain complete and accurate minutes of all meetings of the directors and shareholders of Belzberg held since its incorporation, and original signed copies of all resolutions and by-laws duly passed or confirmed by the directors or shareholders of Belzberg other than at a meeting. All such meetings were duly called and held. The share certificate books, register of security holders, register of transfers and register of directors and any similar corporate records of Belzberg are complete and accurate.

(7) Authorized and Issued Capital.

- (a)** The authorized and issued capital of Belzberg is as disclosed in Section 3.2(7)(a) of the Belzberg Disclosure Schedule. No other shares in the capital of Belzberg are outstanding. All of the Belzberg Common Shares have been duly authorized and validly issued as fully paid and non-assessable shares. Upon the issuance of 7,881,926 Class A Restricted Shares to the Sellers as contemplated in Section 2.3(b) hereof, the Sellers shall own 7,881,926 issued and outstanding Class A Restricted Shares free and clear of all Encumbrances, other than Encumbrances arising as a result of the actions of any of the Sellers.
- (b)** No shares or other securities of Belzberg have been issued in violation of any Applicable Law, the Organizational Documents of Belzberg, any Belzberg Licenses, the terms of any shareholders' agreement pertaining to the ownership of shares of Belzberg or any Contract to which Belzberg was a party or by which it was bound.
- (c)** The issuance of 7,881,926 Class A Restricted Shares to the Sellers pursuant to Section 2.3(b) hereof is not subject to any right of first refusal or other right in favour of any person under any Contract to which Belzberg is a party.
- (d)** The designations, powers, preferences, rights, qualifications, limitations and restrictions in respect of each class and series of authorized shares of Belzberg existing as of the date of this Agreement are as set forth in the articles of Belzberg, complete copies of which have been delivered to the Sellers.

(8) Shareholders' Agreements, etc.

None of the officers or directors who are shareholders of Belzberg are parties to, and to the Knowledge of Belzberg, no other shareholders of Belzberg are parties to any shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the shares of Belzberg.

(9) Belzberg Financial Statements.

- (a)** Attached hereto as Schedule 3.2(9) are the following financial statements:

- (i) the audited financial statements of Belzberg (the “**Belzberg Audited Financial Statements**”) as of and for the fiscal year ended December 31, 2009 (the “**Belzberg Most Recent Fiscal Year End**”), including the balance sheet, income statement, statement of changes in financial position and statement of retained earnings, together with the notes to such financial statements and the opinion of Belzberg’s auditors on such financial statements; and
- (ii) the unaudited, financial statements of Belzberg (the “**Belzberg Most Recent Financial Statements**”) as of and for the nine month period ended September 30, 2010 (the “**Belzberg Most Recent Month End**”) including the balance sheet, income statement, statement of changes in financial position and statement of retained earnings, together with the notes to such financial statements.

(Such financial statements are herein called the “**Belzberg Financial Statements**”).

- (b) The Belzberg Financial Statements have been prepared in accordance with GAAP, consistently applied. Each of the Belzberg Financial Statements presents fairly all of the assets and liabilities of Belzberg and the financial condition of Belzberg as of such dates and the results of operations of Belzberg for such periods, subject to, in the case of the Belzberg Most Recent Financial Statements, normal year-end audit adjustments. Provided however, the Belzberg Most Recent Financial Statements would not be subject to any adjustments or revisions arising from an audit of such Statements which, individually or in the aggregate, would reflect any Belzberg Material Adverse Change.
 - (c) Except as disclosed in Section 3.2(9)(c) of the Belzberg Disclosure Schedule, the financial condition of Belzberg is now at least as good as the financial condition reflected in the Belzberg Most Recent Financial Statements.
 - (d) The Belzberg Financial Statements do not contain any extraordinary items or items of special or non-recurring income or any other income not earned in the Ordinary Course of Business, except as expressly specified therein or as disclosed in the Belzberg Disclosure Schedule. The Belzberg Financial Statements reflect all of the costs incurred in the operation of the Belzberg Business.
- (10) *Financial Records and Systems.*
- (a) All material financial transactions of Belzberg have been recorded in the financial books and records of Belzberg in accordance with good business practice, and such financial books and records:
 - (i) accurately reflect in all material respects the basis for the financial condition and the revenues, expenses and results of operations of Belzberg shown in the Belzberg Financial Statements; and

- (ii) together with all disclosures made in this Agreement or in the Belzberg Disclosure Schedule, present fairly in accordance with GAAP consistently applied, the financial condition and the revenues, expenses and results of the operations of Belzberg as of and to the date hereof.
 - (b) Belzberg maintains systems of internal accounting and financial controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit the preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the actual levels at reasonable intervals and appropriate action is taken with respect to any differences.
 - (c) No information, records or systems pertaining to the operation or administration of the Belzberg Business are in the possession of, recorded, stored, maintained by or otherwise dependent upon any other person.
- (11) *No Undisclosed Liabilities.*

There are no Liabilities of Belzberg of any kind whatsoever, and there is no basis for assertion against Belzberg of any Liabilities of any kind, other than:

- (a) Liabilities disclosed or reflected in or provided for in the Belzberg Financial Statements; and
- (b) Liabilities which have been incurred in the Ordinary Course of Business since the Belzberg Most Recent Month End and which, in the aggregate, do not have a Material Adverse Effect on Belzberg.

(12) *Indebtedness.*

Except as disclosed in the Belzberg Most Recent Financial Statements:

- (a) Belzberg does not have any credit facilities, bonds, debentures, mortgages, promissory notes, securitization agreements or other indebtedness outstanding and is not under any obligation to create or issue any bonds, debentures, mortgages, promissory notes, securitization agreements or other indebtedness;
- (b) Belzberg is not subject to any Contract for any material leasing transaction of a type required to be capitalized in accordance with GAAP; and
- (c) Belzberg is not a party to or bound by any Contract providing any guarantee, indemnification, assumption or endorsement or any similar commitment with respect to the obligations, indebtedness or other Liabilities of any person.

(13) *Absence of Certain Changes or Events.*

Except as reflected in Belzberg Most Recent Financial Statements or as disclosed in Section 3.2(13) of the Belzberg Disclosure Schedule, since the Belzberg Most Recent Month End, Belzberg has not:

- (a) incurred any Liability outside the Ordinary Course of Business or involving more than \$10,000;
- (b) paid or satisfied any Liability, except:
 - (i) current Liabilities reflected in the Belzberg Most Recent Financial Statements;
 - (ii) current Liabilities incurred in the Ordinary Course of Business since the Belzberg Most Recent Month End, and
 - (iii) scheduled payments pursuant to obligations under loan agreements or other Contracts reflected in the Belzberg Most Recent Financial Statements;
- (c) created or permitted to exist any Encumbrance upon any of its properties or assets;
- (d) made any capital expenditure (or series of related capital expenditures) outside the Ordinary Course of Business or involving more than \$10,000;
- (e) delayed or postponed the payment of accounts payable or other Liabilities outside the Ordinary Course of Business;
- (f) sold, assigned, transferred, leased or otherwise disposed of any of its properties or assets, except in the Ordinary Course of Business;
- (g) purchased, leased or otherwise acquired any properties or assets, except in the Ordinary Course of Business;
- (h) waived, cancelled, compromised or written-off any rights, claims, accounts receivable or other amounts payable to Belzberg, except in the Ordinary Course of Business;
- (i) written down the value of its inventories, except in the Ordinary Course of Business;
- (j) entered into any transaction or Contract, except in the Ordinary Course of Business;

- (k) terminated, discontinued, closed or disposed of any plant, facility or business operation;
- (l) had any supplier or licensor terminate, or communicate to Belzberg its intention or threat to terminate, its relationship with Belzberg, or the intention to substantially reduce the quantity of products or services it sells or licenses to Belzberg, except in the case of suppliers or licensors whose sales to Belzberg are not, in the aggregate, material to the Belzberg Business;
- (m) had any customer terminate, or communicate to Belzberg its intention or threat to terminate, its relationship with Belzberg, or the intention to substantially reduce the quantity of products or services it purchases from Belzberg, or its dissatisfaction with the products or services sold by Belzberg, except in the case of customers whose purchases from Belzberg are not, in the aggregate, material to the Belzberg Business;
- (n) made any material change in the method of billing customers or the credit terms made available by Belzberg to its customers;
- (o) made any material change with respect to any method of management, operation or accounting in respect of the Belzberg Business;
- (p) suffered any damage, destruction or loss (whether or not covered by insurance) which has had or could have a Material Adverse Effect on Belzberg;
- (q) made any loans to any person;
- (r) except in the Ordinary Course of Business, granted any license or sublicense of any rights in, under or with respect to any Belzberg Business Intellectual Property;
- (s) suffered any material loss or decline in the profitability of the Belzberg Business;
- (t) experienced any material change in its relationships with its lenders or other creditors;
- (u) experienced any Belzberg Material Adverse Change or experienced any Material Adverse Effect on Belzberg, and Belzberg does not have any Knowledge of any event or condition which is likely to result in such a Belzberg Material Adverse Change or Material Adverse Effect; or
- (v) authorized, agreed or otherwise become committed to do any of the foregoing.

(14) *Dividends and Distributions.*

Except as disclosed in Section 3.2(14) of the Belzberg Disclosure Schedule, since the Belzberg Most Recent Month End, Belzberg has not declared or paid any dividend or made any other distribution on any of its shares of any class, or redeemed or purchased or otherwise acquired

any of its shares of any class, or reduced its authorized capital or issued capital, or agreed to do any of the foregoing.

(15) *Tax Matters.*

- (a)** Belzberg has prepared and filed on a timely basis with all appropriate Taxing Authorities all Tax Returns and other documents that it is required to file in respect of any Taxes for all fiscal periods ending prior to the Closing Date. All such Tax Returns and other documents are correct and complete in all material respects.
- (b)** Belzberg has paid in full all Taxes due on or before the Closing Date and, in the case of Taxes accruing on or before the Closing Date that are not due on or before the Closing Date, Belzberg has made adequate provision in its books and records and the Belzberg Financial Statements for such payment. Belzberg does not have any liability for Taxes other than those provided for in the Belzberg Financial Statements and those arising in the Ordinary Course of Business since the Belzberg Most Recent Fiscal Year End.
- (c)** Belzberg has withheld from each payment made to any of its present or former employees, officers, directors and to all persons who are non-residents of Canada for purposes of the Tax Act all amounts required pursuant to any Applicable Law to be withheld or remitted and has remitted such amounts within the applicable periods to the appropriate Taxing Authorities. Belzberg has withheld all Canada Pension Plan contributions, unemployment insurance premiums, employer health taxes and other Taxes payable by it in respect of its employees and has or will have remitted such amounts to the appropriate Taxing Authority within the time required under Applicable Law. Belzberg has charged, collected and remitted on a timely basis all Taxes as required under Applicable Law on any sale, supply or delivery whatsoever, made by Belzberg.
- (d)** Belzberg has received no notices of reassessments with respect to Taxes that have been issued and are outstanding. To the Knowledge of Belzberg no Taxing Authority has challenged, disputed or questioned Belzberg in respect of Taxes or in respect of any Tax Returns, filings or other reports filed under any statute providing for Taxes. Belzberg has not received any indication from any Taxing Authority that an assessment or a reassessment in respect of Belzberg is being considered or is proposed or is currently under discussion. Belzberg has not executed or filed any document extending the period for assessment, reassessment or collection of any Taxes.
- (e)** Belzberg is properly registered and licensed for the purposes of paying, collecting or remitting all applicable taxes relating to its business. Belzberg has properly applied for and filed claims for all Tax refunds or rebates to which it is entitled, including any GST rebates. Belzberg has not filed or been party to any election pursuant to Section 85 of the Tax Act or the corresponding provisions of any provincial statute.

- (f) Belzberg has not deducted any amount in computing its income in a taxation year which may be included in a subsequent taxation year under section 78 of the Tax Act or the similar provisions of a provincial taxing statute.
- (g) No circumstances exist which would make Belzberg subject to the application of section 17 or any of sections 79 to 80.04 of the Tax Act or the similar provisions of a provincial taxing statute.
- (h) Belzberg has not acquired property from a non-arm's length person, within the meaning of the Tax Act, for consideration, the value of which is less than the fair market value of the property acquired, in circumstances which would subject such Belzberg to a Liability under section 160 of the Tax Act.
- (i) Belzberg has not made an "excessive eligible dividend election" as defined in subsection 89(1) of the Tax Act in respect of any dividend paid, or deemed by any provision of the Tax Act to have been paid, on any class of shares in its capital.
- (j) Belzberg has not made a capital dividend election under subsection 83(2) of the Tax Act in an amount which exceeds the amount in Belzberg's capital dividend account at the time of such election.
- (k) Belzberg has not claimed any reserves for Taxes which could result in an amount being included in the income of Belzberg for any taxation period ending after the date of this Agreement.
- (l) Belzberg has prepared on a timely basis and maintained transfer pricing documentation as required by subsection 247(4) of the Tax Act.

(16) *Litigation and Orders.*

- (a) Except for the matters disclosed in Section 3.2(16)(a) of the Belzberg Disclosure Schedule:
 - (i) there are no litigation, arbitration or administrative proceedings pending (including any proceeding purportedly on behalf of Belzberg) and there is no Claim pending or, to the Knowledge of Belzberg, threatened, by or against or affecting Belzberg, at law or in equity, or before or by any court, arbitrator or Governmental Authority; and
 - (ii) there are no grounds on which any such proceeding or Claim might be commenced or made with any reasonable likelihood of success.

With respect to each matter disclosed in Section 3.2(16)(a) of the Belzberg Disclosure Schedule, Belzberg has delivered to Astaraki copies of all material pleadings, correspondence and other documents relating to such matters.

- (b) Except as disclosed in Section 3.2(16)(b) of the Belzberg Disclosure Schedule:

- (i) there is no Order to which Belzberg or any of its assets or properties are subject and Belzberg is not subject to any Order that relates to the Belzberg Business or assets of Belzberg;
- (ii) Belzberg is in full compliance with all the terms and conditions of each Order disclosed in Section 3.2(16)(b) of the Belzberg Disclosure Schedule and has been in compliance since the date on which each Order was made;
- (iii) no event has occurred and no circumstance exists that may constitute or result in (with or without notice or lapse of time) a violation of or failure to comply with any term or condition of any such Order; and
- (iv) Belzberg has not received any notice or other communication from any Governmental Authority or other person regarding any actual or alleged violation or failure to comply with any term or condition of any such Order.

(17) *Title to Assets.*

- (a) Belzberg is the owner of and has good and marketable title to all of its properties and assets, including all properties and assets acquired by Belzberg after the Belzberg Most Recent Fiscal Year End and all properties and assets reflected in the Belzberg Most Recent Financial Statements, free and clear of all Encumbrances whatsoever, except for:
 - (i) the properties and assets disposed of, utilized or consumed by Belzberg since the Belzberg Most Recent Fiscal Year End in the Ordinary Course of Business;
 - (ii) the Encumbrances disclosed or reflected in the Belzberg Most Recent Financial Statements;
 - (iii) liens for Taxes not yet due and payable; and
 - (iv) the Encumbrances disclosed in Section 3.2(17)(a) of the Belzberg Disclosure Schedule.
- (b) Belzberg has not granted general security interests on any of its property or assets, other than under those general security agreements and other documents disclosed in Section 3.2(17)(b) of the Belzberg Disclosure Schedule. All other Encumbrances granted by Belzberg apply only to specific identified items of property.

(18) *Condition of Property*

All of the Equipment and other physical assets of Belzberg are in good operating condition and in a state of good maintenance and repair, reasonable wear and tear excepted, and are adequate and sufficient for the continuing conduct of the Belzberg Business as presently conducted. No

other person owns any assets which are being used in the Belzberg Business, except for the Belzberg Leased Premises, the Belzberg Licensed Intellectual Property and personal property leased by Belzberg.

(19) *Accounts Receivable.*

The accounts receivable of Belzberg reflected in the Belzberg Most Recent Balance Sheet and all accounts receivable of Belzberg arising since the Belzberg Most Recent Month End arose from bona fide transactions in the Ordinary Course of Business and are valid, enforceable and fully collectible accounts (subject to a reasonable allowance, consistent with past practice, for doubtful accounts as reflected in the Belzberg Most Recent Financial Statements). Such accounts receivable are not subject to any set-off or counterclaim rights. Since the Belzberg Most Recent Month End, no event has occurred which would, under the practices of Belzberg in effect when the Belzberg Most Recent Balance Sheet was prepared, require a material increase in the allowance for doubtful accounts of Belzberg.

(20) *Inventory.*

The current inventory of Belzberg is good and usable and capable of being processed and sold in the Ordinary Course of the Belzberg Business at normal profit margins, subject to a reasonable allowance for obsolete inventory consistent with the allowance reflected in the Belzberg Audited Financial Statements. Belzberg's current inventory level is consistent with past practice and is sufficient to satisfy Belzberg's current sales forecasts.

(21) *Real Properties.*

Belzberg does not own or have any right, title or interest in any real property, except for Belzberg's leasehold interest in the Belzberg Leased Premises.

(22) *Leased Premises.*

Section 3.2(22) of the Belzberg Disclosure Schedule discloses all Leases under which Belzberg leases any real property (the "**Belzberg Leases**"). There are no Contracts whereby Belzberg has the obligation to lease any other real property. The names of the other parties to such Leases, the description of the Belzberg Leased Premises, the term, rent and other amounts payable under such Belzberg Leases and all renewal and extension options available under such Belzberg Leases are accurately described in Section 3.2(22) of the Belzberg Disclosure Schedule. Complete and correct copies of such Belzberg Leases have been provided to Astaraki.

- (a) The use by Belzberg of the Belzberg Leased Premises and the activities being carried out thereon do not contravene any zoning or building laws, ordinances, regulations, covenants, official plans or Applicable Law.
- (b) The Belzberg Leased Premises are serviced by all private and public utility services that are reasonably necessary for the operation of the Belzberg Business on the Belzberg Leased Premises.

- (c) In respect of each of the Belzberg Leases, except as disclosed in Section 3.2(22) of the Belzberg Disclosure Schedule, and except as otherwise specifically set out therein:
- (i) each Belzberg Lease has been duly authorized, executed and delivered by Belzberg and, to the Knowledge of Belzberg, each of the other parties thereto and constitutes a valid and legally binding obligation against Belzberg and, to the Knowledge of Belzberg, each of the other parties thereto, enforceable against such parties, in accordance with its terms;
 - (ii) to the Knowledge of Belzberg, each Belzberg Lease is in good standing and is in full force and effect without amendment and, with respect to each Belzberg Lease: (A) all obligations and covenants on the part of Belzberg have been fully and properly performed to the date hereof; (B) all rents and additional rents have been paid to date in accordance with the terms of the Belzberg Lease and no waiver, indulgence or postponement of Belzberg's obligations has been granted by the landlord; and (C) no notice has been received by Belzberg from any landlord indicating that such landlord is considering exercising any early right of termination afforded to the landlord under its Belzberg Lease;
 - (iii) all measures, including in respect of registration of notice thereof on title to the real property affected by each Belzberg Lease, have been taken to preserve and protect Belzberg's interests thereunder;
 - (iv) Belzberg has not sub-let, assigned, licensed or otherwise dealt with or conveyed any part of the Leased Premises or any of its rights under any of the Belzberg Leases; and
 - (v) to the Knowledge of Belzberg all obligations and covenants on the part of the landlord in each Belzberg Lease have been fully and properly performed to date.
- (d) Belzberg has full, uninterrupted and unencumbered rights of ingress to and egress from each of the Leased Premises for pedestrians and vehicles to and from public roads abutting each of such properties along the full frontages of each of the properties abutting such roads.

(23) *Contracts with Respect to Premises.*

To the Knowledge of Belzberg, each of the Contracts entered into by Belzberg with respect to the furnishing of supplies or services to the Leased Premises or with respect to the management, maintenance, cleaning or operation of the Leased Premises is in good standing, there being no material Default thereunder by Belzberg or, to the Knowledge of Belzberg, any of the other contracting parties thereto, and contains the entire agreement between the parties identified therein.

(24) *Leases of Personal Property.*

Except as disclosed in Section 3.2(24) of the Belzberg Disclosure Schedule, Belzberg is not the lessee under any lease of personal property in respect of which the annual financial obligation exceeds \$5,000. Complete and correct copies of each of the leases disclosed in Section 3.2(24) of the Belzberg Disclosure Schedule have been provided to Astaraki.

(25) *Intellectual Property.*

- (a) Section 3.2(25) of the Belzberg Disclosure Schedule lists and contains a description of all Belzberg Intellectual Property (other than the Belzberg Proprietary Information) and all Belzberg Domain Names and websites owned or used by Belzberg. Section 3.2(25) of the Belzberg Disclosure Schedule discloses the Belzberg Intellectual Property separately as Belzberg Owned Intellectual Property or Belzberg Licensed Intellectual Property.
- (b) Belzberg has good and valid title to all of the Belzberg Owned Intellectual Property and the Belzberg Domain Names, free and clear of any and all Encumbrances except as disclosed in Section 3.2(25) of the Belzberg Disclosure Schedule. Except as disclosed in Section 3.2(25) of the Belzberg Disclosure Schedule, Belzberg is listed in the records of the appropriate governmental agency as the sole owner of record for each of the registrations (if any) in respect of the Belzberg Owned Intellectual Property and the Belzberg Domain Names listed in Section 3.2(25) of the Belzberg Disclosure Schedule (hereinafter called the “**Belzberg Registrations**”). Except as disclosed in Section 3.2(25) of the Belzberg Disclosure Schedule, all of Belzberg Registrations have been duly maintained, including the submission of all necessary filings in accordance with the legal and administrative requirements of the appropriate jurisdictions; have not lapsed, expired or been abandoned; and are valid, subsisting and in proper form and enforceable.
- (c) Belzberg has an exclusive or non-exclusive right to use the Belzberg Licensed Intellectual Property, as disclosed in Section 3.2(25) of the Belzberg Disclosure Schedule. Except as disclosed in Section 3.2(25) of the Belzberg Disclosure Schedule, no license, royalty or other fee is required to be paid by Belzberg to any other person in respect of the use of any of the Belzberg Licensed Intellectual Property. All Intellectual Property (other than Belzberg Owned Intellectual Property) which is in the possession of or is used by Belzberg is duly and properly licensed to Belzberg and Belzberg has paid all fees with respect to all copies thereof.
- (d) The Belzberg Owned Intellectual Property, the Belzberg Licensed Intellectual Property and the Domain Names (together the “**Belzberg Business Intellectual Property**”) constitute all of the Intellectual Property required for the proper carrying on of the Belzberg Business.

- (e) Except as disclosed in Section 3.2(25) of the Belzberg Disclosure Schedule, Belzberg has protected its rights in Belzberg Business Intellectual Property in the manner and to the extent that a reasonably prudent person operating the Belzberg Business would do and, without limiting the generality of the foregoing, has protected its rights in the manner described in Section 3.2(25) of the Belzberg Disclosure Schedule. Except as disclosed in Section 3.2(25) of the Belzberg Disclosure Schedule, nothing has been done or, to the Knowledge of Belzberg, omitted to be done by Belzberg, and to the Knowledge of Belzberg, nothing has been done or omitted to be done by any other party, which would jeopardize the validity, enforceability or subsistence of any of Belzberg Business Intellectual Property.
- (f) Except as disclosed in Section 3.2(25) of the Belzberg Disclosure Schedule, Belzberg has the exclusive right to use all of Belzberg Business Intellectual Property and has not granted any licence or other rights to any other person in respect of Belzberg Business Intellectual Property other than pursuant to standard forms of customer contracts entered into by Belzberg.
- (g) There are no restrictions on the ability of Belzberg or any successor to or assignee from Belzberg to use and exploit all rights in Belzberg Business Intellectual Property, other than restrictions imposed by the licensors pertaining to the Belzberg Licensed Intellectual Property. To the Knowledge of Belzberg, no trade secrets, know-how, confidential information or other proprietary right of Belzberg has been disclosed or authorized to be disclosed to any person other than in the Ordinary Course of Business and pursuant to written non-disclosure or confidentiality agreements. No trade secret, know-how, confidential information or other proprietary right of Belzberg has been invalidated or committed to the public domain.
- (h) None of the former or present employees, officers, directors or independent contractors of Belzberg holds any right, title or interest, directly or indirectly, in whole or in part, in or to any part of Belzberg Business Intellectual Property, or has asserted any claim with regard to any Belzberg Business Intellectual Property. The Belzberg Owned Intellectual Property was developed either by employees of Belzberg during the time they were employed by Belzberg or independent contractors hired by Belzberg, and all rights arising from the work of such employees and independent contractors in respect of the Owned Intellectual Property are owned by Belzberg. The Belzberg Owned Intellectual Property developed by Belzberg's employees or independent contractors does not include any inventions of such employees or independent contractors made prior to the time at which they were engaged by Belzberg, or any Intellectual Property of any previous employer of any such employee or independent contractor. All of the current employees and independent contractors of Belzberg have entered into written agreements with Belzberg: (A) to maintain the confidentiality of all confidential information relating to Belzberg Business Intellectual Property, (B) providing that all work product developed by them relating to Belzberg Business Intellectual Property is the property of Belzberg and has been assigned to

Belzberg and such employees and independent contractors have waived all of their rights, including any moral rights which were applicable to such work product and other rights relating to Belzberg Business Intellectual Property, and (C) confirming that they are not parties to any contracts with any other person (including any former employer) which contains any restrictive covenants on the ability of such employee or independent contractor to discharge their obligations to Belzberg. No employee or independent contractor of Belzberg, during his or her period of engagement by Belzberg, has developed or assisted in any enhancement of Belzberg Business Intellectual Property (other than enhancements included in and forming part of Belzberg Business Intellectual Property) or the development of any product based upon Belzberg Business Intellectual Property or any part thereof which is not included in Belzberg Business Intellectual Property.

- (i) To the Knowledge of Belzberg, neither the use of the Belzberg Business Intellectual Property nor the conduct of the Belzberg Business infringes, encroaches upon or otherwise violates the Intellectual Property rights of any other person or contravenes any Applicable Law, Order or restrictive covenant. None of the rights of Belzberg in and to the Belzberg Business Intellectual Property will be materially adversely affected by the consummation of the Transactions hereunder.
- (j) To the Knowledge of Belzberg, no person has infringed or breached or is infringing or breaching any rights of Belzberg in and to the Belzberg Business Intellectual Property. There have been no Claims, applications, disputes, oppositions or proceedings in relation to the Belzberg Business Intellectual Property and there are no other facts, matters or circumstances which might have a Material Adverse Effect on the ownership of the Belzberg Owned Intellectual Property, or the right of Belzberg to use, exploit or enforce anywhere in the world any of the Belzberg Business Intellectual Property.

(26) Information Technology

- (a) The data processing systems used by Belzberg adequately meet the data processing needs of the Belzberg Business as presently conducted. The data storage facilities of Belzberg are adequate and properly protected. Belzberg owns all content on all websites disclosed in Section 3.2(26)(a) of the Belzberg Disclosure Schedule.
- (b) All Software which comprises part of the Belzberg Owned Intellectual Property:
 - (i) fully conforms, in all material respects, as to its functionality, performance and operation with all related documentation, specifications, warranties or other descriptions thereof established by or for Belzberg or conveyed to any customers or business partners of Belzberg;

- (ii) is operative in all material respects for its intended purposes, free of any material problems, defects, deficiencies, bugs, errors, viruses or other corrupting influences; and
 - (iii) has been maintained in compliance with all applicable Contracts.
- (c) To the Knowledge of Belzberg, all Software which comprises part of the Belzberg Licensed Intellectual Property:
 - (i) fully conforms, in all material respects, as to its functionality, performance and operation, with all related documentation, specifications, warranties or other descriptions thereof provided by the licensors thereof;
 - (ii) is operative in all material respects for its intended purposes, free of any material problems, defects, deficiencies, bugs, errors, viruses or other corrupting influences; and
 - (iii) has been maintained in compliance with all applicable Contracts.
- (d) No Software which comprises part of the Belzberg Owned Intellectual Property and, to the Knowledge of Belzberg, no Software which comprises part of the Belzberg Licensed Intellectual Property, contains any undocumented code, disabling mechanism or protection feature intentionally designed to prevent its proper use or which may distort, damage or disable any related data or other software, operating systems, computers or equipment with which the Software interacts.
- (e) Except as disclosed in Section 3.2(26)(e) of the Belzberg Disclosure Schedule, Belzberg has lawfully obtained a sufficient number of copies of all Software which comprises part of the Belzberg Licensed Intellectual Property in order to comply with the terms of all associated licenses.
- (f) The Software which comprises part of the Belzberg Business Intellectual Property provides Belzberg with the right to (i) distribute or otherwise render the Software accessible to customers and business partners of Belzberg, and (ii) grant run-time licenses to all customers and business partners sufficient for the intended and expected use of the Software.
- (g) Belzberg has not provided any third parties with access to the Source Code or Source Materials for the Software which comprises part of the Belzberg Business Intellectual Property, other than contractors who have authored any portions thereof and have entered into written agreements with Belzberg providing that all work product developed by them relating to the Software is the property of Belzberg. No customers or licensees of Belzberg are entitled to receive the Source Code or Source Materials for Software which comprises part of the Belzberg Business Intellectual Property under an escrow agreement or otherwise, except as disclosed in Section 3.2(26)(g) of the Belzberg Disclosure Schedule.

- (h) All Belzberg Business Intellectual Property has been subjected to commercially appropriate security controls by Belzberg so as to restrict the use and disclosure thereof solely to authorized persons.

(27) *Subsidiaries and Other Interests.*

Except as disclosed in Section 3.2(27) of the Belzberg Disclosure Schedule, Belzberg has no subsidiaries and does not own any securities issued by, or any equity or ownership interest in, any other corporation or other entity. Belzberg is not subject to any obligation to make any investment in or capital contribution to any person in any manner whatsoever.

(28) *Partnerships or Joint Ventures.*

Except as disclosed in Section 3.2(28) of the Belzberg Disclosure Schedule, Belzberg is not a partner or participant in any partnership, joint venture, profit-sharing arrangement or other association of any kind and is not party to any Contract under which Belzberg agrees to carry on any part of the Belzberg Business or any other activity in such manner or by which Belzberg agrees to share any revenue or profit with any other person.

(29) *Customers.*

Belzberg has previously delivered to the Sellers a true and complete list of all customers of the Belzberg Business as of the date hereof. Such customer list accurately summarizes, with respect to each customer, all information listed in Section 3.2(29) of the Belzberg Disclosure Schedule. Belzberg is the sole and exclusive owner of, and has the unrestricted right to use, such customer list. Except as disclosed in Section 3.2(29) of the Belzberg Disclosure Schedule, the customer list of the Belzberg Business has not, within the two years prior to the date of this Agreement, been made available to any person other than the Sellers. Since the Belzberg Most Recent Month End, there has been no modification or change in Belzberg's business relationship with any customer which has had or could have a Material Adverse Effect on Belzberg. Belzberg has no Knowledge of any facts (including the execution of this Agreement and completion of the Transactions) which will or could reasonably be expected to result in the loss of any customers or sources of revenue of the Belzberg Business and which, in the aggregate, would have a Material Adverse Effect on Belzberg.

(30) *Suppliers.*

Listed in Section 3.2(30) of the Belzberg Disclosure Schedule are the names and addresses of all the suppliers from which Belzberg ordered services, materials, supplies, merchandise and other goods with an aggregate purchase price of \$5,000 or more during the twelve-month period ended on the Belzberg Most Recent Month End. Except as disclosed in Section 3.2(30) of the Belzberg Disclosure Schedule, Belzberg has not received any notice that any such supplier will not sell services, raw materials, supplies, merchandise and other goods to Belzberg at any time, on terms and conditions substantially similar to those governing its current sales to Belzberg, subject only to general and customary price increases.

(31) Warranties and Discounts.

Except as disclosed in Section 3.2(31) of the Belzberg Disclosure Schedule:

- (a) Belzberg has not given any warranty in respect of any of the products sold or the services provided by it, except warranties made in the Ordinary Course of Business and in the form of Belzberg's standard terms of sale, a copy of which has been provided to Astaraki, and except for warranties implied by law;
- (b) Each product or service sold, licensed or delivered by Belzberg has been in material conformity with all applicable contractual commitments and all express and implied warranties, and Belzberg does not have any liability (and there is no basis for any present or future Claim against Belzberg) for replacement or repair of any product or re-performance of any service or other Damages in connection therewith, subject only to the reserve for warranty claims, if any, set forth in the Belzberg Most Recent Financial Statements as adjusted for the passage of time through the Closing Date in accordance with the normal, past custom and practice of Belzberg;
- (c) during the three fiscal year of Belzberg ended immediately preceding the date hereof, no claims have been made against Belzberg for breach of warranty or contract requirement or negligence or for a price adjustment or other concession in respect of any defect in or failure to perform or deliver any products, services or work which had, in any such year, an aggregate cost exceeding \$5,000;
- (d) there are no repair contracts or maintenance obligations of Belzberg in favour of the customers or users of products of the Belzberg Business, except obligations incurred in the Ordinary Course of Business and in accordance with Belzberg's standard terms of sale provided to Astaraki;
- (e) Belzberg is not subject to any Contract which would require Belzberg to repurchase any products sold to customers or to adjust any price or grant any refund, discount or other concession to customers; and
- (f) Belzberg is not required to provide any letters of credit, bonds or other financial security arrangements in connection with any transactions with its suppliers or customers.

(32) Product and Service Liabilities.

Except as disclosed in Section 3.2(32) of the Belzberg Disclosure Schedule, Belzberg does not have any Liability, and there is no basis for any Liability, arising out of any injury to individuals or damage to property as a result of the ownership, possession, use or license of any product or service manufactured, sold, leased, licensed or delivered by Belzberg prior to the date hereof.

(33) Reseller, Agency and Distribution Agreements.

Section 3.2(33) of the Belzberg Disclosure Schedule lists all Contracts to which Belzberg is a party or by which it is bound under which the right to resell, manufacture, process, market or use any product, service or other property of Belzberg has been granted, licensed or otherwise provided by Belzberg to any agent, distributor, dealer, licensee, franchisee or other person. Section 3.2(33) of the Belzberg Disclosure Schedule also lists all Contracts to which Belzberg is a party or by which it is bound under which the right to resell, market, manufacture, process or use any product, service or other product has been granted to Belzberg by any other person or by which Belzberg has been appointed as an agent, dealer, distributor, licensee or franchisee. Complete and correct copies of all of the Contracts referred to in this Section have been provided to Astaraki. None of the Contracts listed in the Belzberg Disclosure Schedule grant to any person any authority to incur any liability or obligation or enter into any agreement on behalf of Belzberg. Belzberg has no Knowledge of any intention of the other parties to any of the Contracts referred to in this Section to terminate such Contracts.

(34) Contracts.

- (a) The Contracts disclosed in Section 3.2(34) of the Belzberg Disclosure Schedule constitute all Contracts to which Belzberg is a party and which are material to the Belzberg Business. Without limiting the generality of the foregoing, the Contracts disclosed in Section 3.2(34) of the Belzberg Disclosure Schedule include:
- (i) all credit facilities, bonds, debentures, mortgages, promissory notes and other agreements or commitments relating to the borrowing of money or any guarantee;
 - (ii) all Contracts limiting the freedom of Belzberg to engage in any line of business or to compete with any other person;
 - (iii) all Contracts not entered into in the Ordinary Course of Business;
 - (iv) all Contracts or arrangements with any Affiliate, director, officer, employee or shareholder of Belzberg or any person with whom Belzberg (or its present or former directors, officers, employees and shareholders) does not deal at arm's length;
 - (v) all Contracts involving any joint venture or partnership or agreement to share profits;
 - (vi) all Contracts relating to the lease (whether as lessee or lessor) or use of any real estate, including the Leased Premises;
 - (vii) all Contracts relating to the licensing or use of any Intellectual Property (other than standard, commercial Software made available to Belzberg by

way of shrink-wrap or click-wrap licenses that do not embody material customizations);

(viii) all Contracts of Belzberg:

- (A) the termination of which would have a Material Adverse Effect on Belzberg;
- (B) which involve an aggregate payment or other Liability by Belzberg to any other person in excess of \$10,000;
- (C) which involve an aggregate payment or other Liability by any person to Belzberg in excess of \$10,000; or
- (D) which involve any commitment to or by Belzberg that may reasonably extend beyond one year; and

(ix) all Contracts entered into in contemplation of a sale or possible sale of the Belzberg Common Shares or the Belzberg Business.

True and complete copies of all Contracts disclosed in Section 3.2(34) of the Belzberg Disclosure Schedule have been provided to Astaraki.

- (b)** Except as disclosed in Section 3.2(34) of the Belzberg Disclosure Schedule, each of the Contracts listed therein has been validly authorized, executed and delivered by Belzberg and, to the Knowledge of Belzberg, by all other parties thereto, and constitutes a legal, valid and binding obligation enforceable in accordance with its terms against Belzberg and, to the Knowledge of Belzberg, against all other parties thereto, subject to the availability of equitable remedies and the effect of bankruptcy, insolvency and similar laws affecting the rights of creditors generally. Each such Contract was entered into by Belzberg with counterparties reasonably believed by Belzberg to be financially responsible and capable of carrying out their obligations thereunder.

(35) *Good Standing of Contracts.*

- (a)** All of the Contracts to which Belzberg is a party are now in good standing and in full force and effect without amendment thereto and Belzberg is entitled to all benefits thereunder.
- (b)** Belzberg is not, and has not at any time since 2006 been, in Default of any of its obligations under any Contract to which it is a party, to the extent that such Default would have or could reasonably be expected to have a Material Adverse Effect on Belzberg. Without limiting the generality of the foregoing, Belzberg is in compliance with all requirements of its Contracts with its lenders, including all financial covenants thereunder.

- (c) To the Knowledge of Belzberg, the other parties to such Contracts are not in Default of any of their obligations thereunder, to the extent that such Default would have or could reasonably be expected to have a Material Adverse Effect on Belzberg.
- (d) There are no Contracts under which Belzberg's rights or the performance of its obligations are dependent upon or supported by the guarantee of or any security provided by any other person.

(36) Employees.

- (a) Section 3.2(36) of the Belzberg Disclosure Schedule sets out:
 - (i) a complete list of all Belzberg Employees; and
 - (ii) their positions/titles.
- (b) The Belzberg Employee and Contractor Disclosure Document delivered by Belzberg to the Sellers sets out with respect to Belzberg Employees as of the date hereof, in a non-individually identifiable format:
 - (i) their status (i.e. full time, part time, temporary, casual, seasonal, co-op student);
 - (ii) their total annual remuneration, including a breakdown of salary and bonus or other incentive compensation, if any;
 - (iii) other material terms and conditions of their employment (other than Belzberg Benefit Plans and Belzberg Compensation Policies);
 - (iv) whether the Belzberg Employee is providing services pursuant to a written employment contract;
 - (v) their total length of employment including any prior employment that would affect calculation of years of service for any purpose, including statutory entitlements, contractual entitlements (express or implied), benefit entitlements or pension entitlements, and their age; and
 - (vi) whether any Belzberg Employees are on any approved or statutory leave of absence.
- (c) Except as listed in the Belzberg Employee and Contractor Disclosure Document, Belzberg has no written employment Contract with any Belzberg Employee.
- (d) The Belzberg Employee and Contractor Disclosure Document sets out, as of the date hereof, a list of all independent contractors and consultants who provide services to Belzberg, including their: (i) names; (ii) titles; (iii) current compensation; (iv) eligibility to participate in any Belzberg Benefit Plans; (v)

length of relationship with Belzberg; (vi) rights of Belzberg to terminate their contracts; and (vii) other material terms and conditions.

- (e) Except as set out in the Belzberg Employee and Contractor Disclosure Document, Belzberg is not a party to or bound by any Contract to pay any management, services or consulting fee.
- (f) Belzberg is not bound by or a party to any collective bargaining agreement.
- (g) No trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent:
 - (i) holds bargaining rights with respect to any Belzberg Employees by way of certification, interim certification, voluntary recognition, designation or successor rights;
 - (ii) has served Belzberg with an application to be certified as the bargaining agent of any Belzberg Employees; or
 - (iii) has served Belzberg with an application to have Belzberg declared a related employer or successor employer pursuant to applicable labour legislation.
- (h) There are no actual, pending or, to the Knowledge of Belzberg, threatened organizing activities of any trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent in respect of Belzberg Employees. There has been no attempt to organize, certify or establish any labour union or employee association in relation to any of the Belzberg Employees. There are no actual, pending or, to the Knowledge of Belzberg, threatened unfair labour practice complaints, strikes, work stoppages, picketing, lock-outs, hand-billings, boycotts, slowdowns, arbitrations, grievances, complaints, charges or similar labour related disputes or proceedings pertaining to Belzberg, and there have not been any such activities or disputes or proceedings within the last year.
- (i) Since December 31, 2010, there have been no:
 - (i) increases or decreases in staffing levels of Belzberg except in the Ordinary Course of Business;
 - (ii) material changes in the terms and conditions of employment of any Belzberg Employees, including their salaries, remuneration and any other payments to them; or
 - (iii) material changes in any remuneration payable or benefits provided to any officer, director, consultant, independent contractor or agent of Belzberg;

and Belzberg has not agreed or otherwise become committed to change any of the foregoing since that date.

- (j) Belzberg is employing all Belzberg Employees in compliance, in all material respects, with all Applicable Laws pertaining to Taxes, health, labour and employment, including those pertaining to occupational health and safety, workplace safety and insurance, pay equity, employment equity, employment standards and human rights, and is not in material breach of any such Applicable Laws.
- (k) Belzberg is in compliance in all material respects with applicable workers' compensation laws and regulations made pursuant thereto and there are no pending or outstanding assessments, levies or penalties thereunder.
- (l) All accruals for wages, salaries, bonuses, unpaid vacation pay, premiums for employment insurance, health premiums, Canada Pension Plan contributions and Belzberg Benefit Plan payments have been properly accrued for and reflected in Belzberg Financial Statements and the books and records of Belzberg.
- (m) There is no Claim or proceeding against Belzberg brought or, to the Knowledge of Belzberg, threatened or demanded by any of Belzberg Employees on account of or for: (i) damages for wrongful dismissal, severance, termination pay or any similar claim; (ii) overtime pay, other than overtime pay for work done during the current payroll period; (iii) wages or salary for any period other than the current payroll period; (iv) any amount of vacation pay or pay in lieu of vacation time, other than vacation time or pay in lieu thereof earned in respect of the current fiscal year of Belzberg, or (v) any violation of any law relating to minimum wages or maximum hours of work.

(37) *Employee Belzberg Benefit Plans.*

- (a) Section 3.2(37)(a) of the Belzberg Disclosure Schedule contains a list of every bonus, deferred compensation, incentive compensation, share purchase, stock option, stock appreciation, phantom stock, savings, profit sharing, severance or termination pay, health or other medical, life, disability or other insurance (whether insured or self-insured), supplementary unemployment benefit, pension, retirement and supplementary retirement plan, program, agreement or arrangement maintained, contributed to, or provided by Belzberg for the benefit of any Belzberg Employees, former employees of Belzberg or dependent or independent contractors of Belzberg or their respective dependants or beneficiaries (the "**Belzberg Benefit Plans**") (whether written or unwritten) except for any statutory plans to which Belzberg is obliged to contribute or comply, including the Canada Pension Plan or plans administered pursuant to applicable federal or provincial health, worker's compensation and employment insurance legislation.
- (b) Except as disclosed in Section 3.2(37)(b) of the Belzberg Disclosure Schedule, no Belzberg Benefit Plan established or maintained for the benefit of any Belzberg Employees or former employees of Belzberg is a pension, retirement or supplementary retirement plan, program, agreement or arrangement,

superannuation or retirement savings arrangement, including pension plans, supplemental pensions, "registered pension plans" (as defined in the Tax Act) and "retirement compensation arrangements" (as defined in the Tax Act), and no such plan has ever been established or maintained for the benefit of any Belzberg Employee or former employees of Belzberg.

- (c) Section 3.2(37)(c) of the Belzberg Disclosure Schedule contains a list of all compensation policies and practices of Belzberg ("**Belzberg Compensation Policies**") (whether written or unwritten) applicable to Belzberg Employees, including policies regarding holidays, sick leave, vacation, disability and death benefits, termination and severance pay, automobile allowances and expense reimbursements.
- (d) Belzberg has delivered or made available to the Sellers true, complete and up-to-date copies of (i) all written Belzberg Benefit Plans and Belzberg Compensation Policies and all amendments thereto, (ii) all summary descriptions of Belzberg Benefit Plans and Belzberg Compensation Policies (whether written or unwritten) provided to past or present participants therein, (iii) where applicable, the statement of investment policies for each plan and all funding agreements, (iv) all service provider Contracts or other Contracts in respect of Belzberg Benefit Plans (including Contracts pertaining to insurance, investment management, subscription and participation and administration and record keeping) and, (v) if applicable, the two most recent actuarial reports, the financial statements and evidence of any registration in respect of Belzberg Benefit Plans.
- (e) No promises or commitments have been made by Belzberg to amend any Belzberg Benefit Plan or Belzberg Compensation Policy.
- (f) All of Belzberg Benefit Plans are duly registered where required by Applicable Law (including registration with the relevant Taxing Authority where such registration is required to qualify for Tax exemption or other beneficial Tax status) and have been administered in compliance with their terms and all Applicable Law in all material respects.
- (g) All Contracts in respect of the Belzberg Benefit Plans are valid and Belzberg can enforce such Contracts or cause such Contracts to be enforced (except as enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the rights of creditors generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court).
- (h) All employer and employee payments, contributions and premiums required under Applicable Law and the terms of the Belzberg Benefit Plans have been satisfied in all material respects and there are no outstanding material Defaults in respect thereof.

- (i) Where a Belzberg Benefit Plan has been partially wound up, any surplus assets existing as of the date of the partial wind up has been dealt with in accordance with Applicable Law.
- (j) No Belzberg Benefit Plan is the result of a merger of one or more Belzberg Benefit Plans, the assets of which were at the time of the merger or previously held in trust.
- (k) There are no Claims, investigations or other proceedings pending or, to the Knowledge of Belzberg, threatened with respect to the Belzberg Benefit Plans against Belzberg, the funding agent, the insurers or the fund of such Belzberg Benefit Plans, other than claims for benefits in the ordinary course. To the best of the Knowledge of Belzberg, there is no basis for any such Claim with respect to any alleged breach of Belzberg's obligations under any Belzberg Benefit Plan.
- (l) No order has been made or notice given pursuant to any Applicable Law requiring (or proposing to require) Belzberg to take (or refrain from taking) any action in respect of any Belzberg Benefit Plan and, except for the Transactions contemplated by this Agreement, no event has occurred and no condition or circumstance exists that has resulted or could reasonably result in any Belzberg Benefit Plan: (i) being ordered or required to be terminated or wound-up in whole or in part, (ii) having its registration under any Applicable Law refused or revoked, (iii) being placed under the administration of any trustee or any regulatory authority or (iv) being required to pay any material amount of Taxes or penalties under any Applicable Law.
- (m) All of the Belzberg Benefit Plans are fully funded in accordance with their terms and all Applicable Law and applicable generally accepted actuarial principles.
- (n) Except as disclosed in Section 3.2(37)(n) of the Belzberg Disclosure Schedule, Belzberg has no obligation in respect of any Belzberg Benefit Plans that are multi-employer pension plans or multi-employer benefit plans.
- (o) Except as disclosed in Section 3.2(37)(o) of the Belzberg Disclosure Schedule, neither the execution, delivery or performance of this Agreement, nor the consummation of any of the Transactions contemplated by this Agreement, will (i) result in the payment of any bonus, golden parachute, change of control payment, severance or other amount to any Belzberg Employee or former employee of Belzberg or director or officer of Belzberg (whether or not under any Belzberg Benefit Plan), (ii) materially increase the benefits payable or provided under any Belzberg Benefit Plan, (iii) result in any acceleration of the time of payment or vesting of any such benefit, or (iv) increase or accelerate employer contributions thereunder.
- (p) None of the Belzberg Benefit Plans require or permit a retroactive increase in premiums or payments. The level of insurance reserves, if any, under any self-

insured Belzberg Benefit Plan is reasonable and sufficient to provide for all incurred but unreported claims.

(38) Privacy.

Except as disclosed in Section 3.2(38) of the Belzberg Disclosure Schedule:

- (a)** Belzberg has been and is now in compliance with (i) all Privacy Laws, and all regulations, industry and/or professional standards, industry and/or professional codes and industry and/or professional practices relating to the collection, use, disclosure and retention of Personal Information applicable to Belzberg (including industry and or professional codes, standards and practices to which Belzberg subscribes voluntarily or is bound), and (ii) all of the principles and standards in Privacy Laws.
- (b)** Belzberg has Privacy Policies in accordance with Privacy Laws and Belzberg is in compliance with such Privacy Policies.
- (c)** Belzberg has taken all appropriate steps, including entering into contractual arrangements, to ensure that all third parties with whom Belzberg may, from time to time, disclose or otherwise grant access to Personal Information, and/or from or by which Belzberg may collect or be granted access to Personal Information, are complying with all applicable Privacy Laws and Privacy Policies.
- (d)** The performance of the Transactions (including the disclosure and/or transfer of Personal Information throughout the due diligence phase and other disclosures of Personal Information by Belzberg to the Sellers prior to the date hereof) do not breach any Privacy Laws and/or any Privacy Policies.
- (e)** There are no actual or threatened complaints, proceedings, investigations, audits or other Claims against Belzberg, brought by the Office of the Privacy Commissioner of Canada, the Information and Privacy Commissioner of Ontario or any other Governmental Authority, or by any person in respect of the collection, use or disclosure of Personal Information by Belzberg, nor are there any grounds, facts or circumstances of which the Sellers have Knowledge, that may give rise to any such complaints or proceedings.

(39) Insurance.

Belzberg maintains insurance in respect of its properties, assets, business and personnel, covering such risks and in such amounts as a reasonably prudent corporation carrying on a business similar to the Belzberg Business would maintain. Section 3.2(39) of the Belzberg Disclosure Schedule sets out an accurate description of each insurance policy maintained by Belzberg, including coverage limits, deductibles and exclusions. Complete copies of all such policies have been provided to Astaraki. Such insurance policies are in full force and effect and Belzberg is not in Default with respect to the payment of any premium or compliance with any provisions of such policies. Belzberg has not received notice from any insurers regarding cancellation of such insurance policies or any retrospective or future premium adjustment. To the Knowledge of Belzberg, there are no circumstances under which Belzberg would be required to or, in order to maintain its coverage, should give any notice to the insurers under any such insurance policies which has not been given. Belzberg has not failed to present any claim under any such insurance policy in due and timely fashion. Belzberg has not received notice from any of its insurers denying any claims or indicating that a defence to any liability claim will be afforded with a reservation of rights.

(40) Related Party Matters.

Except as disclosed in Section 3.2(40) of the Belzberg Disclosure Schedule, Belzberg is not a party to or bound by any agreement with, is not indebted to, and no amount is owing to Belzberg by, any Affiliate of Belzberg or any officers, former officers, directors, former directors, shareholders, former shareholders, employees or former employees of Belzberg or any Affiliate of Belzberg or any person not dealing at arm's length with any of the foregoing persons. Since the Belzberg Most Recent Fiscal Year End, Belzberg has not made or authorized any payments to or conferred any benefits on any such persons, except for salaries and other employment compensation payable to employees of Belzberg in the Ordinary Course of Business and at the regular rates payable to them. None of the foregoing persons owns, directly or indirectly, any property or assets used by Belzberg in the operation of the Belzberg Business or has transferred any property or assets to Belzberg or has any direct or indirect ownership interest in any firm, corporation or other person with which Belzberg has a business relationship. None of the foregoing persons has any direct or indirect ownership interest in any firm, corporation or other person which competes with Belzberg. None of the foregoing persons are, directly or indirectly, interested in any Material Contract with Belzberg.

(41) Bank Accounts and Powers of Attorney.

The name and address of each bank, trust company or similar institution with which Belzberg has one or more accounts or one or more safe deposit boxes, the number of each such account and safe deposit box and the names of all persons authorized to draw thereon or to have access thereto are as disclosed in Section 3.2(41) of the Belzberg Disclosure Schedule. Except as disclosed in Section 3.2(41) of the Belzberg Disclosure Schedule, Belzberg has not granted to any person any power of attorney authorizing any person to incur any obligations or Liabilities on behalf of Belzberg.

(42) Government Assistance.

Section 3.2(42) of the Belzberg Disclosure Schedule describes all agreements, loans, other funding arrangements and assistance programs (collectively called the “**Belzberg Government Assistance Programs**”) which are outstanding in favour of Belzberg from any federal, provincial or municipal government or other Governmental Authority, domestic or foreign. Complete and correct copies of all documents relating to Belzberg Government Assistance Programs have been delivered to Astaraki. Belzberg has performed all of its obligations under Belzberg Government Assistance Programs, and no basis exists for any Governmental Authority to seek payment or repayment by Belzberg of any amount or benefit received by it under any Belzberg Government Assistance Program.

(43) Restrictions on Doing Business.

Belzberg is not a party to or bound by any Contract which would restrict or limit its right to carry on any business or activity or to solicit business from any person or in any geographical area, impair any business practice of Belzberg, or otherwise restrict or limit the conduct of the Belzberg Business as Belzberg may determine. Belzberg is not subject to any legislation or any Order which is not of general application to persons carrying on a business similar to the Belzberg Business. To the Knowledge of Belzberg, there are no facts or circumstances which could materially affect the ability of Belzberg to continue to operate the Belzberg Business as presently conducted following the completion of the Transactions.

(44) Compliance with Laws.

Belzberg is not, and has not been, in violation of any Applicable Law. No event has occurred and no circumstances exist that (without or without notice or lapse of time) may constitute or result in a violation by Belzberg of any Applicable Law.

(45) Reports.

Belzberg has complied in all material respects with its obligations to all applicable Governmental Authorities to file complete and correct copies of all forms, reports, schedules, statements and other documents required to be filed by it, and such documents (i) do not contain any misrepresentation of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (ii) comply in all material respects with the requirements of Applicable Law.

(46) Securities Filings, Financial Statements; Books and Records.

Belzberg has made available to Astaraki, through the posting on SEDAR or otherwise, accurate and complete copies of all prospectuses, proxy statements and other statements, reports, schedules, forms and other documents filed by Belzberg with the Canadian Securities Commissions during the last three years, and all amendments thereto (the “**Belzberg Securities Commission Documents**”). All statements, reports, schedules, forms and other documents

required to have been filed by Belzberg with the Canadian Securities Commissions have been so filed on a timely basis except where failure to do so would individually or in the aggregate not be material to Belzberg and its subsidiaries taken as a whole. None of its subsidiaries is required to file any documents with the Canadian Securities Commissions. As of the time it was filed with the Canadian Securities Commissions (or, if amended or superseded by a filing prior to the date of this agreement, then on the date of such filing): (i) each of the Belzberg Securities Commission Documents complied in all material respects with the applicable requirements of the securities acts or similar statutes of the Provinces of British Columbia, Nova Scotia, Ontario and Quebec and all regulations, rules, policy statements, notices and blanket orders or rulings thereunder; and (ii) none of the Belzberg Securities Commission Documents contained any untrue statement of a material fact (as defined in the laws of the Canadian Securities Commissions) or omitted to state a material fact required to be stated therein or necessary in order to make statements therein, in the light of the circumstances under which they were made, not misleading. Belzberg is a reporting issuer under the *Securities Act* (Ontario) and is not in default under any Applicable Law and is in compliance with all the requirements of the TSX applicable to it.

(47) *Investment Banking and Brokers' Fees.*

There is no investment banker, M&A advisor, broker, finder or other intermediary who has been retained by or is authorized to act on behalf of Frontline or Belzberg who might be entitled to any fee or commission in connection with the Transactions hereunder.

(48) *Disclosure.*

No representation or warranty contained in this Section 3.2, and no statement contained in any schedule, certificate, list, summary or other disclosure document provided or to be provided to the Sellers pursuant hereto or in connection with the Transactions contemplated hereby contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact which is necessary in order to make the statements contained therein not misleading.

**ARTICLE 4
COVENANTS**

4.1 Covenants of Sellers

(1) *Investigation of Frontline Business and Examination of Documents*

During the Interim Period, the Sellers will provide and will cause Frontline and its representatives to provide access to, and will permit Belzberg and its representatives to make such investigation of, the operations, properties, assets and records of Frontline and of the financial and legal condition of Frontline as Belzberg deems necessary or advisable to familiarize itself with the Frontline Business and Frontline. Without limiting the generality of the foregoing, during the Interim Period, the Sellers will permit Belzberg and its representatives to have access to Frontline's senior management personnel and the premises used in connection with the Frontline Business in such manner and at such reasonable times as may be designated by the Sellers so as not to disrupt the routine daily

affairs of the Frontline Business, and will produce for inspection and provide copies to Belzberg of:

- (a) all Contracts and other documents referred to in Section 3.1 hereof or in the Frontline Disclosure Schedule or in any of the schedules attached hereto and all other documents of or in the possession of Frontline relating to the Frontline Business;
- (b) all minute books, share certificate books, registers of security holders, registers of transfers of securities, registers of directors and other corporate documents of Frontline;
- (c) all books, records, accounts, Tax Returns and financial statements of Frontline, and
- (d) all other information which, in the reasonable opinion of Belzberg, is required in order to make an examination of Frontline and the Frontline Business.

Such investigations and inspections shall not mitigate or affect the representations and warranties of the Sellers hereunder, which shall continue in full force and effect;

(2) *Conduct of Frontline Business: Positive Covenants*

Except as contemplated by this Agreement or with the prior written consent of Belzberg, during the Interim Period, the Sellers will, and will cause Frontline to:

- (a) operate the Frontline Business only in the Ordinary Course of Business;
- (b) use commercially reasonable efforts to ensure that the representations and warranties in Section 3.1 hereof remain true and correct at the Closing Time, with the same force and effect as if such representations and warranties were made at and as of the Closing Time;
- (c) take all commercially reasonable actions to preserve Frontline Business and the goodwill of Frontline and its relationships with customers, suppliers and others having business dealings with it, to keep available the services of Frontline Employees and maintain in full force and effect all Contracts to which Frontline is a party;
- (d) maintain all of the Frontline Equipment and other tangible properties and assets in the same condition as they now exist, ordinary wear and tear excepted;
- (e) maintain the books, records and accounts of Frontline in the Ordinary Course of Business and record all transactions on a basis consistent with past practice;
- (f) keep in full force all of Frontline's current insurance policies;

- (g) take all actions within their control to ensure that Frontline performs all of its obligations falling due during the Interim Period under all Contracts to which Frontline is a party or by which it is bound;
- (h) use commercially reasonable efforts to avoid or minimize any disruption to the Frontline Business that may result from or arise out of the announcement or pendency of the Transactions hereunder; and
- (i) take all other actions reasonably requested by Belzberg in order that the Frontline Business and the financial condition of Frontline will not be impaired during the Interim Period;

(3) *Conduct of Frontline: Negative Covenants*

During the Interim Period, unless Belzberg provides its consent in writing, the Sellers shall ensure that Frontline shall not:

- (a) create, incur or assume any debt (including obligations in respect of capitalized Leases), other than trade payables and other accruals in the Ordinary Course of Business, or create any Encumbrance upon any of its properties or assets or guarantee or otherwise become liable for the obligations of any other person or make any loans or advances to any person;
- (b) sell or otherwise dispose of any of its properties or assets except sales of inventory in the Ordinary Course of Business;
- (c) terminate or waive any right of substantial value of the Frontline Business;
- (d) make any capital expenditure in excess of \$10,000 in respect of any particular item or series of items;
- (e) save and except with respect to the amendment to the Finasia Agreement pursuant to Section 5.1(10), enter into any Contract or amend any Contract, other than agreements made in the Ordinary Course of Business consistent with past practice and which involve obligations of less than \$10,000, or terminate any Contract;
- (f) take any action to amend the articles of incorporation, by-laws or other Organizational Documents of Frontline;
- (g) declare or pay any dividends, redeem or repurchase any Frontline Shares or make any other distributions in respect of the Frontline Shares;
- (h) issue or authorize for issuance any shares in the capital of Frontline or effect any share split, share consolidation, recapitalization or other reorganization of the capital of Frontline, or grant or award any option, warrant or other right to acquire any shares of Frontline;

- (i) amend any Tax Returns, make any election relating to Taxes, change any election relating to Taxes already made, adopt or change any accounting methods relating to Taxes, enter into any agreement with any Taxing Authority, settle or compromise any Claim, suit, litigation, proceeding, investigation or audit relating to Taxes, or consent to the waiver of any statute of limitations relating to any Claim or audit of Taxes;
- (j) pay, discharge or satisfy any Claims, Liabilities or obligations other than in the Ordinary Course of Business, or delay or postpone payment of accounts payable or other Liabilities other than in the Ordinary Course of Business;
- (k) change any accounting practices or principles from those applied in the preparation of the Frontline Audited Financial Statements; or
- (l) without limiting the generality of the foregoing, take any action which would result in a breach of the representation and warranty contained in Section 3.1(13) hereof, assuming that such representation and warranty was made as of the Closing Date.

(4) *Notice of Certain Events*

During Interim Period, the Sellers will, as soon as possible, notify Belzberg of:

- (a) any facts that come to their attention which would or could reasonably be expected to cause or constitute a breach of any of the Sellers' representations and warranties herein contained;
- (b) any facts that come to their attention occurring after the date of this Agreement which would or could reasonably be expected to cause or constitute a breach of any such representation and warranty if it had been made at the time of occurrence or discovery of such fact; and the Sellers will promptly deliver to Belzberg a supplement to the Disclosure Schedule (herein called "**Supplemental Sellers Disclosure**") specifying in reasonable detail any change required to be made in the Frontline Disclosure Schedule if the Frontline Disclosure Schedule had been dated the date of the occurrence or discovery of such fact;
- (c) any Material Adverse Change in the Frontline Business;
- (d) the occurrence of any breach of any covenant made by the Sellers pursuant to this Agreement;
- (e) the occurrence of any event that may make the satisfaction of any of the conditions contained in ARTICLE 5 impossible or unlikely;
- (f) without limiting the generality of the foregoing, any communication received from any Person alleging that the Consent of such Person (or another Person) is or may be required in connection with the Transactions or that such Consent will or

may be withheld or be unobtainable on a timely basis or without unreasonable effort or expense;

- (g) any communication received from any Governmental Authority in connection with the Transactions; and
- (h) without limiting the generality of the foregoing, any Claims, investigations or proceedings commenced or threatened against the Sellers or Frontline that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 3.1 hereof or which relate to the consummation of the Transactions.

(5) *Proceedings for Transfer of Frontline Shares*

At or before the Closing Time, the Sellers will cause all necessary steps and corporate proceedings to be taken in order to authorize and permit the Frontline Shares to be duly and regularly transferred to Belzberg.

(6) *Belzberg Information Circular*

The Sellers shall, and shall cause Frontline to, furnish to Belzberg, on a timely basis, all such information regarding the Sellers and Frontline as may be reasonably required to be included in the Belzberg Information Circular under Applicable Law and the rules and policies of the TSX and the Sellers shall ensure that the information related to them and Frontline and furnished by them to Belzberg and contained in the Belzberg Information Circular and any documentation required to be filed in order to obtain the approval by the TSX of the Transactions and the listing on the TSX of the common shares in the capital of Belzberg underlying the Class A Restricted Shares to be issued to the Sellers pursuant to Section 3.1, including the Frontline Financial Statements and other financial information concerning Frontline, does not contain any untrue statement of any material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the circumstances in which they are made.

(7) *Belzberg Business Acquisition Report*

The Sellers shall, and shall cause Frontline to, furnish to Belzberg, on a timely basis, all financial statements of Frontline in form and substance required by National Instrument 51-102 to be included in any Business Acquisition Report required to be filed by Belzberg pursuant to National Instrument 51-102 in connection with the Transactions.

(8) *Obtaining Consents*

The Sellers will, and will cause Frontline to, use commercially reasonable efforts to obtain, prior to the Closing Date, the Consents referred to in Section 3.1(3) hereof.

(9) *Covenant to Fulfill Conditions*

During the Interim Period, the Sellers will, and will cause Frontline to, use commercially reasonable efforts, and will cooperate with Belzberg, in causing the conditions in Section 5.1 hereof to be satisfied prior to the Closing Time (including the execution and delivery of any documents reasonably required in connection with satisfying such conditions).

(10) *Confidentiality Covenant*

- (a) Prior to the Closing Time and, if the Transactions contemplated hereby are not completed, at all times after the Closing Time, except as otherwise permitted herein, the Sellers will keep confidential, and will cause their officers, directors, principals, employees, agents and advisors to keep confidential, all Belzberg Proprietary Information.
- (b) The Sellers may disclose the Belzberg Proprietary Information only to those of its employees and representatives of its advisors who need to know such Frontline Proprietary Information for the purposes of evaluating and implementing the Transactions contemplated hereby, provided that they are informed by the Sellers of the confidential nature of such Belzberg Proprietary Information and are directed by the Sellers to treat such Belzberg Proprietary Information confidentially. The Sellers will be responsible for any failure by such Persons to treat any such Belzberg Proprietary Information confidentially. Notwithstanding the provisions of this Section 4.1(10), the obligation to maintain the confidentiality of such Belzberg Proprietary Information will not apply to the extent that disclosure of such Belzberg Proprietary Information is required in connection with governmental or other applicable filings relating to the Transactions hereunder, provided that, in such case, unless Belzberg otherwise agrees, the Sellers will, if possible, request confidentiality in respect of such governmental or other filings.
- (c) The Sellers further agree that they will not use any such Belzberg Proprietary Information, or any other information that is derived by the Sellers from inspection or evaluation of such Belzberg Proprietary Information, for any purpose other than (i) in connection with the Sellers' consideration of the sale of the Frontline Shares hereunder and the consummation of the Transactions, (ii) to the extent necessary to assist in obtaining any of the Consents referred to in Section 3.1(3) hereof or, with the prior approval of Belzberg, any approvals required by the Sellers in order to carry out the Transactions, and (iii) to enforce the rights and remedies of the Sellers hereunder.
- (d) All such Belzberg Proprietary Information will remain the exclusive property of Belzberg.
- (e) If the Transactions are not completed for any reason, the Sellers will, and will cause their officers, directors, trustees, principals, employees, agents and advisors

to, return immediately, without retaining any copies thereof, all materials and documents obtained from Belzberg which are subject to confidentiality obligations under this Section 4.1(10) or, upon request by Belzberg, will destroy all such materials and documents.

- (f) It is acknowledged and agreed by the parties that damages resulting from a breach of the covenants in this Section 4.1(10) may be impossible to measure accurately and may be an insufficient remedy and accordingly, in addition to damages in respect thereof, Belzberg shall be entitled as a matter of right to seek an injunction to prevent a breach of the covenants under this Section 4.1(10).

4.2 Covenants of Belzberg

(1) *Investigation of Belzberg Business and Examination of Documents*

During the Interim Period, Belzberg will provide access to, and will permit the Sellers and their representatives to make such investigation of, the operations, properties, assets and records of Belzberg and of the financial and legal condition of Belzberg as the Sellers deem necessary or advisable to familiarize themselves with the Belzberg Business. Without limiting the generality of the foregoing, during the Interim Period, Belzberg will permit the Sellers and their representatives to have access to Belzberg's senior management personnel and the premises used in connection with the Belzberg Business in such manner and at such reasonable times as may be designated by Belzberg so as not to disrupt the routine daily affairs of the Belzberg Business, and will produce for inspection and provide copies to Belzberg of:

- (a) all Contracts and other documents referred to in Section 3.2 hereof or in the Belzberg Disclosure Schedule or in any of the schedules attached hereto and all other documents of or in the possession of Belzberg relating to the Belzberg Business;
- (b) all minute books and other corporate documents of Belzberg;
- (c) all books, records, accounts, Tax Returns and financial statements of Belzberg, and
- (d) all other information which, in the reasonable opinion of the Sellers' representatives, is required in order to make an examination of Belzberg and the Belzberg Business.

Subject to Section 7.3 hereof, such investigations and inspections shall not mitigate or affect the representations and warranties of the Sellers hereunder, which shall continue in full force and effect.

(2) *Conduct of Belzberg Business: Positive Covenants*

Except as contemplated by this Agreement or with the prior written consent of the Sellers during the Interim Period, Belzberg will:

- (a) operate the Belzberg Business only in the Ordinary Course of Business;
- (b) use commercially reasonable efforts to ensure that the representations and warranties in Section 3.2 hereof remain true and correct at the Closing Time, with the same force and effect as if such representations and warranties were made at and as of the Closing Time;
- (c) take all commercially reasonable actions to preserve the Belzberg Business and the goodwill of Belzberg and its relationships with customers, suppliers and others having business dealings with it, to keep available the services of Belzberg Employees and to maintain in full force and effect all Contracts to which Belzberg is a party;
- (d) maintain all of the Belzberg Equipment and other tangible properties and assets of Belzberg in the same condition as they now exist, ordinary wear and tear excepted;
- (e) maintain the books, records and accounts of Belzberg in the Ordinary Course of Business and record all transactions on a basis consistent with past practice;
- (f) keep in full force all of Belzberg's current insurance policies;
- (g) take all actions within its control to ensure that Belzberg performs all of its obligations falling due during the Interim Period under all Contracts to which Belzberg is a party or by which it is bound;
- (h) use commercially reasonable efforts to avoid or minimize any disruption to the Belzberg Business that may result from or arise out of the announcement or pendency of the Transactions hereunder; and
- (i) take all other actions reasonably requested by the Sellers in order that the Belzberg Business and the financial condition of Belzberg will not be impaired during the Interim Period.

(3) *Conduct of Belzberg Business: Negative Covenants*

During the Interim Period, unless the Sellers provide their consent in writing, Belzberg shall not:

- (a) create, incur or assume any debt (including obligations in respect of capitalized Leases), other than trade payables and other accruals in the Ordinary Course of Business, or create any Encumbrance upon any of its properties or assets or guarantee or otherwise become liable for the obligations of any other person or make any loans or advances to any person;
- (b) sell or otherwise dispose of any of its properties or assets except sales of inventory in the Ordinary Course of Business;

- (c) terminate or waive any right of substantial value of the Belzberg Business;
- (d) make any capital expenditure in excess of \$10,000 in respect of any particular item or series of items;
- (e) enter into any Contract or amend any Contract, other than agreements made in the Ordinary Course of Business consistent with past practice and which involve obligations of less than \$10,000, or terminate any Contract to which it is a party;
- (f) take any action to amend the articles of incorporation, by-laws or other Organizational Documents of Belzberg, save and except for articles of amendment required to change Belzberg's name, as contemplated herein, and to create the Class A Restricted Shares contemplated to be issued to Sellers in accordance with Section 2.3(b) of this Agreement;
- (g) except as expressly contemplated herein, declare or pay any dividends, redeem or repurchase any shares in the capital of Belzberg or make any other distributions in respect of the shares of the Belzberg;
- (h) issue or authorize for issuance any shares in the capital of Belzberg or effect any share split, share consolidation, recapitalization or other reorganization of the capital of Belzberg, or grant or award any option, warrant or other right to acquire any shares of Belzberg, save and except for the creation of the Class A Restricted Shares contemplated to be issued to Sellers in accordance with Section 2.3(b) of this Agreement and the issuance in accordance with Section 2.3(b) of this Agreement of such Class A Restricted Shares, the issuance of options to purchase common shares in the capital of Belzberg pursuant to the terms of the existing Belzberg stock option plan and the issuance of common shares in the capital of Belzberg pursuant to the exercise of options to purchase such shares issued pursuant to the terms of the existing Belzberg stock option plan;
- (i) amend any Tax Returns, make any election relating to Taxes, change any election relating to Taxes already made, adopt or change any accounting methods relating to Taxes, enter into any agreement with any Taxing Authority, settle or compromise any Claim, suit, litigation, proceeding, investigation or audit relating to Taxes, or consent to the waiver of any statute of limitations relating to any Claim or audit of Taxes;
- (j) pay, discharge or satisfy any Claims, Liabilities or obligations other than in the Ordinary Course of Business, or delay or postpone payment of accounts payable or other Liabilities other than in the Ordinary Course of Business;
- (k) change any accounting practices or principles from those applied in the preparation of Belzberg Audited Financial Statements; or
- (l) without limiting the generality of the foregoing, take any action which would result in a breach of the representation and warranty contained in Section 3.2(13)

hereof, assuming that such representation and warranty was made as of the Closing Date.

(4) *Notice of Certain Events*

During Interim Period, Belzberg will, as soon as possible, notify the Sellers of:

- (a) any facts that come to its attention which would or could reasonably be expected to cause or constitute a breach of any of Belzberg's representations and warranties herein contained as of the date of this Agreement;
- (b) any facts that come to its attention occurring after the date of this Agreement which would or could reasonably be expected to cause or constitute a breach of any such representation and warranty if it had been made at the time of occurrence or discovery of such fact; and Belzberg will promptly deliver to the Sellers a supplement to the Belzberg Disclosure Schedule (herein called the "**Supplemental Belzberg Disclosure**") specifying in reasonable detail any change required to be made in the Belzberg Disclosure Schedule if the Belzberg Disclosure Schedule had been dated the date of the occurrence or discovery of such fact;
- (c) any Material Adverse Change in the Belzberg Business;
- (d) the occurrence of any breach of any covenant made by Belzberg pursuant to this ARTICLE 4;
- (e) the occurrence of any event that may make the satisfaction of any of the conditions contained in ARTICLE 5 impossible or unlikely;
- (f) without limiting the generality of the foregoing, any communication received from any Person alleging that the Consent of such Person (or another Person) is or may be required in connection with the Transactions or that such Consent will or may be withheld or be unobtainable on a timely basis or without unreasonable effort or expense;
- (g) any communication received from any Governmental Authority in connection with the Transactions; and
- (h) without limiting the generality of the foregoing, any Claims, investigations or proceedings commenced or threatened against Belzberg that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 3.2 hereof or which relate to the consummation of the Transactions.

(5) *Meeting of the Holders of the Belzberg Common Shares*

As soon as reasonably practicable, Belzberg shall call and hold a meeting of the holders of the Belzberg Common Shares for the purpose of:

- (a) approving the amendment to the articles of Belzberg as set out in Schedule 5.2(11) to create and authorize the issuance of the Class A Restricted Shares;
- (b) approving the amendment to the articles of Belzberg to change the name of Belzberg to Frontline Technologies Inc. to be effective at the Closing Time or such other time as the Sellers may determine; and
- (c) approving the issuance of Class A Restricted Shares to the Sellers pursuant to Section 2.3(b) hereof.

(6) *Obtaining Consents*

Belzberg will use commercially reasonable efforts to obtain, prior to the Closing Date, the Consents referred to in Section 3.2(3) hereof.

(7) *Covenant to Fulfill Conditions*

During the Interim Period, Belzberg will use commercially reasonable efforts and will cooperate with the Sellers in causing the conditions in Section 5.2 hereof to be satisfied prior to the Closing Time (including the execution and delivery of any documents reasonably required in connection with satisfying such conditions).

(8) *Confidentiality Covenant*

- (a) Prior to the Closing Time and, if the Transactions contemplated hereby are not completed, at all times after the Closing Time, except as otherwise permitted herein, Belzberg will keep confidential, and will cause its officers, directors, principals, employees, agents and advisors to keep confidential, all Frontline Proprietary Information.
- (b) Belzberg may disclose the Frontline Proprietary Information only to those of its employees and representatives of its advisors who need to know such Frontline Proprietary Information for the purposes of evaluating and implementing the Transactions contemplated hereby, provided that they are informed by Belzberg of the confidential nature of such Frontline Proprietary Information and are directed by Belzberg to treat such Frontline Proprietary Information confidentially. Belzberg will be responsible for any failure by such Persons to treat any such Frontline Proprietary Information confidentially. Notwithstanding the provisions of this Section 4.2(8), the obligation to maintain the confidentiality of such Frontline Proprietary Information will not apply to the extent that disclosure of such Frontline Proprietary Information is required in connection with governmental or other applicable filings relating to the Transactions hereunder, provided that, in such case, unless the Sellers otherwise agree, Belzberg will, if possible, request confidentiality in respect of such governmental or other filings, or to any disclosure required by Applicable Law, the rules of any stock exchange on which any of the securities of Belzberg are listed or of any securities commission or other similar regulatory authority having jurisdiction over Belzberg.

- (c) Belzberg further agrees that it will not use any such Frontline Proprietary Information, or any other information that is derived by Belzberg from inspection or evaluation of such Frontline Proprietary Information, for any purpose other than (i) in connection with Belzberg's consideration of the purchase of the Frontline Shares hereunder and consummation of the Transactions, (ii) to the extent necessary to assist in obtaining any of the Consents or, with the prior approval of the Sellers, which shall not be unreasonably withheld, any approvals required by Belzberg in order to carry out the Transactions including the shareholder approvals referred to in Section 4.2(5) hereof approving (a) the amendment to the articles of Belzberg as set out in Schedule 4.2(5) to create and authorize the issuance of the Class A Restricted Shares, (b) the amendment to the articles of Belzberg to change the name of Belzberg to Frontline Technologies Inc. to be effective at the Closing Time or such other time as the Sellers may determine, and (c) the issuance of Class A Restricted Shares to the Sellers pursuant to Section 2.3(b) hereof, and (iii) to enforce the rights and remedies of Belzberg hereunder.
- (d) All such Frontline Proprietary Information will remain the exclusive property of Frontline.
- (e) If the Transactions are not completed for any reason, Belzberg will, and will cause its officers, directors, principals, employees, agents and advisors to, return immediately, without retaining any copies thereof, all materials and documents obtained from the Sellers and Frontline which are subject to confidentiality obligations under this Section 4.2(8) or, upon request by the Sellers, will destroy all such materials and documents.
- (f) it is acknowledged and agreed by the parties that damages resulting from a breach of the covenants in this Section 4.2(8) may be impossible to measure accurately and may be an insufficient remedy and accordingly, in addition to damages in respect thereof, the Sellers shall be entitled as a matter of right to seek an injunction to prevent a breach of the covenants under this Section 4.2(8).

(9) *Sale of the US Broker Dealer Business*

Belzberg agrees to inform Astaraki of the progress of the negotiations regarding the sale or wind-up of the US Broker Dealer Business and Astaraki shall be provided, upon request, with drafts of all documents related to the sale or wind-up of the US Broker Dealer Business which are provided to the board of directors of Belzberg at the same time that they are so provided to the board of directors of Belzberg.

ARTICLE 5 CONDITIONS

5.1 Conditions to the Obligations of Belzberg

Notwithstanding anything herein contained, the obligation of Belzberg to complete the Transactions provided for herein will be subject to the fulfillment of the following conditions at or prior to the Closing Time.

(1) *Accuracy of Representations and Warranties.*

The representations and warranties of the Sellers contained in this Agreement or in any documents delivered in order to carry out the Transactions contemplated hereby shall be true and accurate in all material respects (and for this purpose all materiality qualifications in such representations and warranties shall be disregarded) on the date hereof and at the Closing Time with the same force and effect as though such representations and warranties had been made as of the Closing Time (without regard to any Supplemental Sellers Disclosure that the Sellers may have made pursuant to Section 4.1(4)(b) hereof).

(2) *Performance of Covenants.*

The Sellers shall have complied with all covenants and agreements herein agreed to be performed or caused to be performed by them at or prior to the Closing Time.

(3) *Bring-Down Certificate.*

The Sellers shall have delivered to Belzberg a certificate confirming that the facts with respect to each of such representations and warranties by the Sellers are as set out herein at the Closing Time and that the Sellers have performed all covenants required to be performed by them hereunder.

(4) *Frontline Material Adverse Changes.*

No Frontline Material Adverse Change will have occurred during the Interim Period.

(5) *No Restraining Proceeding.*

No Order shall have been made, and no action or proceeding shall be pending or threatened which, in the opinion of counsel to Belzberg, is likely to result in an Order:

- (a) to disallow, enjoin, prohibit or impose any limitations or conditions on the purchase and sale of Frontline Shares contemplated hereby or the right of Belzberg to acquire or own Frontline Shares; or
- (b) to impose any limitations or conditions which may have a Material Adverse Effect on Frontline.

(6) *Consents.*

All Consents required to be obtained from all third parties and Governmental Authorities in order to carry out the Transactions contemplated hereby in compliance with all Applicable Laws and Contracts binding upon Frontline and the Sellers, and to permit Belzberg to carry on the Frontline Business as now conducted, shall have been obtained, including the Consents referred to in Section 3.1(3) of the Frontline Disclosure Schedule, on terms and in form reasonably acceptable to Belzberg.

(7) *Proceedings for Share Transfers.*

All necessary steps and corporate and other proceedings shall have been taken to permit the Frontline Shares to be duly and regularly transferred to and registered in the name of Belzberg.

(8) *Opinion of Sellers' Counsel.*

At the Closing Time, Belzberg shall have received an opinion of legal counsel for the Sellers and Frontline substantially in the form of the draft opinion attached hereto as Schedule 5.1(8) which opinion may rely on certificates of one or more senior officers of the Sellers and Frontline as to factual matters and may rely upon opinions of local counsel with respect to matters governed by laws other than the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.

(9) *Frontline Share Appreciation Units.*

Frontline shall have entered into arrangements in form and substance satisfactory to Belzberg, acting reasonably with each holder of Frontline Share Appreciation Units to terminate the right of such holder to such units.

(10) *Amendment to Finansia Agreement.*

Frontline shall have entered into an agreement with IT Source Solutions Inc. (operating as Finansia) in form and substance satisfactory to Belzberg, acting reasonably, amending the Finansia Agreement.

(11) *Working Capital.*

The Frontline Working Capital Amount shall be not less than \$1.00 at the Closing Time.

(12) *Shareholder Approval*

The holders of the Belzberg Common Shares shall have approved the matters set forth in Section 4.2(5).

(13) *TSX Approval*

The TSX shall have given its approval to the issuance of the Class A Restricted Shares to the Sellers pursuant to Section 2.3(b) of this Agreement and any other approvals required to be given by the TSX in connection with the Transactions pursuant to the rules and policies of the TSX.

(14) *Waiver or Termination by Belzberg.*

The conditions contained in Section 5.1 are inserted for the exclusive benefit of Belzberg and may be waived in whole or in part by Belzberg at any time. The Sellers acknowledge that the waiver by Belzberg of any condition or any part of any condition shall constitute a waiver only of such condition or such part of such condition, as the case may be, and shall not constitute a waiver of any covenant, agreement, representation or warranty made by Sellers herein that corresponds or is related to such condition or such part of such condition, as the case may be. If any of the conditions contained in Section 5.1 are not fulfilled or complied with as herein provided, Belzberg may, at or prior to the Closing Time at its option, rescind this Agreement by notice in writing to Sellers and in such event Belzberg shall be released from all obligations hereunder and, unless the condition or conditions which have not been fulfilled are reasonably capable of being fulfilled or caused to be fulfilled by Sellers, then Sellers shall also be released from all obligations hereunder.

5.2 Conditions to the Obligations of the Sellers

Notwithstanding anything herein contained, the obligations of the Sellers to complete the Transactions provided for herein will be subject to the fulfillment of the following conditions at or prior to the Closing Time.

(1) *Accuracy of Representations and Warranties.*

The representations and warranties of Belzberg contained in this Agreement or in any documents delivered in order to carry out the Transactions contemplated hereby will be true and accurate in all material respects (and for this purpose all materiality qualifications in such representations and warranties shall be disregarded) on the date hereof and at the Closing Time with the same force and effect as though such representations and warranties had been made as of the Closing Time except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated and/or permitted by this Agreement.

(2) *Performance of Covenants.*

Belzberg shall have complied in all material respects with all covenants and agreements herein agreed to be performed or caused to be performed by it at or prior to the Closing Time.

(3) *Bring-Down Certificate.*

Belzberg shall have delivered to the Sellers a certificate confirming that the facts with respect to each of the representations and warranties of Belzberg are as set out herein at the Closing Time

except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated and/or permitted by this Agreement and that Belzberg has performed each of the covenants required to be performed by it hereunder.

(4) *No Restraining Proceedings.*

No Order shall have been made, and no action or proceeding shall be pending or threatened which, in the opinion of counsel to the Sellers, is likely to result in an Order, to disallow, enjoin or prohibit the purchase and sale of Frontline Shares contemplated hereby.

(5) *Consents.*

All Consents required to be obtained from all third parties and Governmental Authorities in order to carry out the Transactions contemplated hereby in compliance with all Applicable Laws and Contracts binding upon Belzberg shall have been obtained, including the Consents referred to in Section 3.2(3) of the Belzberg Disclosure Schedule, on terms and in form reasonably acceptable to the Sellers.

(6) *Releases from Guarantees, etc.*

The Sellers will have received releases from all necessary persons, in a form acceptable to the Sellers' counsel, whereby the Sellers are unconditionally released from all guarantees, covenants and other arrangements providing financial assistance or support to or on behalf of Frontline.

(7) *Opinion of Belzberg's Counsel.*

At the Closing Time, the Sellers shall have received an opinion of Belzberg's counsel in the form of the draft opinion attached hereto as Schedule 5.2(7), which opinion may rely on certificates of senior officers of Belzberg as to factual matters and may rely upon opinions of local counsel with respect to matters governed by laws other than the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.

(8) *Employment Agreement.*

Belzberg shall have entered into an employment agreement with Astaraki in the form attached hereto as Schedule 5.2(8).

(9) *Employee Options.*

The Compensation Committee of the board of directors of Belzberg will work with Astaraki to settle appropriate base, short-term and long-term incentive compensation for current Frontline employees to have effect following Closing including participation in the Belzberg Option Plan on such terms and conditions satisfactory to Astaraki.

(10) *Shareholder and Regulatory Approvals*

Belzberg shall have obtained the approval from the holders of the Belzberg Common Shares relating to those matters set forth in Section 4.2(5), the approval of the TSX to the issuance of the Class A Restricted Shares to the Sellers pursuant to Section 2.3(b) hereof and any other approvals required to be given by the TSX in connection with the Transactions pursuant to the rules and policies of the TSX, and the common shares of Belzberg underlying the Class A Restricted Shares to be issued to the Sellers pursuant to Section 2.3(b) hereof shall be listed and posted for trading on the TSX.

(11) *Pre-Closing Reorganization*

Prior to the Closing Date, Belzberg shall file articles of amendment with the Director under the *Business Corporations Act, Ontario* in the form annexed hereto as Schedule 5.2(11).

(12) *Waiver or Termination by Sellers and Shareholders.*

The conditions contained in Section 5.2 are inserted for the exclusive benefit of Sellers and may be waived in whole or in part by Sellers at any time. Belzberg acknowledges that the waiver by the Sellers of any condition or any part of any condition shall constitute a waiver only of such condition or such part of such condition, as the case may be, and shall not constitute a waiver of any covenant, representation or warranty made by Belzberg herein that corresponds or is related to such condition or such part of such condition, as the case may be. If any of the conditions contained in Section 5.2 are not fulfilled or complied with as herein provided, the Sellers may, at or prior to the Closing Time at their option, rescind this agreement by notice in writing to Belzberg and in such event the Sellers shall be release from all obligations hereunder and, unless the condition or conditions which have not been fulfilled are reasonably capable of being fulfilled or caused to be fulfilled by Belzberg, then Belzberg shall also be released from all obligations hereunder.

**ARTICLE 6
CLOSING**

6.1 Closing Arrangements

Subject to the terms and conditions hereof, the transactions contemplated herein shall be closed at the Closing Time at the offices of Aird & Berlis LLP at Brookfield Place, 181 Bay Street, Suite 1800, Toronto, Ontario M5J 2T9 or at such other place or places as may be mutually agreed upon by the Sellers and Belzberg.

6.2 Documents to be Delivered

At or before the Closing Time, the Sellers shall execute, or cause to be executed, and shall deliver, or cause to be delivered, to Belzberg all documents, instruments and things which are to be delivered by the Sellers pursuant to the provisions of this Agreement, and Belzberg shall execute, or cause to be executed, and shall deliver, or cause to be delivered, to Sellers all share

certificates, cheques or bank drafts and all documents, instruments and things which Belzberg is to deliver or to cause to be delivered pursuant to the provisions of this Agreement.

ARTICLE 7 SURVIVAL OF RIGHTS

7.1 Agreement to Vary Statutory Limitations

The parties agree to vary the application of the basic limitation period fixed by the *Limitations Act, 2002* (Ontario) as provided herein.

7.2 Survival of Warranties by the Sellers

The representations and warranties made by the Parties and contained in this Agreement including any schedule, or contained in any document or certificate given in order to carry out the Transactions, will survive the closing of the purchase and sale of Frontline Shares and, notwithstanding such closing, will continue in full force and effect for the benefit of the party in favour of whom such representations are made, subject to the following provisions of this Section.

- (a) except as provided in paragraphs (b) and (c) of this Section, no Indemnity Claim with respect to the breach of any representation or warranty made by a party contained in this Agreement or in any document given in order to carry out the Transactions may be made or brought by the other party after the date which is three years following the Closing Date;
- (b) any such Indemnity Claim which is based upon or relates to the Tax liability of Frontline for a particular taxation year may be made or brought by a party at any time prior to the 60th day following the later of (i) the expiration of the period (if any) during which an assessment, reassessment or other form of recognized document assessing liability for Tax in respect of such taxation year under applicable tax legislation could be issued and (ii) the date on which the period for an appeal from an assessment, reassessment or other determination of Taxes or decision of a court or other competent tribunal in respect thereof may be filed, has expired; and
- (c) any such Indemnity Claim which is based upon or relates to the Fundamental Representations or which is based upon intentional misrepresentation or fraud by any party may be made or brought by the other party at any time.

7.3 Right to Indemnification Not Affected by Knowledge or Waiver

The right of any Person (a "**Claiming Party**") pursuant to this Agreement to indemnification against Damages suffered or any other remedy based on any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by any party contained in this Agreement or contained in any document or certificate given in order to carry out the Transactions will not be limited or affected by:

- (a) any investigation conducted by such Claiming Party or any of its representatives;
or
- (b) any knowledge acquired at any time (whether before or after the execution of this Agreement or the Closing Date) by such Claiming Party.

7.4 Exclusion of Other Remedies

No party will have the right to bring any proceeding against any other party for any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty contained in this Agreement or contained in any document or certificate given in order to carry out the Transactions, except pursuant to ARTICLE 9 hereof.

ARTICLE 8 OTHER COVENANTS

8.1 Sellers Right to Nominate Directors

At the Closing time, Belzberg acknowledges and agrees that Astaraki will be entitled to designate not less than a majority of the board of directors of Belzberg and Belzberg will not frustrate Astaraki's attempts to do so and covenants to cooperate with Astaraki, subject to all applicable Laws, in having Astaraki's designees elected or appointed to the board of directors of Belzberg, including, at the request of Astaraki, by using its commercially reasonable efforts to secure the resignations of such number of directors as is necessary to enable Astaraki's designees to constitute not less than a majority of the board of directors of Belzberg.

8.2 Distribution of Excess Cash

- (1) For the purposes of this Agreement, the following terms have the meanings set forth below:

"Belzberg Required Working Capital Amount" means \$2,750,000, subject to adjustment as provided for in Section 2.4(d) hereof.

"Belzberg Working Capital" means, as at any particular date, the current assets of Belzberg on that date less the current liabilities of Belzberg on that date, in each case on an unconsolidated basis, determined in accordance with IFRS consistently applied in accordance with the past practices of Belzberg.

"Determination Date" means the first anniversary of the Closing Date.

"Litigation" means the action filed by Montrose Hammond & Co. and The Raillery Fund LP against Belzberg in relation to alleged deficiencies in services and software provided under Ontario Court of Justice File No. CV-09-380299.

"Litigation Costs" means the costs incurred by Belzberg in connection with the defence and settlement of the Litigation on or prior to the Determination Date which are in excess of \$100,000.

“Restructuring Costs” means severance costs, including legal fees and disbursements, incurred by Belzberg as a result of the termination of the employment of the current Chief Executive Officer of Belzberg.

“USBD Sale Costs” means the costs incurred by Belzberg, the USBD Subsidiaries and BTU in connection with the sale of the US Broker Dealer Business and the wind-up of the US Broker Dealer Subsidiaries, including, (i) the legal fees and disbursements incurred by Belzberg, BTU and the US Broker Dealer Subsidiaries in connection therewith, (ii) any employee severance costs incurred as a result thereof, (iii) any applicable Taxes arising as a result thereof, (iv) any connection fees and disconnection fees, penalties and early termination fees in respect of any Lease or equipment lease incurred as a result thereof, (v) any termination fees relating to early termination of telecommunication and data links and other connections and services incurred as a result thereof, (vi) any regulatory settlements paid in connection with such wind-up, and (vii) any remaining liabilities of the US Broker Dealer Business.

“USBD Sale Distribution” means a distribution or distributions paid on the Belzberg Common Shares in an aggregate amount equal to the sum of (i) the gross proceeds of the sale of the US Broker Dealer Business and (ii) the amount of any repayments to Belzberg by the US Broker Dealer Subsidiaries and BTU of advances made to them by Belzberg or any return of capital by the US Broker Dealer Subsidiaries and BTU to Belzberg (net of any applicable Taxes) (excluding any such repayments or returns of capital which represent amounts referred to in (i) above) and (iii) the amount by which the Belzberg Working Capital as of the Closing Date is greater than the Belzberg Required Working Capital Amount, less the aggregate of (iii) the USBD Sale Costs, (iv) any Litigation Costs, (v) 50% of any Restructuring Costs, and (vi) any operating costs of the discontinuing US Broker Dealer Business incurred following the Closing Date net of any operating revenue of the discontinuing US Broker Dealer Business earned following the Closing Date.

(2) *Separate Accounting*

Following the Closing Date, Belzberg shall segregate on its books and records all revenues, expenses, assets and liabilities of Belzberg, Frontline, BTU, Electronic Brokerage Systems (Canada) Inc., Belzberg Technologies (UK) Limited, Belzberg Technologies (Philadelphia) LLC and Renewable Trading Services, LLC and the US Broker Dealer Subsidiaries as being either continuing or discontinuing. The USBD Sales Costs and the discontinuing US Broker Dealer Business shall be identified and accounted for as discontinuing and the revenues, expenses, assets and liabilities of the Belzberg Business, the Frontline Business and any portion of the BTU Business which will continue following the sale of the US Broker Dealer Business will be identified and accounted for as continuing. Belzberg shall prepare separate financial statements for the continuing businesses and for the discontinuing businesses in accordance with IFRS consistently applied.

(3) *USBD Sale Distribution*

- (a)** Belzberg may from time to time pay distributions on the Belzberg Common Shares in respect of the USBD Sale Distribution;

- (b) As soon as is practicable and, in any event, within 10 Business Days following the Determination Date, the Special Committee, with the assistance of the Vice President Finance of Belzberg and any additional officers and employees of Belzberg as the Special Committee may determine, shall make a final determination of the amount of the USBD Sale Distribution and cause Belzberg to deliver to the Sellers a statement (the “**USB D Sale Distribution Determination Statement**”) setting forth the calculation of the amount of the USBD Sale Distribution. To the extent that any component in the calculation of the amount of the USBD Sale Distribution has not been determined as of the Determination Date a reasonable estimate of such component shall be made by the Special Committee which estimate shall be used in the preparation of the USBD Sale Distribution Determination Statement.
- (c) The Sellers will have the right to review all work papers and procedures used to prepare the USBD Sale Distribution Determination Statement. Unless the Sellers, within 10 Business Days after receipt by the Sellers of the USBD Sale Distribution Determination Statement, notify Belzberg in writing that they object to any of the items in the USBD Sale Distribution Determination Statement (a “**USB D Sale Distribution Objection Notice**”) and specify the basis for such objection and each amount in dispute, the USBD Sale Distribution Determination Statement will become final and binding upon the parties for the purposes of this Agreement and the amount of the USBD Sale Distribution shall be as set forth in the USBD Sale Distribution Determination Statement. In the event that the Sellers fail to give an USBD Sale Distribution Objection Notice within such 10 Business Day period, the Sellers shall be deemed to have waived any right to seek recourse to arbitration or the courts in respect of the USBD Sale Distribution Determination Statement.
- (d) If the Sellers and Belzberg, as represented by the Special Committee, together with their respective advisors, are unable to resolve any objections set forth in the USBD Sale Distribution Objection Notice within 10 Business Days after the USBD Sale Distribution Objection Notice is received by Belzberg, the dispute will be submitted to the auditors of Belzberg who will be instructed by the Sellers and Belzberg, as represented by the Special Committee, jointly, to resolve the dispute in an expeditious manner in accordance with the terms of this Agreement. The auditors of Belzberg will make a determination as to the matter or matters in dispute and a final determination of the amount of the USBD Sale Distribution, which determinations shall be set forth in a written statement addressed and delivered concurrently to Belzberg and the Sellers. Such determinations shall be final and binding on the parties and the parties acknowledge and confirm that they each hereby expressly waive any right to seek recourse to arbitration or the courts in respect of such determinations.
- (e) The Sellers agree to vote their Class A Restricted Shares (or the common shares of Belzberg issuable on the conversion of such Class A Restricted Shares) in favour of any resolution to approve a lawful reduction or reductions in the stated capital of Belzberg required in order for Belzberg to meet the requirements of the

Business Corporations Act (Ontario) to make a distribution to its shareholders, and to cause Belzberg to pay any amount of the USBD Sale Distribution remaining unpaid to the holders of the Belzberg Commons Shares as soon as is reasonably practicable following the final determination of the amount of the USBD Sale Distribution in accordance with this Section 8.2 and (ii) cause the composition of the Special Committee to be as set forth in Section 1.1 hereof until the Special Committee has completed its mandate as set forth in Section 1.1.

8.3 Conversion of Class A Shares

Sellers acknowledge and agree that they shall not convert the Class A Restricted Shares issued pursuant to this Agreement into common shares of Belzberg prior to payment by Belzberg to the holders of the Belzberg Common Shares of the USBD Sale Distribution.

8.4 Termination of Automobile Leases

No later than 30 days following the Closing Date, Astaraki shall have entered into arrangements in form and substance satisfactory to Belzberg, acting reasonably, to terminate all of the obligations of Frontline pursuant to the vehicle leasing agreements between Frontline and Volvo Car Financial Services Canada and Honda Canada Inc. as disclosed in Section 3.1(34) of the Frontline Disclosure Schedule.

ARTICLE 9 INDEMNIFICATION AND SET-OFF

9.1 Indemnity by the Sellers

Subject to the provisions of this ARTICLE 9, the Sellers hereby jointly and severally agree to indemnify and save harmless Belzberg and the directors, officers, employees and agents of Belzberg (Belzberg and such persons being herein together called the "**Belzberg Indemnified Parties**") from and against all Damages and Claims which may be suffered or incurred, directly or indirectly, or which may be brought against Belzberg Indemnified Parties resulting from, arising out of or relating to the following:

- (a) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made, by the Sellers contained in this Agreement, any representation or warranty made by the Sellers contained in this Agreement, as if such representation or warranty were made on and as of the Closing Date except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated and/or permitted by this Agreement without giving effect to any Supplemental Sellers Disclosure made by the Sellers pursuant to Section 4.1(4)(b) hereof;
- (b) any representation or warranty contained in any document or certificate executed as part of or in order to carry out the Transactions; or

- (c) any non-performance or non-fulfillment of any covenant or agreement by the Sellers contained in this Agreement or in any document or certificate given as part of or in order to carry out the Transactions.

9.2 Indemnity by Belzberg

Subject to the provisions of this ARTICLE 9, Belzberg hereby agrees to indemnify and save harmless the Sellers and the directors, officers, employees and agents of the Sellers (the “**Sellers Indemnified Parties**”) from and against all Damages and all Claims which may be suffered or incurred, directly or indirectly, or which may be brought against the Sellers Indemnified Parties resulting from, arising out of or relating to:

- (a) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by Belzberg contained in this Agreement or contained in any document or certificate given in order to carry out the Transactions, as of the date when made or as if such representation or warranty were made on and as of the Closing Date except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated and/or permitted by this Agreement;
- (b) any representation or warranty contained in any document or certificate executed as part of or in order to carry out the Transactions; or
- (c) any non-performance or non-fulfillment of any covenant or agreement by Belzberg contained in this Agreement or in any document or certificate given in order to carry out the Transactions.

9.3 Deemed Adjustments

All indemnification payments under this ARTICLE 9 shall be deemed to be an adjustment to the Purchase Price and all parties agree to file their Tax Returns in a manner consistent with this provision.

9.4 Notice of an Indemnity Claim

If the Belzberg Indemnified Parties or the Sellers Indemnified Parties, as the case may be, (the “**Indemnified Party**”) claim that the Indemnified Party has suffered Damages for which it is entitled to indemnification hereunder, it will deliver to the other party or parties (the “**Indemnifying Party**”) a written notice (an “**Indemnity Claim**”) describing the facts alleged as the basis for such claim and the Section or Sections of this Agreement alleged to have been violated and the estimated total dollar amount of the Damages claimed. Where the Indemnity Claim arises as a result of a Third Party Claim made against Frontline or the Indemnified Party, the provisions of Section 9.7 hereof shall apply.

9.5 Directors, Officers and Employees’ Indemnity Rights

For the purposes of making enforceable the promises of an indemnity (i) by the Sellers in favour of the directors, officers, employees and agents of Belzberg (the “**Belzberg Individuals**”)

pursuant to Section 9.1 hereof, (ii) by Belzberg in favour of the directors, officers, employees and agents of the Sellers (the “**Sellers Individuals**”) pursuant to Section 9.2 hereof, it is acknowledged and agreed that Belzberg is acting for Belzberg Individuals as their agent, and the Sellers are acting for the Sellers Individuals as their agents, in obtaining the promise of such indemnities, and each of them acknowledge that they will hold in trust for Belzberg Individuals and the Sellers Individuals, respectively, any claim to an indemnity and any amounts that they may receive in respect of such indemnities.

9.6 Limitations on Indemnities

- (a) The Belzberg Indemnified Parties’ right to make an Indemnity Claim pursuant to Sections 9.1(a), 9.1(b) or 9.1(c) hereof, and the Sellers Indemnified Parties’ right to make an Indemnity Claim pursuant to Sections 9.2(a), 9.2(b) or 9.2(c) hereof, will be subject to the time limitations contained in Section 7.2, with respect to the survival of representations and warranties made by the parties hereunder.
- (b) Subject to Section 9.6(d) hereof, and provided the Transactions hereby contemplated are closed, an Indemnified Party shall not be entitled to make any claim for indemnification against the Indemnifying Party pursuant to Section 9.1(a), unless and until the aggregate amount of the Damages incurred by the Indemnified Party as a result of all misrepresentations, inaccuracies, incorrectness or breaches of representations and warranties made by the Indemnifying Party pursuant to this Agreement or pursuant to any document or certificate executed as part of or in order to carry out the Transactions is equal to or greater than \$200,000 (the “**Threshold Amount**”). Provided that, if an Indemnified Party has incurred Damages in an aggregate amount at least equal to the Threshold Amount, then the Indemnifying Party will be liable to the Indemnified Party for the full amount of all Damages that the Indemnified Party has suffered or may suffer resulting from or arising out of such misrepresentation, inaccuracy, incorrectness or breach, including the Threshold Amount itself.
- (c) Subject to Section 9.6(d) hereof, the maximum aggregate liability of an Indemnified Party for any and all claims by Indemnified Parties for indemnification in respect of Damages pursuant to Section 9.1(a) will be limited to an amount equal to \$4,000,000 (the “**Indemnity Cap**”).
- (d) Notwithstanding the foregoing, neither the limitation in Section 9.6(b) with respect to the Threshold Amount nor the limitation in Section 9.6(b) with respect to the Indemnity Cap shall apply in respect of:
 - (i) any Indemnity Claim for Damages incurred by any Indemnified Party attributable to:
 - (A) any misrepresentation, inaccuracy, incorrectness or breach of any of the Fundamental Representations; or
 - (B) intentional misrepresentation or fraud on the part of the Indemnifying Party.

9.7 Provisions Relating to Third Party Claims

- (a) Upon receipt by an Indemnified Party or Frontline of any Claim made by a third party (a “**Third Party Claim**”) with respect to which the Indemnified Party may be entitled to indemnification pursuant to this ARTICLE 8, including, without limitation, any Claim by any Taxing Authority or other Governmental Authority, the Indemnified Party shall provide notice of its Indemnity Claim to the Indemnified Party no later than 20 days after receipt of the Third Party Claim. Provided however, that any delay or failure by the Indemnified Party to give such notice to the Indemnifying Party shall relieve the Indemnifying Party of its obligations hereunder only to the extent that it is materially prejudiced by reason of such delay or failure.
- (b) Subject to the provisions of Sections 9.7(c) and 9.7(d) hereof, if the Indemnifying Party first admits the Indemnified Party’s right to indemnification hereunder for the amount of such Third Party Claim which may at any time be determined or settled, then the following provisions will apply:
- (i) the Indemnifying Party will have the right, exercisable by notice in writing given to the Indemnified Party no later than 20 days after receipt of the notice referred to in Section 9.7(a), to assume carriage of the legal and administrative proceedings relating to the Third Party Claim;
 - (ii) the Indemnifying Party will have the right to select and retain legal counsel, subject to the reasonable approval of the Indemnified Party; (and if the Indemnified Party disagrees on reasonable grounds with the Indemnifying Party’s selection of counsel, then counsel satisfactory to both the Indemnified Party and the Indemnifying Party will be retained);
 - (iii) the Indemnified Party and Frontline (if applicable) shall have the right and be given the opportunity to participate in the defence of the Third Party Claim and to consult with the Indemnifying Party in the conduct of all related legal, administrative and other proceedings (including consultation with counsel) at their own expense;
 - (iv) each party will cooperate with the other party in relation to the Third Party Claim, will keep it fully advised with respect thereto, will provide it with copies of all relevant documentation as it becomes available, will provide it with access to all records and files relating to the defence of the Third Party Claim and will meet with representatives of the other party at all reasonable times to discuss the Third Party Claim; and
 - (v) the Indemnifying Party will not conduct any legal, administrative or other proceedings in relation to the Third Party Claim in any manner which could, in the reasonable opinion of the Indemnified Party, have a Material Adverse Effect on Frontline or Belzberg, except with the prior written consent of the Indemnified Party.

(c) In the event that, with respect to any Third Party Claim:

- (i) the Indemnifying Party does not admit the Indemnified Party's right to indemnification hereunder or declines or fails to give notice indicating that it will assume carriage of such legal, administrative or other proceedings within the time provided by Section 9.7(b)(i);
- (ii) the Third Party Claim is made against the Indemnifying Party as well as the Indemnified Party or Frontline, and the Indemnified Party reasonably concludes that there are defences available to it or to Frontline which are different than or in addition to those available to the Indemnifying Party or that the interests of the Indemnified Party or Frontline may reasonably be deemed to conflict with those of the Indemnifying Party;
- (iii) the Third Party Claim seeks any non-monetary relief;
- (iv) the Indemnifying Party fails to provide reasonable assurance to the Indemnified Party of its financial capacity to defend such Third Party Claim and provide indemnification with respect thereto; or
- (v) the Indemnified Party, acting reasonably, determines that the Indemnifying Party is failing to defend the Third Party Claim with reasonable diligence;

the Indemnified Party shall have the right to maintain or assume carriage of the legal, administrative or other proceedings relating to the Third Party Claim, and all fees and expenses incurred by the Indemnified Party from time to time in the conduct of such proceedings shall be reimbursed by the Indemnifying Party to the Indemnified Party promptly upon request. If the Indemnified Party maintains or assumes carriage of the proceedings relating to the Third Party Claim, then the Indemnified Party will have the right to select and retain legal counsel and, upon reasonable request by the Indemnifying Party, will keep it advised with respect to the proceedings and provide it with copies of relevant documentation as it becomes available and access to records and files relating to the defense of the Third Party Claim.

(d) If the Indemnifying Party assumes and maintains carriage of the legal, administrative or other proceedings relating to a Third Party Claim, the Indemnifying Party will not compromise or settle such Third Party Claim without the prior written approval of the Indemnified Party, which will not be unreasonably withheld or delayed. Provided however, if the Indemnifying Party concludes a settlement with the third party claimant, conditional only on the Indemnified Party's approval, and if such settlement:

- (i) consists solely of the payment of money damages;

- (ii) will not involve the breach of the rights of any other person that could result in any other Claims against the Indemnified Party or Frontline;
- (iii) will not have any adverse effects on any other Claims or possible Claims that could be made against or by the Indemnified Party or Frontline;
- (iv) will not involve any admission of liability or any breach of Applicable Law by the Indemnified Party or by Frontline; and
- (v) includes a provision whereby all plaintiffs or other claimants involved in the Third Party Claim unconditionally release the Indemnified Party and Frontline (where applicable) from all Liability;

then, if the Indemnified Party fails to approve such settlement, the obligations of the Indemnifying Party under this ARTICLE 9 in respect of such Third Party Claim shall be limited to such proposed settlement amount.

- (e) If the Indemnified Party assumes or maintains carriage of proceedings relating to a Third Party Claim, then:
 - (i) its defence of the Third Party Claim shall not, in any way, diminish or lessen the obligations of the Indemnifying Party under this ARTICLE 8; and
 - (ii) the Indemnifying Party will be bound by any determination made in such proceedings or any compromise or settlement of the Third Party Claim effected by the Indemnified Party.
- (f) If Belzberg is the Indemnified Party and the Sellers have assumed carriage of the legal and administrative proceedings relating to a Third Party Claim pursuant to Section 9.7(b) hereof, Belzberg will not and will not permit Frontline to pay the amount of the Third Party Claim to the claimant without the prior consent of the Sellers, except as hereinafter provided:
 - (i) if the Third Party Claim is of a nature such that Frontline is required by Applicable Law to make a payment to the third party, or Frontline determines that such payment is necessary in order to maintain any License from any Governmental Authority, before the relevant procedure for challenging the alleged basis for or quantum of the Third Party Claim can be implemented or completed, then, notwithstanding the provisions of Section 9.7(b):
 - (A) Belzberg may make or may cause Frontline to make such payment before the completion of the related legal proceedings or settlement negotiations, as the case may be, without prejudice to its rights of indemnification hereunder;

- (B) the Sellers shall, forthwith after demand by Belzberg, reimburse Frontline for such payment; and
 - (C) if the Third Party Claim, as finally determined on completion of legal proceedings or settlement negotiations, is less than such reimbursement amount paid by the Sellers, then Belzberg or Frontline, as the case may be, shall promptly, following the final determination thereof, pay to the Sellers the amount of such difference; and
- (ii) if Belzberg determines, acting reasonably, that the Third Party Claim may have a Material Adverse Effect on either Frontline or Belzberg, Belzberg shall have the right to pay or to cause Frontline to pay the amount of the Third Party Claim, without prejudice to its rights of indemnification hereunder.
- (g) In connection with the legal and administrative proceedings relating to a Third Party Claim, the parties agree to use their respective best efforts to maintain the confidentiality of Frontline's and each party's Proprietary Information and to preserve solicitor-client and litigation privilege.

ARTICLE 10 GENERAL PROVISIONS

10.1 Further Assurances

Each of the Sellers and Belzberg hereby covenants and agrees that at any time and from time to time after the Closing Date it will, upon the request of the others, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, assignments, transfers, conveyances and assurances as may be required for the better carrying out and performance of all the terms of this Agreement.

10.2 Remedies Cumulative

The rights and remedies of the parties under this Agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any party hereto of any right or remedy for default of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such party may be lawfully entitled for the same default.

10.3 Notices

- (a) Any notice, designation, communication, request, demand or other document, required or permitted to be given or sent or delivered hereunder to any party hereto shall be in writing and shall be sufficiently given or sent or delivered if it is:

- (i) delivered personally to such person or to an officer or director of any party which is not an individual;
- (ii) sent to the party entitled to receive it by registered mail, postage prepaid, mailed in Canada;
- (iii) sent by telecopy machine; or
- (iv) sent by electronic mail.

(b) Notices shall be sent to the following addresses, telecopy numbers or email addresses:

- (i) in the case of the Sellers:

25 Adelaide Street East
Suite 600
Toronto, Ontario
M5C 3A1

Attention: Mr. Hoss Astaraki

Facsimile: (416) 603-7462
Email: hoss@frontline.ca

With a copy (which shall not constitute notice to Belzberg) to:

Aird & Berlis LLP
181 Bay Street
Suite 1800
Brookfield Place
Toronto, ON M5J 2T9

Attention: David Malach and Margaret Nelligan

Facsimile: (416) 863-1515
Email: dmalach@airdberlis.com
mnelligan@airdberlis.com

- (ii) in the case of Belzberg:

Goodwood Inc.
212 King Street West, Suite 201
Toronto, Ontario
M5H 1K5

Attention: Mr. Cameron MacDonald

Facsimile: (416) 203-0734
Email: macdonald@goodwoodfunds.com

with a copy (which shall not constitute notice to Belzberg) to:

Gardiner Roberts LLP
40 King Street West
Suite 3100
Scotia Plaza
Toronto, ON M5H 3Y2

Attention: W. Fraser McDonald

Facsimile: (416) 865-6636
Email: fmcDonald@gardiner-roberts.com

or to such other address, telecopier number or email address as the party entitled to or receiving such notice, designation, communication, request, demand or other document shall, by a notice given in accordance with this Section, have communicated to the party giving or sending or delivering such notice, designation, communication, request, demand or other document.

- (c) Any notice, designation, communication, request, demand or other document given or sent or delivered as aforesaid shall:
- (i) if delivered as aforesaid, be deemed to have been given, sent, delivered and received on the date of delivery;
 - (ii) if sent by mail as aforesaid, be deemed to have been given, sent, delivered and received on the fifth Business Day following the date of mailing, unless at any time prior to the date of mailing or at any time between the date of mailing and the fifth Business Day thereafter there is a discontinuance or interruption of regular postal service, whether due to strike or lockout or work slowdown, affecting postal service at the point of dispatch or delivery or any intermediate point, in which case the same shall be deemed to have been given, sent, delivered and received in the ordinary course of the mails, allowing for such discontinuance or interruption of regular postal service;
 - (iii) if sent by telecopy machine, be deemed to have been given, sent, delivered and received on the date the sender receives the telecopy answer back confirming receipt by the recipient unless it is sent on an day which is not on a Business Day or after 5:00 pm (Toronto time) on a Business Day, in which case it will be deemed to have been given, sent, delivered and received on the next following Business Day; and

- (iv) if sent by electronic mail, be deemed to have been given, sent, delivered and received on the day the sender has or receives confirmation of receipt by return electronic mail from the recipient.

10.4 Counterparts and Electronic Delivery

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by facsimile or by electronic transmission in portable document format (PDF) shall also deliver an originally executed counterpart of this Agreement, but the failure to deliver an originally executed copy does not affect the validity, enforceability or binding effect of this Agreement.

10.5 Expenses of Parties

Each of the parties hereto shall bear all expenses incurred by it in connection with this Agreement including the charges of their respective counsel, accountants, financial advisors and finders.

10.6 Announcements

No disclosure or announcement with respect to this Agreement or the Transactions will be made by any party hereto without the prior approval of the other parties. The foregoing will not apply to any disclosure by any party required in order to comply with Canadian Securities Laws, provided that such party consults with the other parties before making any such disclosure.

10.7 Assignment

The rights of the Sellers hereunder shall not be assignable without the prior written consent of Belzberg. The rights of Belzberg hereunder shall not be assignable without the prior written consent of the Sellers.

10.8 Successors and Assigns

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns. Nothing herein, express or implied, is intended to confer upon any person, other than the parties hereto and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

10.9 Entire Agreement

This Agreement and the schedules referred to herein constitute the entire agreement between the parties hereto and supersede all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, with respect to the subject matter hereof. None of the parties hereto shall be bound or

charged with any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings concerning the subject matter of this Agreement which are not specifically set forth in this Agreement or in the schedules, documents and instruments to be delivered pursuant to this Agreement. The parties hereto further acknowledge and agree that, in entering into this Agreement and in delivering the schedules, documents and instruments to be delivered pursuant hereto, they have not in any way relied, and will not in any way rely, upon any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings, express or implied, not specifically set forth in this Agreement or in such schedules, documents or instruments.

10.10 Waiver

Any party hereto which is entitled to the benefits of this Agreement may, and has the right to, waive any term or condition hereof at any time on or prior to the Closing Time provided, however, that such waiver shall be evidenced by written instrument duly executed on behalf of such party and provided further that, until the USBD Sale Distribution has been made, any such waiver on behalf of Belzberg must be approved by the Special Committee.

10.11 Amendments

No modification or amendment to this Agreement may be made unless agreed to by the parties hereto in writing, provided further that, until the USBD Sale Distribution has been made, no such modification or amendment may be made unless it is approved on behalf of Belzberg by the Special Committee.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first written above.

BELZBERG TECHNOLOGIES INC.

By: “Judith Robertson”
Name: Judith Robertson
Title: President and CEO

By: _____
Name:
Title:

ASTARAKI-SALEEMI FAMILY TRUST

By: “Hoss Astaraki”
Name: Hoss Astaraki
Title: President

By: “Sima Saleemi”
Name: Sima Saleemi
Title: Shareholder

SIGNED, SEALED AND DELIVERED)
in the presence of:)
)
“Aghdas Faridani”)
Witness)

“Hoss Astaraki”
HOSS ASTARAKI

SIGNED, SEALED AND DELIVERED)
in the presence of:)
)
“Abdul-Hossein Astaraki”)
Witness)

“Sima Saleemi”
SIMA SALEEMI

DISCLOSURE LETTER

February 22, 2011

To: Belzberg Technologies Inc.

From: Hoss Astaraki and Sima Saleemi, in their capacities as trustees for the Astaraki-Saleemi Family Trust, Hoss Astaraki and Sima Saleemi

Dear Sirs:

Re: Share Purchase Agreement dated February 22, 2011 between Belzberg Technologies Inc. (“Belzberg”) and Hoss Astaraki and Sima Saleemi, in their capacities as trustees for the Astaraki-Saleemi Family Trust, Hoss Astaraki and Sima Saleemi (collectively, the “Sellers”) (the “Purchase Agreement”)

This letter together with the attached schedules constitutes the Frontline Disclosure Schedule (“Disclosure Schedule”) referred to and defined in the Purchase Agreement.

The purpose of this Disclosure Schedule is to set forth the disclosure of qualifications, modifications or exceptions to certain representations and warranties of the Sellers contained in the Purchase Agreement and is deemed to constitute an integral part of the Purchase Agreement.

Section and subsection references contained herein correspond to the same section or subsection in the Purchase Agreement. For greater clarity, any introductory language and headings herein contained are inserted for convenience of reference only and will not create or be deemed to create a different standard for disclosure than the language set forth in the Purchase Agreement. Information disclosed in any section or subsection of this Disclosure Schedule shall be deemed disclosed with respect to such other sections or subsections of the Purchase Agreement or this Disclosure Schedule to the extent that it is readily apparent from the face of such disclosure that such information is applicable to such other section or subsection.

Inclusion of an item in this Disclosure Schedule shall not, in and of itself, establish the materiality of an item or any standard of materiality. Furthermore, no item in this Disclosure Schedule relating to any possible breach or violation of any Contract or Applicable Law shall be construed as an admission or indication that any such breach or violation exists or has actually occurred, and nothing in this Disclosure Letter constitutes an admission of any liability or obligation of the Company to any third party or shall confer or give to any third party any remedy, claim, liability, reimbursement, cause of action, or other right.

This Disclosure Schedule is qualified in its entirety by reference to the provisions of the Purchase Agreement, and is not intended to constitute, and shall not be construed as constituting, any representation, warranty, undertaking, assurance, covenant, indemnity, guarantee or other commitment of any nature whatsoever not expressly given in the Purchase Agreement.

All capitalized terms used herein shall have the meaning attributed to such term in the Purchase Agreement, unless otherwise stated, and all references to dollars, unless otherwise specifically indicated, are to Canadian dollars. This Disclosure Schedule shall be governed by and construed in all respects in accordance with the laws of the Province of Ontario.

ASTARAKI-SALEEMI FAMILY TRUST

By: “Hoss Astaraki”

Name: Hoss Astaraki

Title: President

By: “Sima Saleemi”

Name: Sima Saleemi

Title: Shareholder

SIGNED, SEALED AND DELIVERED)
in the presence of:)
)
“Aghdas Faridani”)
Witness)
)

“Hoss Astaraki”
HOSS ASTARAKI

SIGNED, SEALED AND DELIVERED)
in the presence of:)
)
“Abdul-Hossein Astaraki”)
Witness)
)

“Sima Saleemi”
SIMA SALEEMI

Section 3.1 Index

Section 3.1(3) - Contractual and Regulatory Consents
Section 3.1(4) - Status, Organizational Documents and Licenses
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SCHEDULE 3.1
FRONTLINE DISCLOSURE SCHEDULE

Section 3.1(3) *Contractual and Regulatory Consents.*

Consents

1. Operating Loan Agreement between the Bank of Montreal and Frontline Technologies Corporation, dated June 17, 2010, to provide a credit facility of [REDACTED] *Amount is redacted.

Notices

2. Master Wholesale Agreement between MTS Allstream Inc. and Frontline Telecom Corporation, dated October 11, 2006 (Note: Change of business name to Frontline Technologies Corporation on November 26, 2009).
 - (a) Allstream IP Trunking Wholesale Service between Frontline Technologies Corporation and MTS Allstream Inc., dated December 9, 2009.
3. Service Agreement between American Registry for Internet Numbers, Ltd. (ARIN) and Frontline Technologies Corporation, dated December 7, 2009.
4. Customer Direct Connectivity and Services Agreement between Chi-X Canada ATS Limited and Frontline Technologies Corporation, dated February 2, 2010, as amended September 1, 2010.

Section 3.1(4) *Status, Organizational Documents and Licences.*

(a) Corporate Power, Authority and Capacity to Own Its Properties and Carry on Business

**Jurisdictions where registrations have not been obtained by Frontline are redacted.*

(b) Articles, By-Laws and Other Organizational Documents of Frontline

1. Articles of Amalgamation of Frontline Technologies Corporation, dated January 1, 2009.
2. By-laws of Frontline Technologies Corporation dated April 3, 2006, adopted upon amalgamation on January 1, 2009.

(d) Frontline Licences

1. Please refer to section 3.1(34) of the disclosure schedule for the list of the Frontline Licenses.

(g) Articles of the Subsidiary

1. Articles of Incorporation of 1634904 Ontario Ltd. dated October 12, 2004.

**Information concerning the by-laws and organizational documents of 1634904 Ontario Ltd. Is redacted.*

Section 3.1(7) *Authorized and Issued Capital.*

(a) Authorized Capital and Issued Capital of Frontline and the Respective Registered Owners

(i) Authorized Capital

- Unlimited Class A Preference Shares
- Unlimited Class B Preference Shares
- Unlimited Class A Common Shares
- Unlimited Class B Common Shares

(ii) Issued Capital

- 100,000 Class A Preference Shares (Sima Saleemi)
- 100,000 Class B Preference Shares (Hossein Astaraki)
- 80 Class A Common Shares (Astaraki-Saleemi Family Trust)
- 10 Class B Common Shares (Sima Saleemi)
- 10 Class B Common Shares (Hossein Astaraki)

(b) Potential Encumbrances

(i) PPSA Registrations Against Hossein Astaraki

	Secured Party	Registration No.	File No.	Length of Registration & Expiry Date	Secured Property	Notes
1.	BlueChip Leasing Corporation	20100622 1730 8077 5172	662379237	Registration Period: 3 Years Expiry Date: June 22, 2013	Equipment Other	No fixed maturity date
		<i>Renewed for 1 year by:</i> 20100909 1038 8077 1791	662379237	Expiry Date: June 22, 2014		

	Secured Party	Registration No.	File No.	Length of Registration & Expiry Date	Secured Property	Notes
2.	BlueChip Leasing Corporation	20100804 14298077 8926	663447213	Registration Period: 3 Years Expiry Date: August 4, 2013	Equipment Other	No fixed maturity date
3.	Indcom Leasing Inc.	20100813 0921 2203 5085	663665508	Registration Period: 3 Years Expiry Date: August 13, 2013	Inventory Equipment Other	Six Junos 1 GB 5 PIM Slot HW Security
4.	Essex Capital Leasing Corp.	20100818 1414 2988 1117	663778935	Registration Period: 3 years Expiry Date: August 18, 2013	Equipment Accounts Other	-Quantity of 3-J2350 Junos 1GB 5 PIM Slot HW Security AC 19IN RM -Quantity of 3-J-Care Nextday Support for J2350, including all accessories, attachments and substitutions

(ii) *PPSA Registrations Against Sima Saleemi*

	Secured Party	Registration No.	File No.	Length of Registration & Expiry Date	Secured Property	Notes
1.	Volvo Car Financial Services Canada, a Div/Ford Credit Canada	20090609 1049 1529 3139	654056577	Registration Period: 5 years Expiry Date: June 9, 2014	Equipment Other	Motor Vehicle Included: 2009 Volvo XC90 VIN: YV4CZ9828915231 37

(e) Authorized Capital and Issued Capital of the Subsidiary

(i) Authorized Capital

- Unlimited Common Shares

(ii) Issued Capital

- 100 Common Shares (Frontline Technologies Corporation)

Section 3.1(8) *Shareholders' Agreements, etc.*

(a) Frontline Shareholder's Agreements, etc.

None.

(b) The Subsidiary Shareholders' Agreements, etc.

None.

Section 3.1(9) *Frontline Financial Statements.*

**The financial statements of Frontline are redacted.*

Section 3.1(11) *No Undisclosed Liabilities.*

(c) Please refer to Section 3.1(12) “Indebtedness.”

Section 3.1(12) *Indebtedness.*

**Details of the amount owing by Frontline pursuant to the Finansia Agreement are redacted.*

Section 3.1(13) *Absence of Certain Changes or Events.*

(h) Waived, Cancelled, Written-off Accounts Receivable or Other Amounts Payable to Frontline

**Details of certain discounts provide by Frontline to certain of its customers are redacted.*

Section 3.1(14) *Dividends and Distributions.*

**Details of certain dividends paid by Frontline are redacted.*

Section 3.1(15) *Tax Matters.*

(e) Elections Pursuant to Section 85 of the Tax Act, or Equivalent Provincial Provisions

None.

Section 3.1(16) *Litigation and Orders.*

(a) Litigation, Arbitration or Administrative Proceedings or Claims

None.

(b) Orders

None.

Section 3.1(17) Title to Assets.**(a)(iv) Encumbrances**

	Secured Party	Registration No.	File No.	Length of Registration & Expiry Date	Secured Property	Notes
1.	Essex Capital Leasing Corp.	20100818 1414 2988 1117	663778935	Registration Period: 3 years Expiry date: August 18, 2013	Equipment Accounts Other	Quantity of 3-J2350 Junos 1 GB 5 Pim Slot HW Security AC 19IN RM Quantity of 3-J-Care Nextday Support for J2350, including all accessories, attachments and substitutions
2.	National Leasing Group Inc.	20100817 1013 6005 0394	663733899	Registration Period: 4 years Expiry Date: August 17, 2014	Equipment	All computer systems, software of every nature or kind described in lease number 2511857 between Alliance Financial Group Inc., as original lessor and the debtor, as lessee, which lease was assigned by the original lessor to the secured party, as amended from time to time, together with all attachments, accessories and substitutions.
3.	Indcom Leasing Inc.	20100813 0921 2203 5085	663665508	Registration Period: 3 Years Expiry Date: August 13, 2013	Inventory Equipment Other	Six Junos 1 GB 5 PIM Slot HW Security
4.	BlueChip Leasing Corporation	20100804 1429 8077 8926	663447213	Registration Period: 3 Years Expiry Date: August 4, 2013	Equipment Other	No fixed maturity date

	Secured Party	Registration No.	File No.	Length of Registration & Expiry Date	Secured Property	Notes
5.	National Leasing Group Inc.	20100803 1229 6005 0152	663400521	Registration Period 4 Years Expiry Date: August 3, 2014	Equipment	All computer systems, software, servers of every nature or kind described in lease number 2509024 between Alliance Financing Group Inc., as original lessor and the debtor, as lessee, which lease was assigned by the original lessor to the secured party, as amended from time to time, together with all attachments, accessories and substitutions.
6.	National Leasing Group Inc.	20100708 1535 6005 9722	662787387	Registration Period: 4 years Expiry Date: July 8, 2014	Equipment	All computer systems, software, equipment of every nature or kind described in lease number 2508459 between Alliance Financing Group Inc., as original lessor and the debtor, as lessee, which lease was assigned by the original lessor to the secured party, as amended from time to time, together with all attachments, accessories and substitutions.
7.	MCAP Leasing Limited Inc. /MCAP Leasing Limited Partnership	20100707 1442 8077 6478	662745753	Registration Period: 4 years Expiry Date: July 7, 2014	Equipment Accounts Other	Equipment as described on leases, from time to time leased by the secured party to the debtor and any proceeds thereof,

	Secured Party	Registration No.	File No.	Length of Registration & Expiry Date	Secured Property	Notes
						together with all replacement parts, accessories and attachments. No fixed maturity date
8.	(a) MCAP Leasing Inc. (b) MCAP Leasing Limited Partnership	20100707 1728 8077 6535	662758596	Registration Period: 3 years Expiry Date: July 7, 2013	Equipment Accounts Other	Equipment as described on leases, from time to time leased by the secured party to the debtor and any proceeds thereof, together with all replacement parts, accessories and attachments. No fixed maturity date
9.	Leasebank Credit Corporation	20100702 1435 8077 6051	662631651	Registration Period: 5 years Expiry Date: July 2, 2015	Equipment Accounts Other	Equipment No fixed maturity date
10.	(a) MCAP Leasing Inc. (b) MCAP Leasing Limited	20100622 1443 8077 5132	662370219	Registration Period: 4 years Expiry Date: June 22, 2014	Equipment Accounts Other	Computer equipment as described on leases, from time to time leased by the secured party to the debtor and any proceeds thereof, together with all replacement parts, accessories and attachments No fixed maturity date
11.	BlueChip Leasing Corporation	20100622 1730 8077 5172	662379237	Registration Period: 3 years Expiry Date:	Equipment Other	No fixed maturity date

	Secured Party	Registration No.	File No.	Length of Registration & Expiry Date	Secured Property	Notes
				June 22, 2013		
		<i>Renewed for 1 year by:</i> 20100909 1038 8077 1791	662379237	Expiry Date: June 22, 2014		
12.	Alliance Funding Corporation	20100608 1945 1531 4356	662012991	Registration period: 5 years Expiry Date: June 8, 2015	Equipment Other	None
13.	Bank of Montreal	20100604 1407 1862 4325	661903632	Registration Period: 7 years Expiry Date: June 4, 2017	Inventory Equipment Accounts Other	Motor Vehicle included
14.	Essex Capital Leasing Corp.	20100406 0923 2988 0853	660271437	Registration Period: 4 years Expiry Date: April 6, 2014	Equipment Accounts Other	HS21 Blade Center Enclosure with 4 x 2000W P/S, 2 x Management Modules, 2 x Cisco Gigabit Ethernet Switch Modules 14 IBM HS 21 Blade Server, 2 x XEON 5150 2.66 GHZ Dual Core Xeon CPU's 4GB RAM, 2 x 73GB 10K SAD HDD, including all attachments, accessories and substitutions
15.	National Leasing Group Inc.	20100401 1146 6005 7887	660240594	Registration Period: 3 years Expiry Date: April 1, 2013	Equipment	All computer systems, software, cables, power supplies of every nature or kind described in lease number 2495848 between Alliance Financing Group

	Secured Party	Registration No.	File No.	Length of Registration & Expiry Date	Secured Property	Notes
						Inc., as original lessor and the debtor, as lessee, which lease was assigned by the original lessor to the secured party as amended from time to time, together with all attachments, accessories and substitutions.
16.	Indcom Leasing Inc.	20100401 1551 2203 4807	660255894	Registration Period: 4 years Expiry Date: April 1, 2014	Inventory Equipment Other	Various computer equipment with accessories and attachment
17.	Volvo Car Financial Services Canada, a Div/Ford Credit Canada Ltd.	20090609 1049 1529 3139	654056577	Registration Period: 5 years Expiry Date: June 9, 2014	Equipment Other	Motor Vehicle Included: 2009 Volvo XC90 VIN: YV4CZ9828915231 37
18.	Honda Canada Finance Inc.	20080404 1956 1531 4326	643936509	Registration Period: 5 years Expiry Date: April 4, 2013	Goods Equipment	Motor Vehicle Included: Amount: \$42,314 2008 Honda Odyssey VIN: 5FNRL38618B5041 57 Date of Maturity: April 1, 2012

(b) General Security Interests

Please see (a)(iv) above.

Section 3.1(18) *Condition of Property.*

Please refer to Section 3.1(25).

Section 3.1(22) *Leased Premises.*

1. Storage Lease dated March 28, 2006 between 1239079 Ontario Ltd. and Frontline Technologies to lease storage premises at Unit 4 of 25 Adelaide Street East, Suite 600, Toronto, Ontario from July 1, 2006 until June 30, 2013 at \$200.00 per month, plus G.S.T.

2. Lease dated March 2, 2006 between 1239070 Ontario Limited and 1634904 Ontario Limited operating as Frontline Technologies Ltd. to lease 5,750 square feet at 25 Adelaide Street East, 6th Floor, Toronto, Ontario, for seven years and three months commencing on April 1, 2006 and expiry on June 30, 2013, with rent payable at \$11.00 per square foot from April 1, 2006 to March 31, 2008, \$12.00 per square foot from April 1, 2008 to March 31, 2008 and \$12.50 per square foot from April 1, 2010 to June 20, 2013. This lease has a renewal option to extend the term of the lease by notice in writing to the Landlord for one successive term of five years under certain conditions as set out in the lease.
 - (a) Lease Amending Agreement dated March 2, 2006 between 1239079 Ontario Ltd. and 1634904 Ontario Limited operating as Frontline Technologies Ltd., amending a lease between the parties dated March 2, 2006, to lease 7,200 square feet of the 6th floor at 25 Adelaide Street East, Toronto, Ontario for 7 years and 3 months, commencing April 1, 2006, with the additional 1,450 square feet commencing on December 1, 2006 with the tenant not paying basic rent and additional rent from December 1, 2006 to December 30, 2006.

 - (b) Offer to Amend Lease, dated April 15, 2009 between 1239079 Ontario Limited and Frontline Technologies Corporation to include the lease of 773 square feet on the 13th floor in suite 1315 of 44 Victoria Street, Toronto, Ontario for one year commencing July 1, 2009 and expiring June 30, 2010. Frontline Technologies Corporation has the option to renew the lease for one further term, which length of term shall be negotiated and on fair open market rental value.

 - (c) Storage Area Agreement dated October 1, 2010 between 1239070 Ontario Limited and 1634904 Ontario Limited o/a Frontline Technologies Ltd. to lease storage unit #7 at 25 Adelaide Street East, 6th floor, Toronto, Ontario, with rent in the amount of \$1,200.00 per annum payable in equal consecutive monthly instalments of \$100.00, plus H.S.T.

3. Refer to section 3.1(34) "Material Contracts" for the following leases:
 - (a) Toronto (Peer One Network Enterprises, Inc.)

 - (b) Montreal (Canix Colo Inc.)

 - (c) Vancouver (Peer One Network Enterprises, Inc.)

 - (d) Chicago (Cogent Communications, Inc.)

 - (e) New York (Cogent Communications, Inc.)

Section 3.1(24) *Leases of Personal Property.*

Refer to Section 3.1(34) “Material Contracts.”

Section 3.1(25) *Intellectual Property.*

(a) Owned and Licensed Intellectual Property, Domain Names and Websites

(i) Frontline Owned Intellectual Property

Main Website

1. Frontline Technologies Corporation Website: www.frontline.ca

Web Portals

1. RDP (Research Distribution Platform): <http://rdp.frontline.ca/>
 - This portal gives clients the capability to send their daily research out to a targeted client. This system is also integrated to the client's website where it updates client websites with all new research.
2. Email Archiving Search Engine: <http://archive.frontline.ca/>
 - This portal sits in front of an application called Sunbuilt Archiver. This portal allows clients to search their company emails – Blackberry Pin to Pin – SMS for compliance purposes.
3. Anti Spam/ Anti Virus Search Engine: <https://spamlist6.frontline.ca/>
 - Postfix is an email server that receives email, uses Amavis as a filter and then delivers email to Amavis.
 - ClamAV is an anti-virus software.
 - SpamAssassin is an anti-spam system.
 - Amavis “glues” them together: receives email from Postfix, uses ClamAV to scan a message for viruses, then uses SpamAssassin for spam filtering, and delivers mail back to Postfix. This is the one that is sent to the exchange servers.
4. Client Inventory and Services Portal:
[http://www.fitit.com/\(S\(i3pvtmcsvngbaxlfcxnsskfu\)\)/default.aspx](http://www.fitit.com/(S(i3pvtmcsvngbaxlfcxnsskfu))/default.aspx)
 - This is a system that provides us with a complete list of all our clients on our Domain and Network. We can extract all users for email and user support billing and can get an inventory of our client hardware. Everything is then put in a portal and presented to our clients. This provides our clients with a complete insight of their users, email accounts, storage space they use, and a complete inventory of all hardware and services they have.

5. Trade to Clear: This is a middle office application that automates the clearing of trades for institutional firms.

Trade-marks

1. See chart below:

Trade-mark	Registration Number	Registration Date
Frontline Technologies	TMA749,984	October 13, 2000
Frontline Solutions	TMA783,165	November 23, 2010

(ii) Frontline Licensed Intellectual Property

Domain Names

Domain	Status	Owner
fltback.ca	REGISTERED	Frontline Technologies Corporation
fltback.com	REGISTERED	Frontline Technologies Corporation
flt.it.ca	REGISTERED	Frontline Technologies Corporation
flt.it.com	REGISTERED	Frontline Technologies Corporation
fltmail.ca	REGISTERED	Frontline Technologies Corporation
fltoronto.net	REGISTERED	Frontline Technologies Corporation
front2back.ca	REGISTERED	Frontline Technologies Corporation
frontfile.ca	REGISTERED	Frontline Technologies Corporation
frontline.ca	REGISTERED	Frontline Technologies Corporation

frontlinearchive.com	REGISTERED	Frontline Technologies Corporation
frontlinearchiving.com	REGISTERED	Frontline Technologies Corporation
frontlinebackoffice.ca	REGISTERED	Frontline Technologies Corporation
frontlinebackup.ca	REGISTERED	Frontline Technologies Corporation
frontlinecompliance.ca	REGISTERED	Frontline Technologies Corporation
frontlinedemo.ca	REGISTERED	Frontline Technologies Corporation
frontlinedemo.com	REGISTERED	Frontline Technologies Corporation
frontlinehosting.ca	REGISTERED	Frontline Technologies Corporation
frontlineit.ca	REGISTERED	Frontline Technologies Corporation
frontlinemail.ca	REGISTERED	Frontline Technologies Corporation
frontlinepower.com	REGISTERED	Frontline Technologies Corporation
frontlinetech.ca	REGISTERED	Frontline Technologies Corporation
frontlinetechnologies.ca	REGISTERED	Frontline Technologies Corporation
trade2clear.com	REGISTERED	Frontline Technologies Corporation
tradeallocation.com	REGISTERED	Frontline Technologies Corporation

Please refer to 3.1(34) “Material Contracts” for further details.

1. IBM Public License (Version 1.0) [non-exclusive].
2. GNU General Public License (Version 3, 29 June, 2009) [non-exclusive].
3. Open Solaris – Common Development and Distribution Licence (Version 1) [non-exclusive].
4. pfSense License for source code released under the BSD Licence [non-exclusive].
5. Postfix [non-exclusive].
6. ClamAV [non-exclusive].
7. SpamAssassin [non-exclusive].
8. Amavis [non-exclusive].

Section 3.1(26) *Information Technology.*

(g) Customers or Licences of Frontline Entitled to Receive the Source Code or Source Materials for Software

Please refer to section 3.1(25) “Intellectual Property”.

Section 3.1(27) *Subsidiaries and Other Interests.*

1634904 Ontario Ltd. is a directly owned subsidiary of Frontline Technologies Corporation.

Section 3.1(28) *Partnerships or Joint Ventures.*

**Details of certain referral agreements to which Frontline is a party and the Finansia Agreement are redacted.*

Section 3.1(29) *Customers.*

**The list of all customers of the Frontline Business as of the date of the Share Purchase Agreement is redacted.*

Section 3.1(30) *Suppliers.*

1. Arkadin Canada Inc., 480 University Avenue, Suite 505, Toronto, ON.
2. MTS Allstream Inc., P.O. Box. 5300, Station Main, Winnipeg, MB.
3. Bell Canada, P.O. Box 9000, Station Don Mills, Toronto, ON.
4. Canix Colo Inc., 1250 Rene Levesque Ouest, Montreal, PQ.
5. Cogeco Data Services Inc., 413 Horner Avenue, Toronto, ON.
6. Cogent Communications Inc., 220 Yonge Street, #2011, Toronto, ON.
7. Microsoft, 1 Microsoft Way, Redmond, WA.
8. Peer One Network Enterprises, Inc., 101 Marietta Street, #500, Atlanta, GA.
9. The Société de réseaux dédiés privés de telecommunication inc. (SRDP), 345 D Rue Marion, Le Gardeur, PQ.
10. WPCI – 10 Rimrock Road, Toronto, ON.

Section 3.1(31) *Warranties and Discounts.*

None.

Section 3.1(33) *Reseller, Agency and Distribution Agreements.*

**Details of certain referral agreements to which Frontline is a party are redacted.*

Section 3.1(34) *Material Contracts.*

Referral Agreements

**Details of certain referral agreements to which Frontline is a party are redacted.*

Vehicle Lease Agreement

1. Vehicle lease agreement between Frontline Technologies Corporation and Mr. H. Astaraki and Honda Canada Inc. (Sisley Honda), dated March 13, 2008, for a 2008 Honda Odyssey (VIN #5FNRL38618B504157).
 - (a) Cost of Credit Disclosure Addendum, dated March 27, 2008.
 - (b) Service Contract (Honda Plus Plan), dated March 29, 2008

Vehicle Finance Agreement

2. Vehicle finance agreement and retail instalment contract between Frontline Technologies Corporation and Sima Saleemi and Volvo Car Financial Services Canada (Volvo of Unionville), dated June 3, 2009, for 2009 Vovo XC903.2AS R7 (VIN # YV4CZ982891523137).

Equipment Leases

3. Equipment lease contract between Frontline Technologies Corporation and Alliance Financing Group Inc., dated April 8, 2010, with lease number 2495848.
4. Equipment lease agreement between Frontline Technologies Corporation and Essex Capital Leasing Corp., dated April 1, 2010, with lease number 10091.
5. Equipment lease agreement between IndCom Leasing Inc. and Frontline Technologies Corporation dated May 10, 2010, with lease number FR2449-12449.
6. Equipment business lease agreement between Leasebank Credit Corporation and Frontline Technologies Corporation, dated June 25, 2010, with contract number 208162, for the following equipment:
 - 2 – 8 Port Gigabit Ethernet 10/100/1000 Copper Univr PIM – Spare
 - 1 – 512 MB Memory Module-Space
 - 4 – 8 Port Gigabit Ethernet 10/100/1000 Copper Univr PIM – Spare
 - 5 – SRX210 Rack Mount Kit for 19” rack. Holds 1 unit.
 - 2 – EX4200 48PORT 10/100/1000 BT 8PORTS POE + 320W AC PS
 - 2 – EX4200 & EX 3200 320W AC POWER SUPPLY
 - 2 – 4PORT EX4200 & EX 3200 1G SFP UPLINK MOD
 - 2 – POWER CABLE US

7. Equipment lease contract between MCAP Leasing (Division of Alliance Financing Group Inc.) and Frontline Technologies Corporation and Hossein Astaraki, undated, with lease reference number 322455-188222.
8. Equipment lease contract with Frontline Technologies Corporation and Hossein Astaraki and BlueChip Leasing Corporation, undated, for the lease of the equipment described as 4-HP EVA M6412A 450GB 10K FC DRIVE and 12-HP EVA M6412A 1TB FATA DRIVE.
9. Equipment lease contract between MCAP Leasing (Division of Alliance Financing Group Inc.) and Frontline Technologies Corporation, undated, with lease reference number 322455-184586, for the lease of equipment described as:
 - 11 – HP EVA M6412A 450 GB 10K FC Drive
 - 1 – HP UNIVERSAL RACK 10642 G2 SHOCK RACK
 - 1 – FACTORY EXPRESS BASE RACKING
 - 1 – HP 10642 G2 SIDEPANEL KIT
 - 1 – HP 10K G2 600MM STABILIZER KIT
10. Equipment lease contract between Alliance Financing Group Inc. and Frontline Technologies Corporation and Hossein Astaraki, dated July 6, 2010, with lease number 2508459, for the lease of equipment described as:
 - 16 HP EVAM6412A 450GB 10K FC DRIVE
 - 22 EVA 450-1TB HDD HW SUPP
 - 1 CV PLUS BC PLUS DCM SWBUNDLE EVA4400 LTU
11. Equipment lease agreement between Essex Capital Leasing Corp. and Frontline Technologies Corporation and Hossein Astaraki (as a guarantor), dated August 15, 2010, with lease number 10114, for the lease of equipment described as:
 - 3 – J2350 JUNOS 1 GB 5 PIM SLOT HW SECURITY AC 19IN RM
 - 8 PORT GIGABIT ETHERNET 10/100/1000 COPPER UNIVL PIM - SPARE
12. Equipment lease contract between Alliance Financing Group Inc. and Frontline Technologies Corporation and Hossein Astaraki, dated August 1, 2010, with lease number 2511857 for the lease of equipment described as 4 J2350 JUNOS 1 GB 5 PIM SLOT HW SECURITY AC 19IN RM C/W ACCESSORIES.
13. Equipment lease agreement between IndCom Leasing Inc. and Frontline Technologies Corporation and Hossein Asaraki (*sic*) (as a Guarantor), dated August 25, 2010, with lease number FR2694-12694, for the lease of equipment described as 6-J2350 JUNOS 1GB 5 PIM Slot HW SECURITY.
14. Equipment lease contract between Alliance Financing Group Inc. and Frontline Technologies Corporation and Hossein Astaraki, dated August 1, 2010, with lease number 2509024.

15. Equipment lease contract between BlueChip Leasing Corporation and Frontline Technologies Corporation and Hossein Astaraki, dated July 30, 2010, with lease number 18557, for the lease of equipment described as:
- 2 – J6350 256MB CF 1GB RAM 0 PIM CARDS 1 AC PSU W/JUNOS, 8 PORT GIGABIT ETHERNET 10/100/1000 COPPER UNIVL PIM – SPARE
 - 2 – SPARE POWER SUPPLY FOR SSG 550 AND J6350, AC POWER
 - 3 – 512mb MODULE – SPARE
 - 2 – J-CARE NEXT DAY SUPPORT FOR J6350

Vendors and Suppliers

16. Third Party Payor Addendum between ACTIV Financial Systems, Inc. and Heaps Capital Ltd. and also signed by Frontline Technologies, dated August 24, 2009, which is in addition to and supplements the service order and will apply whenever Heaps Capital Ltd. receives services from ACTIV Financial Systems, Inc., then the fees are paid by Frontline Technologies. This Third Party Payor Addendum is governed by the Lease Agreement dated November 1, 2008 between ACTIV Financial Systems, Inc. and Heaps Capital Inc.
17. Membership Services Agreement between Agility Ready Suite and Frontline Technologies, dated August 21, 2009, where Agility Recovery Solutions, Ltd. membership becomes effective.
18. Master Wholesale Agreement between MTS Allstream Inc. and Frontline Telecom Corporation, dated October 11, 2006. (Note: Change of business name to Frontline Technologies Corporation on November 26, 2009).
- (a) Allstream IP Trunking Wholesale Service Schedule between Frontline Technologies Corp. and MTS Allstream Inc., dated December 9, 2009.
19. Market Data Connection Agreement with Alpha Trading Systems Inc. on behalf of Alpha Trading Systems Limited Partnership dated February 17, 2010, and signed by Michael Scott, Systems Administrator of Frontline Technologies Corporation.
20. Service Agreement between American Registry for Internet Numbers, Ltd. (ARIN) and Frontline Technologies Corporation, dated December 7, 2009.
21. Service Agreement between Arkadin Canada Inc. and Frontline Technologies dated January 10, 2011.
22. Bell Mobility Corporate Account Agreement between Bell Mobility Inc. and Frontline Technologies effective October 9, 2009.
23. Master Services Agreement between Canix Colo Inc. and Frontline Technologies, dated October 21, 2008.

24. Customer Direct Connectivity and Services Agreement between Chi-X Canada ATS Limited and Frontline Technologies, dated February 2, 2010, amended September 1, 2010.
25. Assignment and Assumption Agreement between Frontline Hosting Corporation (assignor) and Frontline Technologies Corporation (Assignee) and Cogeco Data Services Inc. dated September 10, 2008, for the provision of metro LAN services.
26. Network Services Service Level Agreement between Cogent Communications, Inc. and Frontline Technologie, dated September 2, 2010, as part of the Consumer Subscriber Agreement.
27. Registration to be a reporting telecommunications entity under the Canadian Radio-Television and Telecommunications Commission (Entity ID: 746263), dated February 18, 2010.

Licenses [non-exclusive].

28. GNU General Public License (Version 3, 29 June, 2009): a free copyleft licence for software and other types of works.
29. IBM Public License Agreement (Version 1.0).
30. Juniper Networks, Inc. End User License Agreement granting a non-exclusive and non-transferable licence without right to sublicense, to use the Juniper Networks, Inc. software. The Juniper Networks, Inc. contracts are set out in the schedule that is attached to this agreement that has already been provided to Belzberg.
31. Microsoft Software Products Reseller Information Form and SPLA Signature Form between Frontline Technologies (customer) and Softchoice Corporation (software products reseller) and Microsoft Licensing, GP, dated August 20, 2009.
 - (a) Microsoft Volume Licensing Service Provider License Agreement (Indirect) (Microsoft Partner Program Number: 1634859 Gold) between Softchoice Corporation (software products reseller) and Frontline Technologies
32. Co-Location and Bandwidth Services Contract between Peer 1 Network Enterprises, Inc. and Frontline Technologies, dated September 28, 2010, with a Services Contract Addendum dated November 4, 2010.
33. OpenSolaris Common Development and Distribution License (Version 1).
34. pfSense License for source code released under the BSD License.
35. Telecommunications Network Maintenance Agreement between the Société de réseaux dédiés privés de telecommunication inc. (SRDP) and Frontline Technologies, dated December 16, 2008, providing for 100 MB connexion over RJ-45 connectors.

36. Metalogix Software Applications Download License Agreement.

**Details concerning certain license agreements related to the Finansia Business are redacted.*

Section 3.1(36) *Employees.*

**The names and titles of the employees of Frontline are redacted.*

Section 3.1(37) *Employee Frontline Benefit Plans.***(a) Frontline Benefit Plans**

**The names of the providers, the policy numbers and terms of the benefits relating to Frontline Benefit Plans are redacted.*

(b) Pensions or Retirement Plans, Programs or Arrangements

None.

(c) Frontline Compensation Policies

1. Benefits Other Than Group Policy – Section 3.1(37)(c): Please also refer to Employee Policy Manual and Employment Agreement, under Section 3.1(36) “Employees”

- Compensation of employees
- Overtime
- Pay Period
- Vacation Time & Paid Vacation
- Sick Leave
- Use of Vehicle to Conduct Company Business
- Reimbursement of Expenses and Petty Cash Requests

(n) Obligations for Multi-Employer Pension or Benefit Plans for any Frontline Benefit Plans

None.

Section 3.1(38) *Privacy.*

(b) Privacy Policies

**Disclosure regarding any privacy policies of Frontline is redacted.*

Section 3.1(39) *Insurance.*

**Disclosure regarding insurance policies which Frontline has in place is redacted.*

Section 3.1(40) *Related Party Matters.*

None.

Section 3.1(41) *Bank Accounts and Powers of Attorney.*

**The details of Frontline's accounts with banks, trust companies or similar institutions including signing authorities are redacted.*

Powers of Attorney

None.

Section 3.1(42) *Government Assistance.*

None.

Section 3.1(46) *Investment Banking and Brokers' Fees.*

1. Agreement with Versant Partners Inc. and Frontline Technologies Corporation effective December 13, 2010 re: appointment of Versant Partners Inc. as Frontline's financial advisor and to provide services in connection with the transaction between Frontline and Belzberg.

DISCLOSURE LETTER

February 22, 2011

To: Frontline Technologies Corporation

From: Belzberg Technologies Inc.

Dear Sirs:

Re: Share Purchase Agreement dated February 22, 2011 between Frontline Technologies Corporation and Belzberg Technologies Inc. (“Belzberg” or the “Company”) (the “Purchase Agreement”)

This letter together with the attached schedules constitutes the Belzberg Disclosure Schedule (“Disclosure Schedule”) referred to and defined in the Purchase Agreement.

The purpose of this Disclosure Schedule is to set forth the disclosure of qualifications, modifications or exceptions to certain representations and warranties of the Company contained in the Purchase Agreement and is deemed to constitute an integral part of the Purchase Agreement.

Section and subsection references contained herein correspond to the same section or subsection in the Purchase Agreement. For greater clarity, any introductory language and headings herein contained are inserted for convenience of reference only and will not create or be deemed to create a different standard for disclosure than the language set forth in the Purchase Agreement. Information disclosed in any section or subsection of this Disclosure Schedule shall be deemed disclosed with respect to such other sections or subsections of the Purchase Agreement or this Disclosure Schedule to the extent that it is readily apparent from the face of such disclosure that such information is applicable to such other section or subsection.

Inclusion of an item in this Disclosure Schedule shall not, in and of itself, establish the materiality of an item or any standard of materiality. Furthermore, no item in this Disclosure Schedule relating to any possible breach or violation of Contract or Applicable Law shall be construed as an admission or indication that any such breach or violation exists or has actually occurred, and nothing in this Disclosure Letter constitutes an admission of any liability or obligation of the Company to any third party or shall confer or give to any third party any remedy, claim, liability, reimbursement, cause of action, or other right.

This Disclosure Schedule is qualified in its entirety by reference to the provisions of the Purchase Agreement, and is not intended to constitute, and shall not be construed as constituting, any representation, warranty, undertaking, assurance, covenant, indemnity, guarantee or other commitment of any nature whatsoever not expressly given in the Purchase Agreement.

All capitalized terms used herein shall have the meaning attributed to such term in the Purchase Agreement, unless otherwise stated, and all references to dollars, unless otherwise specifically

indicated, are to Canadian dollars. This Disclosure Schedule shall be governed by and construed in all respects in accordance with the laws of the Province of Ontario.

BELZBERG TECHNOLOGIES INC.

“Judith Robertson”

Name: Judith Robertson

Title: President and C.E.O.

Section 3.2 Index

- Section 3.2(2) - No Other Purchase Agreement
- Section 3.2(3) - Contractual and Regulatory Consents
- Section 3.2(4) - Status, Organizational Documents and Licenses
- Section 3.2(7) - Authorized and Issued Capital
- Section 3.2(9) - Belzberg Financial Statements
- Section 3.2(13) - Absence of Certain Changes or Events
- Section 3.2(14) - Dividends and Distributions
- Section 3.2(15) - Tax Matters
- Section 3.2(16) - Litigation and Orders
- Section 3.2(17) - Title to Assets
- Section 3.2(22) - Leased Premises
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- Section 3.2(28) - Partnerships or Joint Ventures
- Section 3.2(29) - Customers
- Section 3.2(30) - Suppliers
- Section 3.2(31) - Warranties and Discounts
- Section 3.2(32) - Product and Service Liabilities
- Section 3.2(33) - Reseller, Agency and Distribution Agreements
- Section 3.2(34) - Material Contracts
- Section 3.2(36) - Employees
- Section 3.2(37) - Employee Belzberg Benefit Plans
- Section 3.2(38) - Privacy
- Section 3.2(39) - Insurance
- Section 3.2(40) - Related Party Matters
- Section 3.2(41) - Bank Accounts and Powers of Attorney
- Section 3.2(42) - Government Assistance
- Section 3.2(43) - Restrictions on Doing Business

Section 3.2(2) – No Other Purchase Agreement

**The Schedule entitled “Awards Granted – Options”: Options granted to Eligible Persons (as defined therein) pursuant to the Belzberg Stock Option Plan (Revised to October 23, 2000) is redacted.*

Section 3.2(3) - Contractual and Regulatory Consents

1. Consent of the shareholders of the issued and outstanding common shares in the capital of Belzberg to the creation of and issuance to the Sellers of the Class A Convertible Common Shares.
2. Requirement to satisfy the Toronto Stock Exchange (“TSX”) requirements pursuant to section 717 of the TSX Company Manual.

Section 3.2(4) - Status, Organizational Documents and Licenses

1. Section 3.2(4)(b) - Articles, By-Laws and Other Organizational Documents

Articles of Amalgamation of Belzberg Technologies Inc. dated January 1, 2003.

By-laws of Belzberg Technologies Inc. (formerly Belzberg Financial Markets & News International Inc.) dated May 14, 1996.

2. Section 3.2(4)(d) - Belzberg Licenses

Extra-provincial registration for Belzberg Technologies Inc. in Quebec – Registration #1160601143.

Section 3.2(7) - Authorized and Issued Capital

1. Section 3.2(7)(a) - Authorized Capital and Issued Capital of Belzberg and Respective Registered Owners

(i) *Authorized Capital*

- Unlimited Common Shares.

(ii) *Issued Capital*

- To the Knowledge of Belzberg, there are 14,637,863 Common Shares in the capital of Belzberg issued and outstanding.

Section 3.2(9) - Belzberg Financial Statements

1. Section 3.2(9)(c)

**Information about changes in the financial condition of Belzberg as shown in the Belzberg Most Recent Financial Statements has been redacted.*

Section 3.2(13) - Absence of Certain Changes or Events

Section 3.2(13)(a),(d) and (s)

**The Schedule entitled "Revenue & Expenses extract by department group for the period October 1, 2010 to December 31, 2010" and Schedule entitled "Fixed Assets Addition 2010" are redacted.*

Section 3.2(13)(m)

**Disclosure concerning Belzberg's business from a particular customer is redacted.*

Section 3.2(14) – Dividends and Distribution

1. Refer to attached Schedule entitled "BTI-Shareholders' Equity" – 88,000 common shares in the capital of Belzberg were repurchased and cancelled by Belzberg in 2010.
2. USBD Sale Distribution as defined in the Purchase Agreement.

Section 3.2(15) – Tax Matters

Nil

SECTION 3.2 (14) – Dividends and Distributions

BTI - Shareholders' Equity

	Number of common share	Share Capital	Number of Warrants	Amount	Contributed Surplus	Retained Earnings (Deficit)
Balance - 12/31/1995	1,000,000	\$ 175,835				\$ 336,377
Issue of common shares for cash	333,333	\$ 4,439,173				\$ (1,957)
Redemption of common shares						\$ (467,826)
Loss for the year						\$ (133,406)
Balance - 12/31/1996	1,333,333	\$ 4,615,008				
Issue of common shares for cash	21,800	\$ 395,000				\$ (4,465,680) # shown on 1997 audited F/S
Loss for the year						\$ (4,948,281) # shown on 2000 audited F/S
Balance - 12/31/1997	1,355,133	\$ 5,010,008				
Issue of common shares for cash	7,964	\$ 119,460				\$ (1,122,057)
Loss for the year						\$ (6,070,338) # shown on 2000 audited F/S
Balance - 12/31/1998	1,363,097	\$ 5,129,468				
Issue of common shares for cash	177,621	\$ 1,097,532				\$ (2,659,068)
Loss for the year						\$ (8,729,406) # shown on 2000 audited F/S
Balance - 12/31/1999	1,540,718	\$ 6,227,000				
Issue of common shares for cash	2,013,800	\$ 7,974,241				
Share issuance costs		\$ (386,000)				
Issue of common shares in connection with acquisition of eContracts, Inc.	25,000	\$ 225,000				
Compensation expense		\$ 56,940				
Issue of common shares in connection with acquisition of Electronic Brokerage Systems, Inc.	50,000	\$ 450,000				
Exercise of options for cash	899,000	\$ 3,210,000				
Issue of common shares for services rendered	40,000	\$ 200,000				
Issue of warrants			1,800,000	\$ 1,782,900		

Balance - 12/31/2004	13,778,424	\$ 34,770,877	1,150,000	\$ 1,865,700	\$ 1,569,732	<u>\$ (29,235,859)</u>
Exercise of stock options	91,166	\$ 280,623			\$ (37,472)	
Stock compensation benefit on exercise of stock options		\$ 37,472			\$ 1,665,700	
Expiration of warrants			(1,150,000)	\$ (1,865,700)	\$ 182,008	
Stock-based compensation						\$ 4,122,407
Net earnings					\$ 3,379,968	<u>\$ (25,113,452)</u>
Balance - 12/31/2005	13,869,590	\$ 35,088,972				
Exercise of stock options	671,558	\$ 2,836,977			\$ (132,883)	
Stock compensation benefit on exercise of stock options issued for acquisition		\$ 132,883				
	86,826	\$ 781,200			\$ 271,786	
Stock-based compensation						\$ 9,166,674
Net earnings					\$ 3,518,871	<u>\$ (15,946,778)</u>
Balance - 12/31/2006	14,627,974	\$ 38,840,032				
Exercise of stock options	162,625	\$ 739,723			\$ (18,673)	
Stock compensation benefit on exercise of stock options		\$ 18,673			\$ 177,129	
Stock-based compensation						\$ 7,262,765
Net earnings					\$ 3,677,327	<u>\$ (8,684,013)</u>
Balance - 12/31/2007	14,790,599	\$ 39,598,428				
Exercise of stock options	115,000	\$ 364,000			\$ (139,000)	
Stock compensation benefit on exercise of stock options		\$ 139,000			\$ (135,000)	
Common shares repurchased and cancelled	(71,000)	\$ (171,000)				\$ 16,000,000
Reduction of stated capital		\$ (16,000,000)				
Stock-based compensation					\$ 283,000	
Net earnings					\$ 3,686,327	<u>\$ 118,000</u>
Balance - 12/31/2008	14,834,599	\$ 23,930,428				
Common shares repurchased and cancelled	(109,000)	\$ (176,000)			\$ 79,000	
Stock-based compensation					\$ 279,000	
Loss for the year						<u>\$ (16,480,000)</u>

Balance - 12/31/2009	14,725,599	\$ 23,754,428	-	\$	\$ 4,044,327	\$ (9,046,013)
Common shares repurchased and cancelled	(88,000)	\$ (142,000)			\$ 137,000	
Stock-based compensation					\$ 147,000	
Loss for the year						\$ (5,422,000)
Balance - 09/30/2010	14,637,599	\$ 23,612,428	-	\$	\$ 4,328,327	\$ (14,468,013)

Summary - Shareholders' Equity

	Number of common share	Amount	Number of Warrants	Amount	Contributed Surplus	Retained Earnings (Deficit)
Balance - 12/31/2009	13,713,424	\$ 34,575,877			\$ 1,290,090	\$ (27,853,442)
Exercise of stock options	1,105,349	\$ 4,416,323			\$ (328,028)	
Stock compensation benefit on exercise of stock options	-	\$ 328,028			\$ 81,000	\$ 16,000,000
Common shares repurchased and cancelled	(268,000)	\$ (489,000)				
Reduction of stated capital issued for acquisition	86,826	\$ 781,200			\$ 1,619,565	
Stock-based compensation					\$ 1,665,700	
Expiration of warrants						\$ (2,614,571)
Net earnings (Loss for the year)						
Balance - 09/30/2010	14,637,599	\$ 23,612,428			\$ 4,328,327	\$ (14,468,013)

(2010 annual financial statements have not been finalized yet)

Section 3.2(16) - Litigation and Orders

1. Section 3.2(16)(a) - Litigation, Arbitration or Administrative Proceedings or Claims

Belzberg and CIBC World Markets Inc. (“CIBCWM”) have jointly been named as defendants in an action filed by Montrose Hammond & Co. and The Raillery Fund LP (collectively, the “Plaintiffs”) in relation to alleged deficiencies in services and software provided (Court File No. CV-09-380299). The Plaintiffs seek damages against CIBCWM for breach of contract, negligence, negligent supervision, misrepresentation, loss of opportunity and loss of business reputation, and against Belzberg for negligence, trespass, loss of opportunity and loss of business reputation. In particular, the Plaintiffs seek damages against both Belzberg and CIBCWM in the amount of \$4,100,000.00, and against CIBCWM specifically, the Plaintiffs seek special and/or additional damages in an amount to be proved at trial, and aggravated and/or punitive damages in the amount of \$250,000.00.

**Discriptions of the material pleadings, correspondence and other documents relating to the above-noted matter delivered by Belzberg to the Sellers are redacted.*

2. Section 3.2(16)(b) – Orders

Nil

Section 3.2(17) - Title to Assets

1. Section 3.2(17)(a)

Nil

1. Section 3.2(17)(b)

Nil

Section 3.2(22) – Leased Premises

Toronto

1. Scotia Plaza Lease Agreement dated July 31, 1995 (“Original Lease”) between SPE Operations Ltd., as Landlord, and Cibex Ltd., as Tenant, for premises comprised of 2,229 square feet located on the 18th floor of 40 King Street West, Toronto, Ontario M5H 3Y2 (“Original Premises”) for 5 years commencing on September 1, 1995 with rent payable at \$11.25 per square foot being \$2,089.69 per month. The Tenant also pays to the Landlord the Landlord’s estimate of the operating cost recovery and the Tenant’s share of taxes, as well as additional rent and other taxes.
2. Expansion Offer dated August 28, 1996 between SPE Operations Ltd., as Landlord, and Cibex Ltd., as Tenant, for the expansion of the Original Premises to include an additional 2,251 square feet located on the 18th floor of 40 King Street West, Toronto, Ontario M5H 3Y2 (collectively, the “Expansion Premises”) commencing on December 1, 1996 and expiring on August 31, 2000 with rent payable at \$10.50 per square foot.
3. Agreement Amending Lease – Relocation of Premises dated March 1, 1999 between SPE Operations Ltd., as Landlord, and Cibex Ltd., as Tenant, to (i) surrender the Expansion Premises and to (ii) relocate to premises comprised of approximately 9,182 square feet located on the 34th floor of 40 King Street West, Toronto, Ontario M5H 3Y2 (“New Leased Premises”) for 10 years commencing on October 1, 1999 and expiring on September 30, 2009 with rent payable from and including October 1, 1999 to and including September 30, 2004 at \$24 per square foot being \$18,364 per month, and from and including October 1, 2004 to and including September 30, 2009 at \$28 per square foot being \$21,424.67 per month.
4. Agreement Amending Lease - Additional Premises dated April 1, 2000 between SPE Operations Ltd., as Landlord, and Cibex Ltd., as Tenant, for the expansion of the New Leased Premises to include an additional 13,057 square feet located on the 34th floor of 40 King Street West, Toronto, Ontario M5H 3Y2 (collectively, the “Leased Premises”) for 9 years and 1 month commencing on September 1, 2000 and expiring on September 30, 2009 with rent payable from and including September 1, 2000 to and including August 31, 2001 at \$25 per square foot being \$27,202.08 per month, and from and including September 1, 2001 to and including September 30, 2009 at \$29 per square foot being \$31,554.42 per month.
5. Executed Proposal dated April 20, 2005 from Steven E. Zaraska, Director of Office Leasing of Scotia Plaza Leasing and Management Office to Cibex Ltd., as Tenant, Belzberg Technologies Inc., as Assignee, and SPE Operations Ltd., as Landlord, to (i) surrender approximately 7,500 square feet of the Leased Premises (“Surrendered Premises”) and to (ii) assign the remainder premises (Leased Premises minus the Surrendered Premises, “Remainder Premises”) to Belzberg Technologies Inc. commencing May 1, 2005 and to (iii) extend the Original Lease to expire on September 30, 2011 with rent payable at \$29 per square foot.

- (a) Partial Surrender of Lease and Lease Amending Agreement dated April 30, 2005 between SPE Operations Ltd., as Landlord, and Cibex Ltd., as Tenant, for the surrender of the Surrendered Premises and extension of the term of the Original Lease.
 - (b) Assignment of Lease dated April 30, 2005 between Cibex Ltd., as Assignor, Belzberg Technologies Inc., as Assignee, and SPE Operations Ltd., as Landlord, relating to the assignment of the Remainder Premises.
6. Executed Proposal to Sub-Lease dated March 5, 2010 from David L. Johnson, Director of Real Estate of The Bank of Nova Scotia, as successor to SPE Operations Ltd., to Belzberg Technologies Inc., as successor to Cibex Ltd., regarding consent to the sub-lease of 6,000 square feet of the Remainder Premises to P.I. Financial Corp. commencing April 1, 2010 for 18 months less one day expiring September 29, 2011.

Montreal

1. Lease Agreement dated June 1, 2002 between 360 St-Jacques Nova Scotia Company, as Landlord, and Belzberg Financial Markets & News Inc., as Tenant, for 1424 square feet of office premises described as room 415 located at 360, rue St-Jacques Ouest, Suite #415, Montreal, Quebec for 5 years commencing June 1, 2002 and expiring on May 31, 2007 with payable rate from June 1, 2002 to May 31, 2004 at \$2,254.67 per month and from June 1, 2004 to May 31, 2006 at \$2,373.33 per month and from June 1, 2006 to May 31, 2007 at \$2,492.00 per month (“Lease Agreement”).
- (a) Addendum to Lease Agreement between 360 St-Jacques Nova Scotia Company and Belzberg Technologies Inc. (formerly known as Belzberg Financial Markets & News International Inc.) to extend the lease for 5 years and 15 days commencing September 15, 2007 and expiring on September 30, 2012 with payable rate from September 15, 2007 to September 30, 2008 at \$2,551.33 per month and from October 1, 2008 to September 30, 2012 at rates indexed at every 12 months’ anniversary according to the latest available monthly Consumer Price Index – Montreal Region Table published by Statistics Canada over the previous twelve months, minimum 2% and maximum 4%.

Section 3.2(24) – Leases of Personal Property

Nil

Section 3.2(25) - Intellectual Property

(A) Belzberg Owned Intellectual Property

U.S. PATENTS

US Patent No.	US Application No.	Filing Date	Issue Date	Title
5,864,827	08/883,739	1997-06-27	1999-01-26	System and method for providing an information gateway
6,134,535	08/716,389	1996-09-19	2000-10-17	Computerized stock exchange trading system automatically formatting orders from a spreadsheet to an order entry system

Non-U.S. PATENTS & APPLICATIONS

Patent or Publication No.	Publication Date	Filed Date	Country	Title
WO9900753A1	1999-01-07	1998-06-29	WIPO	SYSTEM AND METHOD FOR PROVIDING AN INFORMATION GATEWAY
SI0992014T1	2005-02-28	1998-06-29	Republic of Slovenia	SYSTEM AND METHOD FOR PROVIDING AN INFORMATION GATEWAY
PT992014E	2004-12-31	1998-06-29	Portugal	SISTEMA E METODO PARA PROPORCIONAR UMA PORTA DE LIGACAO DE INFORMACAO
JP2002506544T2	2002-02-26	1998-06-29	Japan	SYSTEM AND METHOD FOR PROVIDING AN INFORMATION GATEWAY
HK1023824A1	2005-03-18	2000-05-13	Hong Kong	System and method for providing an information gateway.
ES2227849T3	2005-04-01	1998-06-29	Spain	SISTEMA Y METODO PARA PROPORCIONAR UNA PASARELA DE INFORMACION.
EP0992014B1 CURRENTLY REVOKED	2004-08-18	1998-06-29	Europe	SYSTEM AND METHOD FOR PROVIDING AN INFORMATION GATEWAY
EP0992014A1 CURRENTLY REVOKED	2000-04-12	1998-06-29	Europe	SYSTEM AND METHOD FOR PROVIDING AN INFORMATION GATEWAY
DE69825753T2	2005-08-18	1998-06-29	Germany	SYSTEM UND VERFAHREN ZUM BEREITSTELLEN EINES INFORMATIONS-GATEWAYS
DE69825753C0	2004-09-23	1998-06-29	Germany	SYSTEM UND VERFAHREN ZUR BEREITSTELLEN EINER INFORMATIONSSCHNITTSTELLE
CA2295054AA	1999-01-07	1998-06-29	Canada	SYSTEM AND METHOD FOR PROVIDING AN INFORMATION GATEWAY
AU8098698A1	1999-01-19	1998-06-29	Australia	System and method for providing an information gateway
AU0740382B2	2001-11-01	1998-06-29	Australia	System and method for providing an information gateway

Patent or Publication No.	Publication Date	Filed Date	Country	Title
AT0274209E Not renewed in 2009	2004-09-15	1998-06-29	Austria	SYSTEM UND VERFAHREN ZUR BEREITSTELLEN EINER INFORMATIONSSCHNITTSTELLE
WO9526005A1	1995-09-28	1995-03-03	WIPO	COMPUTERIZED STOCK EXCHANGE TRADING SYSTEM
NO0963951A0	1996-09-20	1996-09-20	Norway	System for omsetning av aksjer på børsen, spesielt et datamaskinstyrt system
NO0963951A	1996-11-21	1996-09-20	Norway	System for omsetning av aksjer på børsen, spesielt et datamaskinstyrt system
MX96004198A	2004-08-19	1993-06-28	Mexico	COMPUTERIZED STOCK EXCHANGE TRADING SYSTEM.
JP10500788T2	1998-01-20	1995-03-03	Japan	COMPUTERIZED STOCK EXCHANGE TRADING SYSTEM
HU9602581A0	1996-11-28	1995-03-03	Hungary	COMPUTERIZED STOCK EXCHANGE TRADING SYSTEM
HU00074896A2	1997-02-28	1995-03-03	Hungary	COMPUTERIZED STOCK EXCHANGE TRADING SYSTEM
EP0752135B1	1999-02-03	1995-03-03	Europe	COMPUTERIZED STOCK EXCHANGE TRADING SYSTEM
EP0752135A1	1997-01-08	1995-03-03	Europe	COMPUTERIZED STOCK EXCHANGE TRADING SYSTEM
DE69507693T2	1999-09-16	1995-03-03	Germany	COMPUTERSYSTEM ZUM HANDELN MIT WERTPAPIEREN
DE69507693C0	1999-03-18	1995-03-03	Germany	COMPUTERSYSTEM ZUM HANDELN MIT WERTPAPIEREN
CN1147308A	1997-04-09	1995-03-03	China	Computerized stock exchange trading system
CA2119921AA Issued 2009-09-29	1995-09-24	1994-03-23	Canada	COMPUTERIZED STOCK EXCHANGE TRADING SYSTEM
BR9507141A	1997-09-30	1995-03-03	Brazil	Sistema de computador
AU9419698A1	1999-02-04	1998-11-27	Australia	COMPUTERIZED STOCK EXCHANGE TRADING SYSTEM
AU1752095A1	1995-10-09	1995-03-03	Australia	Computerized stock exchange trading system
AT0176535E Not renewed in 2009	1999-02-15	1995-03-03	Austria	COMPUTERSYSTEM ZUM HANDELN MIT WERTPAPIEREN

NOTE: In third quarter 2009, Belzberg decided to cease paying registration and filing fees for patents which had been granted and to cease the pursuit of additional patent grants or the defense of patents. The existence or lack of patents was considered to be immaterial to the Belzberg Business. Certain countries covered in the Europe Information Gateway Patent were not renewed in 2009 as follows: Belgium, Cyprus, Denmark, Finland, Greece, Ireland, Monaco, Portugal, Romania and Slovenia. No patents were renewed in 2010.

Belzberg Domain Names

<i>Domain</i>	<i>Expires</i>	<i>Registered To</i>
Belzberg.com	1/25/2016	Belzberg Technologies Inc.
BELZBERG.INFO	7/2/2011	Name: Paul Gent Organization: Belzberg Technologies Inc.
BELZBERG.NET	7/2/2011	Belzberg Technologies Inc.
BELZBERGCLEARING.COM	6/10/2011	Belzberg Technologies Inc.
BELZBERGCLEARINGTEST.COM	3/10/2011	Belzberg Technologies Inc.
BLZTECH.INFO	11/30/2011 Required for Hosting website	Name: Paul Gent Organization: Belzberg Technologies Inc.
EBROKERAGECLEARING.COM	6/10/2011	Belzberg Technologies Inc.
EBROKERAGECLEARINGTEST.COM	3/10/2011	Belzberg Technologies Inc.
RINEXCHANGE.COM	4/20/2011 Will be allowed to expire	Peter Shinkle
RINMARKET.COM	4/20/2011 Will be allowed to expire	Peter Shinkle
RINXCHANGE.CA	2/19/2011 Will be allowed to expire	Belzberg Technologies Inc.
RINXCHANGE.INFO	2/19/2011 Will be allowed to expire	Name: Paul Gent Organization: Belzberg Technologies Inc.
RINXCHANGE.NET	2/19/2011 Will be allowed to expire	Belzberg Technologies Inc.
RINXCHANGE.ORG	2/19/2011 Will be allowed to expire	Name: Paul Gent Organization: Belzberg Technologies Inc.
THERINXCHANGE.COM	2/22/2011 Will be allowed to expire	Belzberg Technologies Inc.

(B) Belzberg Licensed Intellectual Property

Belzberg Licensed Intellectual Property granting Belzberg a non-exclusive license to Intellectual Property is as follows:

1. Software License Agreement between ACTIV Financial Systems and Belzberg Technologies Inc., dated July 1, 2004, as amended.
2. Technology License Agreement between Belzberg Technologies Inc. and Electronic Brokerage Systems LLC, dated December 31, 1999.
3. Technology License Agreement between Belzberg Financial Markets International Inc. and Belzberg Technologies (USA) Inc., dated May 23, 1996.
4. LDB Consulting Inc. License and Services Agreement between LDB Consulting Inc. and Belzberg Technologies Inc., dated May 21, 2008.
5. Infor Global Solutions Inc. (formerly SUN) – accounting software.
6. Salesforce.com Inc.
7. Solar Winds network Monitoring Software.
8. CommVault Backup Software.
9. Symantec End Point Protection v 11.2.
10. VMware.
11. PCAnywhere.
12. WinRAR.
13. Winzip.
14. RedHat Annual Support.
15. Rogue Wave Stingray Toolkit.
16. Codejock.
17. Oracle Enterprise database.
18. Microsoft Visual Studio.
19. Microsoft Office.

- 20.** Stock Vantage – tracking software for stock options.
- 21.** Microsoft OSs for Workstations and Servers (Windows XP, Vista 7, 2000 Server, 2003 Server), Microsoft Office for Workstations & Microsoft SQL Server.

Section 3.2(26) - Information Technology

1. Section 3.2(26)(a)

Refer to Section 3.2(25) – Intellectual Property.

2. Section 3.2(26)(e)

**Information relating to certain Belzberg Licensed Intellectual Property is redacted.*

3. Section 3.2(26)(g)

Nil

Section 3.2(27) - Subsidiaries and Other Interests

Belzberg has six directly or indirectly wholly-owned Subsidiaries as follows:

1. Belzberg Technologies (USA) Inc., a corporation incorporated in the State of New Jersey, USA.
2. Electronic Brokerage Systems LLC, a limited liability company formed in the State of Delaware, USA.
3. Robert C. Sheehan & Associates, LLC, a limited liability company formed in the State of Illinois, USA.
4. Belzberg Technologies (Philadelphia) LLC, a limited liability company formed in State of Delaware, USA.
5. Electronic Brokerage Systems (Canada) Inc., a corporation incorporated in the Province of Ontario.
6. Belzberg Technologies (UK) Limited, a corporation incorporated in the United Kingdom.

Belzberg's subsidiary, Belzberg Technologies (USA) Inc., holds a membership interest in the following limited liability company:

1. Belzberg Technologies (USA) Inc. holds a 36.11% interest, IA Englander LLC holds a 36.11% interest, and AgriFuels Holdings LLC holds a 27.78% interest, in Renewable Trading Services, LLC, a limited liability company formed in the State of Delaware, USA.

Section 3.2(28) – Partnerships or Joint Ventures

1. **Information concerning a potential joint venture is redacted.*
2. Belzberg Technologies (USA) Inc. holds a 36.11% interest, and IA Englander LLC holds a 36.11% interest, and AgriFuels Holdings LLC holds a 27.78% interest, in Renewable Trading Services, LLC, a limited liability company formed in the State of Delaware, USA.

Section 3.2(29) - Customers

**The Schedule of Customers is redacted. The names of the party to which Belzberg has provided its customer list are redacted.*

Section 3.2(30) - Suppliers

**The Schedule is redacted.*

Section 3.2(31) - Warranties and Discounts

**The Schedule entitled “Client Compensation 2010” relating to warranties provided by Belzberg to its customers is redacted.*

Section 3.2(32) – Product and Service Liabilities

Refer to Section 3.2(16)(a) – Litigation and Orders.

Section 3.2(33) - Reseller, Agency and Distribution Agreements

Refer to Section 3.2(34) – Material Contracts.

Section 3.2(34) - Material Contracts

The following are all of the material contracts to which Belzberg is a party and which are material to the Belzberg Business:

1. Market Data Distribution Agreement between Canadian Exchange Group and Belzberg Financial Markets & News International Inc. (former name of Belzberg Technologies Inc.), dated June 14, 1994.
2. NASDAQ Distributor Agreement between The Nasdaq Stock Market, Inc. and Belzberg Technologies Inc., dated September 6, 2002.
 - (a) NASDAQ Distributor Agreement Cover Sheet, dated September 6, 2002.
 - (b) Amendment to the NASDAQ Distributor Agreement, dated September 6, 2002
3. Agreement for Receipt and Use of Market Data between New York Stock Exchange, Inc. and Belzberg Technologies Inc., dated June 13, 2002.
4. Toronto Level 2 Distribution Agreement between Toronto Stock Exchange Inc. and Belzberg Financial Markets, Inc., dated June 11, 2002.
5. Videotron Telecom Ltee – various circuits.
6. Megatrade – various circuits.
7. Radianz Inc. – various circuits.
8. New York – Agreement of Lease between 55 Broad Street Company and Belzberg Financial Markets (USA) Inc., dated June 19, 1997, as modified on June 19, 1997, May 26, 1999, July 20, 2000, June 20, 2002 and August 10, 2007.
9. Toronto – Scotia Plaza Lease Agreement between Cibex Ltd. and SPE Operations Ltd., dated July 31, 1995, as amended on August 28, 1996, March 1, 1999 and April 1, 2000, and as assigned by Cibex Ltd. to Belzberg Technologies Inc. on April 30, 2005.
10. Lease Agreement between 360 St-Jacques Nova Scotia Company and Belzberg Financial Markets & News Inc. (former name of Belzberg Technologies Inc.), dated June 1, 2002, as amended on May 28, 2007.
11. Software and Activfeed License Agreement (“License Agreement”) between ACTIV Financial Systems, Inc., and Belzberg Technologies Inc., dated July 1, 2004 (as amended and appended).
 - (a) Amendment #1 (dated October 5, 2006) to the Licence Agreement dated May 1, 2004 between ACTIV Financial Systems, Inc. and Belzberg Technologies, Inc.

- (b) Second Addendum (dated November 20, 2005) to the Licence Agreement, amending the Licence Agreement dated May 1, 2004 between ACTIV Financial Systems, Inc. and Belzberg Technologies Inc.
 - (c) Fourth Addendum (dated December 4, 2007) to the Licence Agreement, amending the Licence Agreement dated May 1, 2004 between ACTIV Financial Systems, Inc. and Belzberg Technologies Inc.
 - (d) Fifth Addendum (dated April 10, 2008) to the Licence Agreement, amending the License Agreement dated May 1, 2004 between ACTIV Financial systems Inc. and Belzberg Technologies Inc. dated July 1, 2010.
12. Technology License Agreement between Belzberg Financial Markets International Inc. and Belzberg Technologies (USA) Inc., dated May 23, 1996 (currently not in use).
 13. Chicago Mercantile Exchange Vendor Agreement between Chicago Mercantile Exchange and Belzberg Financial Markets & New International Inc. (former name of Belzberg Technologies Inc.), dated December 27, 2006.
 14. Dow Jones Indexes Enterprise Distribution Agreement between Dow Jones & Company, Inc. and Belzberg Technologies Inc., dated July 9, 2005.
 15. Bourse de Montreal Inc. Data Distribution Agreement (Vendor Contract) between Bourse de Montreal Inc. and Belzberg Technologies Inc., dated April 12, 2007.
 16. Options Price Reporting Authority Vendor Agreement between Belzberg Technologies Inc., American Stock Exchange LLC, Boston Stock Exchange Inc., Chicago Board Options Exchange, Incorporated, International Securities Exchange, Inc., NYSE Arca, Inc., Philadelphia Stock Exchange, Inc. and The Nasdaq Stock Market LLC, dated October 23, 2008.
 17. Technology License Agreement between Belzberg Technologies Inc. and Electronic Brokerage Systems, LLC, dated December 31, 1999.

Section 3.2(34)(a)(v)

Refer to Section 3.2(28) – Partnerships and Joint Ventures.

Section 3.2(34)(a)(viii)(a)

**The names of the parties and contracts are redacted.*

Section 3.2(34)(viii)(b) and (d)

**Disclosure concerning capital lease obligation, purchase obligations, commitments,*

contingencies and guarantees of Belzberg is redacted.

Section 3.2(34)(viii)(c)

**Disclosure concerning payments and liabilities of third parties to Belzberg is redacted.*

Section 3.2(36) - Employees

**Disclosure regarding employees (names, titles, current salaries, dates of hire, years of service, dates of birth and vacation) of Belzberg is redacted.*

Section 3.2(37) - Employee Belzberg Benefit Plans

A) Section 3.2(37)(a) - Belzberg Benefit Plans

**The names of the providers, the policy numbers and terms of the benefits relating to Belzberg Benefit Plans are redacted.*

B) Section 3.2(37)(b) - Pensions or Retirement Plans, Programs or Arrangements

Nil

C) Section 3.2(37)(c) - Belzberg Compensation Policies

**The list of Belzberg's compensation policies is redacted.*

D) Section 3.2(37)(n) - Obligations for Multi-Employer Pension or Benefit Plans for any Belzberg Benefit Plans

Nil

E) Section 3.2(37)(o)

**Disclosure regarding termination payments to an employee of Belzberg which will be triggered is redacted.*

Section 3.2(38) – Privacy

**Disclosure regarding any privacy policy of Belzberg is redacted.*

Section 3.2(39) - Insurance

**Disclosure regarding insurance policies which Belzberg has in place is redacted.*

Section 3.2(40) - Related Party Matters

Nil

Section 3.2(41) - Bank Accounts and Powers of Attorney

**The details of Belzberg's accounts with banks, trust companies or similar institutions including signing authorities are redacted.*

Powers of Attorney

None.

Section 3.2(42) - Government Assistance

**The details regarding the dates of certain SR&ED claims made by Belzberg are redacted.*

Section 3.2(43) – Restrictions on Doing Business

**The details regarding a non-competition covenant applicable to Belzberg is redacted.*

SCHEDULE 5.1(8)

Opinion of Sellers' Counsel

SCHEDULE 5.1(8)

OPINION OF SELLERS' COUNSEL

[LETTERHEAD OF AIRD & BERLIS LLP]

●, 2011

Belzberg Technologies Inc.
40 King Street West, Suite 3400
Toronto, Ontario M5H 3Y2

- and -

Gardiner Roberts LLP
Barristers and Solicitors
40 King Street West, Suite 3100
Toronto, Ontario M5H 3Y2

Dear Sirs,

Re: Sale by Hoss Astaraki and Sima Saleemi, in their capacities as trustees of the Astaraki-Saleemi Family Trust, Hoss Astaraki and Sima Saleemi of 80 Class A Common Shares, 20 Class B Common Shares, 100,000 Class B Preference Shares and 100,000 Class A Preference Shares in the capital of Frontline Technologies Corporation to Belzberg Technologies Inc.

We have acted as counsel to Frontline Technologies Corporation (“**Frontline**”) and Hoss Astaraki and Sima Saleemi in their capacities as trustees of the Astaraki-Saleemi Family Trust (the “**Trust**”), Hoss Astaraki (“**Astaraki**”) and Sima Saleemi (“**Saleemi**”) (the Trust, Astaraki and Saleemi are referred to collectively herein as the “**Sellers**”) in connection with the sale by them of 80 Class A Common Shares, 20 Class B Common Shares, 100,000 Class B Preference Shares and 100,000 Class A Preference Shares in the capital of Frontline to Belzberg Technologies Inc. (“**Belzberg**”) pursuant to the share purchase agreement (the “**Share Purchase Agreement**”) made as of February ●, 2011 among Belzberg and the Sellers. Terms used herein with initial capitals and not otherwise defined herein shall have the meanings ascribed thereto in the Share Purchase Agreement.

As such counsel, we have participated, together with Gardiner Roberts LLP, counsel to Belzberg, in the preparation of and, where applicable, have examined executed copies of:

- (i) the Share Purchase Agreement; and

- (ii) the employment agreement (the “**Employment Agreement**”) dated as of ●, 2011 between Belzberg and Astaraki.

In connection with this opinion we have also examined and relied upon such corporate, trust and other records of Frontline and the Trust, such certificates of public officials and officers and trustees of Frontline and the Trust, and such other certificates, opinions and documents as we have considered appropriate and necessary to enable us to express the opinions hereinafter set out, copies of which have been delivered to you today, including:

- (a) the articles and by-laws of Frontline;
- (b) the trust deed (the “**Trust Deed**”) of the Trust dated the ● day of December, 2008 between Darya Movahed, as settlor, and Astaraki, Saleemi and Simin Saleemi (collectively, the “**Trustees**”), as the first trustees;
- (c) a certificate of status dated ●, 2011 issued by the Ontario Ministry of Consumer and Business Services in respect of Frontline; and
- (d) a certificate of an officer of Frontline as to certain factual matters.

For the purposes of this opinion, we have assumed that each of the certificates referred to above continues to be accurate as of the date hereof and we relied upon such certificates with respect to the accuracy of the factual matters contained therein and we have not performed any independent check or verification of such factual matters.

In expressing the opinion set forth in paragraph 1 relating to the Corporation, we have relied solely on the document referred to in item (c) above.

In rendering the opinions expressed herein we have assumed:

- (a) the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity with originals of all documents submitted to us as certified, photostatic, notarized or true copies or facsimiles, and the authenticity of the originals of such documents;
- (b) the identity and capacity of all individuals acting or purporting to act as public officials;
- (c) that Belzberg is a corporation incorporated and existing under the laws of its jurisdiction of incorporation, has all necessary power and authority to execute and deliver the Share Purchase Agreement and the Employment Agreement and do all acts and things as required or contemplated to be done thereby, has duly authorized the execution

and delivery of the Share Purchase Agreement and the Employment Agreement and the observance and performance of its obligations thereunder and has duly executed and delivered the Share Purchase Agreement and the Employment Agreement to each of the other parties thereto, and that each of the Share Purchase Agreement and the Employment Agreement constitutes a legal, valid and binding obligation of Belzberg;

- (d) the legal capacity of all individuals;
- (e) the accuracy and completeness of all information provided to us by offices of public record; and
- (f) that all of the Class A Common Shares, Class B Common Shares, Class B Preference Shares and Class A Preference Shares of Frontline which have been issued by Frontline which remain outstanding were fully-paid for in money or in property or past services that is not less than the fair equivalent of the money that Frontline would have received if such shares had been issued for money.

We have also considered such questions of law as we have deemed relevant and necessary as a basis for the opinions hereinafter expressed.

Our opinions are given to you as of the date hereof and we disclaim any obligation to advise you of any change after the date hereof in any matter set forth herein, and we express no opinion as to the effect of any subsequent course of dealing or conduct between the parties referred to herein.

This opinion letter relates exclusively to the Transactions and it is limited to the matters expressly opined on herein and is for the sole use and benefit of the parties to whom it is addressed in connection with the Transactions. Accordingly, it cannot be relied upon by any other person or used in any other transaction nor may copies be delivered to any other person without our prior express written consent.

Our opinions are subject to the following qualifications:

- (a) the validity, binding effect and enforceability of the Share Purchase Agreement and the Employment Agreement may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, winding up, moratorium, or other laws generally affecting the enforceability of creditors' rights;
- (b) the validity, binding effect and enforceability of the Share Purchase Agreement and the Employment Agreement may be limited by general principles of equity, such as the principle that the availability of equitable remedies such as specific performance and injunctive relief is in the discretion of the court and may not be available in

circumstances where damages are considered to be an adequate remedy or where other criteria are not met;

- (c) enforcement of the Share Purchase Agreement and the Employment Agreement may be affected or limited by any collateral agreements or arrangements relating thereto entered into between the parties thereto of which we are not aware;
- (d) an Ontario court may reserve to itself the right to decline jurisdiction in any action relating to the Share Purchase Agreement or the Employment Agreement on the basis that Ontario is an inconvenient forum, notwithstanding any waiver of the right to raise such objection or defence therein;
- (e) the right to exercise any unilateral or unfettered discretion set forth in the Share Purchase Agreement or the Employment Agreement will not prevent an Ontario court from requiring such discretion to be exercised reasonably;
- (f) the costs of and incidental to all proceedings taken in court are in the discretion of such court and the court has full power to determine by whom and to what extent the costs shall be paid;
- (g) no opinion is given as to the enforceability of any term of the Share Purchase Agreement or the Employment Agreement providing that modifications, amendments or waivers are not binding unless in writing;
- (h) an Ontario court may decline to enforce provisions in any document which purport to allow a determination, calculation or certificate of a party thereto as to any matter provided for therein to be final, conclusive or binding upon any other party thereto if such determination is found to be inaccurate on its face or has been reached or made on an arbitrary or fraudulent basis;
- (i) claims may become barred under the *Limitations Act, 2002* (Ontario) or comparable legislation or may be or become the subject of defences of set-off or counter-claim;
- (j) if any provision of the Share Purchase Agreement or the Employment Agreement is held to be void, voidable or unenforceable or inoperative, the severance of any such provision from the provisions of the relevant section or agreement in the manner provided therein specified will be subject to the discretion of a court;

- (k) the *Interest Act* (Canada) may limit the rate of interest which a judgement debt bears;
- (l) an Ontario court has the statutory and inherent power to stay proceedings before it;
- (m) we express no opinion as to any provision of the Share Purchase Agreement or the Employment Agreement which provides for the forfeiture of a deposit or any other property or which provides for a particular payment or calculation of damages upon breach, which may be characterized by a court as an unenforceable penalty;
- (n) a licence or proxy which is expressed to be irrevocable may not be enforceable as such. A power of attorney which is expressed to be irrevocable may not be enforceable as such unless the court considers it to be coupled with a proprietary interest;
- (o) the exercise of rights by the Sellers or Belzberg may be subject to a standard of reasonableness and good faith;
- (p) the court may limit the availability of a remedy under certain circumstances where another remedy has been elected;
- (q) we express no opinion as to compliance with the federal *Personal Information Protection and Electronic Documents Act* or any other privacy laws.
- (r) we express no opinion as to any provision of the Share Purchase Agreement or the Employment Agreement which states that any failure to exercise, or any delay in exercising, any right or remedy shall not operate as a waiver thereof; and
- (s) a waiver of a provision of law may not be effective.

Based and relying solely upon the foregoing, we are of the opinion that:

1. Frontline is a corporation existing under the laws of Ontario, has the corporate power and capacity to carry on the Frontline Business as presently carried on and to own, lease and operate its property and assets;
2. the authorized capital of Frontline consists of an unlimited number of Class A Preference Shares, an unlimited number of Class B Preference Shares, an unlimited number of Class A Common Shares and an unlimited number of Class B Common Shares, of which 80 Class A Common Shares, 20 Class B Shares, 100,000 Class B Preference Shares and 100,000 Class A Preference

Shares are issued and outstanding as fully-paid and non-assessable shares of Frontline;

3. The registered holders of the 80 Class A Common Shares, 20 Class B Shares, 100,000 Class B Preference Shares and 100,000 Class A Preference Shares which are issued and outstanding were, prior to the completion of the sale of such shares to Belzberg pursuant to the Share Purchase Agreement, as follows:
 -
4. Hossein Astaraki, Sima Saleemi and Simin Saleemi are all of the Trustees of the Trust and have been duly appointed and are authorized to act as such.
5. The Trust has been created and is existing as a trust under the laws of the Province of Ontario;
6. Pursuant to the Trust Deed, the Trustees have the power to own the assets of the Trust and to enter into and perform their obligations under the Share Purchase Agreement.
7. All necessary action has been taken in accordance with the Trust Deed to authorize the execution and delivery of the Share Purchase Agreement by Astaraki and Saleemi, in their capacities as Trustees of the Trust, and the performance by Astaraki and Saleemi, in their capacities as Trustees of the Trust, of the obligations of the Trust under the Share Purchase Agreement;
8. All necessary corporate action has been taken by Frontline to authorize the transfer of the Frontline Shares to Belzberg pursuant to the Share Purchase Agreement;
9. The execution and delivery of the Share Purchase Agreement by Astaraki and Saleemi and the performance by Astaraki and Saleemi of their obligations under the Share Purchase Agreement do not and will not conflict with any law, rule or regulation of Canada or of the Province of Ontario applicable to them;
10. The execution and delivery of the Share Purchase Agreement by Astaraki and Saleemi, in their capacities as Trustees of the Trust, and the performance by the Trustees, in their capacities as Trustees of the Trust, of the obligations of the Trust under the Share Purchase Agreement, do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under the Trust Deed, and do not and will not conflict with any law, rule or regulation of Canada or of the Province of Ontario applicable to the Trust or the trustees of the Trust;

11. No authorization, consent, permit or approval of, or other action by, or filing with or notice to, any governmental agency or authority, regulatory body, court, tribunal or other similar entity having jurisdiction is required in connection with the execution and delivery of the Share Purchase Agreement by Astaraki, Saleemi and Astaraki and Saleemi, in their capacities as Trustees of the Trust, the performance by Astaraki and Saleemi of their obligations under the Share Purchase Agreement, the performance by the Trustees, in their capacities as Trustees of the Trust, of the obligations of the Trust under the Share Purchase Agreement, the execution and delivery of the Employment Agreement by Astaraki or the performance by Astaraki of his obligations under the Employment Agreement;
12. The Share Purchase Agreement has been duly executed and delivered by Astaraki and Saleemi, in their capacities as Trustees of the Trust, and constitutes a legal, valid and binding obligation of the Trust, enforceable against each of the Trust and the Trustees in accordance with its terms;
13. the Share Purchase Agreement has been duly executed and delivered by each of Astaraki and Saleemi and constitutes a legal, valid and binding obligation of each of Astaraki and Saleemi enforceable against each of Astaraki and Saleemi in accordance with its terms; and
14. The Employment Agreement has been duly authorized and executed and delivered by Astaraki and constitutes a legal, valid and binding obligation of Astaraki enforceable against Astaraki in accordance with its terms.

Yours very truly,

7870258.1

SCHEDULE 5.2(7)

Opinion of Belzberg's Counsel

SCHEDULE 5.2(7)

OPINION OF BELZBERG'S COUNSEL

[LETTERHEAD OF GARDINER ROBERTS LLP]

●, 2011

Frontline Technologies Corporation
25 Adelaide Street East, Suite 600
Toronto, Ontario M5C 3A1

- and -

Aird & Berlis LLP
Barristers and Solicitors
181 Bay Street, Suite 1800
Toronto, Ontario M5J 2T9

Dear Sirs,

Re: Purchase by Belzberg Technologies Inc. of 80 Class A Common Shares, 20 Class B Common Shares, 100,000 Class B Preference Shares and 100,000 Class A Preference Shares in the capital of Frontline Technologies Corporation from Hoss Astaraki and Sima Saleemi, in their capacities as trustees of the Astaraki-Saleemi Family Trust, Hoss Astaraki and Sima Saleemi

We have acted as counsel to Belzberg Technologies Inc. ("**Belzberg**") in connection with the purchase by Belzberg of 80 Class A Common Shares, 20 Class B Common Shares, 100,000 Class B Preference Shares and 100,000 Class A Preference Shares in the capital of Frontline Technologies Corporation ("**Frontline**") from Hoss Astaraki and Sima Saleemi, in their capacities as trustees of the Astaraki-Saleemi Family Trust (the "**Trust**"), Hoss Astaraki ("**Astaraki**") and Sima Saleemi ("**Saleemi**") (the Trust, Astaraki and Saleemi are referred to collectively herein as the "**Sellers**"), pursuant to the share purchase agreement (the "**Share Purchase Agreement**") made as of February ●, 2011 among Belzberg and the Sellers. Terms used herein with initial capitals and not otherwise defined herein shall have the meanings ascribed thereto in the Share Purchase Agreement.

As such counsel, we have participated, together with Aird & Berlis LLP, counsel to Frontline and the Sellers, in the preparation of and, where applicable, have examined executed copies of:

- (i) the Share Purchase Agreement; and

- (ii) the employment agreement (the "**Employment Agreement**") dated as of ●, 2011 between Belzberg and Astaraki.

In connection with this opinion we have also examined and relied upon such corporate and other records of Belzberg, such certificates of public officials and officers and trustees of Belzberg, and such other certificates, opinions and documents as we have considered appropriate and necessary to enable us to express the opinions hereinafter set out, copies of which have been delivered to you today, including:

- (a) the articles and by-laws of Belzberg;
- (b) a certificate of status dated ●, 2011 issued by the Ontario Ministry of Consumer and Business Services in respect of Belzberg;
- (c) a certificate of an officer of Belzberg as to certain factual matters;
- (d) a letter from the Toronto Stock Exchange (the "**TSX**") dated ●, 2011 (the "**Conditional Acceptance Letter**"); and
- (e) a letter from Valiant Trust Company ("**Valiant**") dated ●, 2011 as to the issued and outstanding common shares in the capital of Belzberg as of February ●, 2011 (the "**Valiant Letter**").

For the purposes of this opinion, we have assumed that each of the certificates referred to above continues to be accurate as of the date hereof and we relied upon such certificates with respect to the accuracy of the factual matters contained therein and we have not performed any independent check or verification of such factual matters.

In expressing the opinion set forth in paragraph 1 relating to Belzberg, we have relied exclusively on the document referred to in item (b) above. In expressing the opinions set forth paragraph 2, we have relied exclusively on the Valiant Letter as to the issued and outstanding common shares in the capital of Belzberg and we have not reviewed the share register of Belzberg or any resolutions of the directors or shareholders of Belzberg for this purpose or made any other independent inquiry. In expressing the opinion set forth in paragraph 7, we have relied exclusively on the Conditional Acceptance Letter.

In rendering the opinions expressed herein we have assumed:

- (a) the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity with originals of all documents submitted to us as certified, photostatic, notarized or true copies or facsimiles, and the authenticity of the originals of such documents;

- (b) the identity and capacity of all individuals acting or purporting to act as public officials;
- (c) that Frontline is a corporation incorporated and existing under the laws of its jurisdiction of incorporation, has all necessary power and authority to execute and deliver the Share Purchase Agreement and do all acts and things as required or contemplated to be done thereby, has duly authorized the execution and delivery of the Share Purchase Agreement and the observance and performance of its obligations thereunder and has duly executed and delivered the Share Purchase Agreement to each of the other parties thereto, and that the Share Purchase Agreement constitutes a legal, valid and binding obligation of Frontline;
- (d) that the Trust has been created and is existing as a trust under the laws of its jurisdiction of formation, all necessary action has been taken in accordance with the trust deed pursuant to which the Trust was formed and is governed to authorize the execution and delivery of the Share Purchase Agreement by Astaraki and Saleemi, in their capacities as Trustees of the Trust, and the observance and the performance by Astaraki and Saleemi, in their capacities as trustees of the Trust, of the obligations of the Trust thereunder, the Share Purchase Agreement has been duly executed and delivered by Astaraki and Saleemi, in their capacities as Trustees of the Trust, and the Share Purchase Agreement constitutes a legal, valid and binding obligation of the Trust and the property and assets of the Trust, enforceable against the Trust and such property and assets in accordance with its terms;
- (e) the Employment Agreement has been duly executed and delivered by Astaraki and constitutes a legal, valid and binding obligation of the Astaraki, enforceable Astaraki in accordance with its terms
- (f) the legal capacity of all individuals;
- (g) the accuracy and completeness of all information provided to us by offices of public record; and
- (h) that all of the common shares in the capital of Belzberg which have been issued by Belzberg which remain outstanding were fully-paid for in money or in property or past services that is not less than the fair equivalent of the money that Belzberg would have received if such shares had been issued for money.

We have also considered such questions of law as we have deemed relevant and necessary as a basis for the opinions hereinafter expressed.

Our opinions are given to you as of the date hereof and we disclaim any obligation to advise you of any change after the date hereof in any matter set forth herein, and we express no opinion as to the effect of any subsequent course of dealing or conduct between the parties referred to herein.

This opinion letter relates exclusively to the Transactions and it is limited to the matters expressly opined on herein and is for the sole use and benefit of the parties to whom it is addressed in connection with the Transactions. Accordingly, it cannot be relied upon by any other person or used in any other transaction nor may copies be delivered to any other person without our prior express written consent.

Our opinions are subject to the following qualifications:

- (a) the validity, binding effect and enforceability of the Share Purchase Agreement and the Employment Agreement may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, winding up, moratorium, or other laws generally affecting the enforceability of creditors' rights;
- (b) the validity, binding effect and enforceability of the Share Purchase Agreement and the Employment Agreement may be limited by general principles of equity, such as the principle that the availability of equitable remedies such as specific performance and injunctive relief is in the discretion of the court and may not be available in circumstances where damages are considered to be an adequate remedy or where other criteria are not met;
- (c) enforcement of the Share Purchase Agreement and the Employment Agreement may be affected or limited by any collateral agreements or arrangements relating thereto entered into between the parties thereto of which we are not aware;
- (d) an Ontario court may reserve to itself the right to decline jurisdiction in any action relating to the Share Purchase Agreement or the Employment Agreement on the basis that Ontario is an inconvenient forum, notwithstanding any waiver of the right to raise such objection or defence therein;
- (e) the right to exercise any unilateral or unfettered discretion set forth in the Share Purchase Agreement or the Employment Agreement will not prevent an Ontario court from requiring such discretion to be exercised reasonably;
- (f) the costs of and incidental to all proceedings taken in court are in the discretion of such court and the court has full power to determine by whom and to what extent the costs shall be paid;

- (g) no opinion is given as to the enforceability of any term of the Share Purchase Agreement or the Employment Agreement providing that modifications, amendments or waivers are not binding unless in writing;
- (h) an Ontario court may decline to enforce provisions in any document which purport to allow a determination, calculation or certificate of a party thereto as to any matter provided for therein to be final, conclusive or binding upon any other party thereto if such determination is found to be inaccurate on its face or has been reached or made on an arbitrary or fraudulent basis;
- (i) claims may become barred under the *Limitations Act, 2002* (Ontario) or comparable legislation or may be or become the subject of defences of set-off or counter-claim;
- (j) if any provision of the Share Purchase Agreement or the Employment Agreement is held to be void, voidable or unenforceable or inoperative, the severance of any such provision from the provisions of the relevant section or agreement in the manner provided therein specified will be subject to the discretion of a court;
- (k) the *Interest Act* (Canada) may limit the rate of interest which a judgement debt bears;
- (l) an Ontario court has the statutory and inherent power to stay proceedings before it;
- (m) we express no opinion as to any provision of the Share Purchase Agreement or the Employment Agreement which provides for the forfeiture of a deposit or any other property or which provides for a particular payment or calculation of damages upon breach, which may be characterized by a court as an unenforceable penalty;
- (n) we express no opinion as to compliance with the *Personal Information Protection and Electronic Documents Act* (Canada) or any other privacy laws;
- (o) a licence or proxy which is expressed to be irrevocable may not be enforceable as such. A power of attorney which is expressed to be irrevocable may not be enforceable as such unless the court considers it to be coupled with a proprietary interest;
- (p) the exercise of rights by the Sellers or Belzberg may be subject to a standard of reasonableness and good faith;

- (q) the court may limit the availability of a remedy under certain circumstances where another remedy has been elected;
- (r) we express no opinion as to any provision of the Share Purchase Agreement or the Employment Agreement which states that any failure to exercise, or any delay in exercising, any right or remedy shall not operate as a waiver thereof; and
- (s) a waiver of a provision of law may not be effective.

Based and relying solely upon the foregoing, we are of the opinion that:

1. Belzberg is a corporation existing under the laws of Ontario, has the corporate power and capacity to carry on the Belzberg Business as presently carried on and to own, lease and operate its property and assets;
2. The authorized capital of Belzberg consists of an unlimited number of common shares and an unlimited number of Class A Restricted Shares, of which 14,637,863 common shares and 7,881,926 Class A Restricted Shares (the "Belzberg Exchange Shares") are issued and outstanding as fully-paid and non-assessable shares of Belzberg;
3. All necessary corporate action has been taken by Belzberg to authorize the issuance of the Belzberg Exchange Shares to the Sellers pursuant to the Share Purchase Agreement;
4. The execution and delivery of the Share Purchase Agreement by Belzberg and the performance by Belzberg of its obligations under the Share Purchase Agreement do not and will not conflict with any law, rule or regulation of Canada or of the Province of Ontario applicable to them;
5. No authorization, consent, permit or approval of, or other action by, or filing with or notice to, any governmental agency or authority, regulatory body, court, tribunal or other similar entity having jurisdiction is required in connection with the execution and delivery of the Share Purchase Agreement and the Employment Agreement by Belzberg or the performance by Belzberg of its obligations under the Share Purchase Agreement or the Employment Agreement;
6. The issuance of the Belzberg Exchange Shares is exempt from the prospectus requirements of the Securities Laws and no prospectus or other document is required to be filed, no proceedings are required to be taken and no approvals, permits, consents, orders or authorizations of any regulatory authority will be required to be obtained by Belzberg under the Securities Laws to permit each such issuance. "Securities Laws" means, collectively, the *Securities Act* (Ontario), the regulations thereto and the blanket rulings,

blanket orders and securities rules (including the national and multilateral instruments adopted as securities rules) of the Ontario Securities Commission;

7. The TSX has conditionally approved the listing thereon of the Belzberg Exchange Shares, subject to Belzberg fulfilling all of the requirements of the TSX as set forth in the Conditional Acceptance Letter;
8. The Share Purchase Agreement has been duly executed and delivered by Belzberg, and constitutes a legal, valid and binding obligation of Belzberg, enforceable against Belzberg in accordance with its terms; and
9. The Employment Agreement has been duly authorized and executed and delivered by Belzberg and constitutes a legal, valid and binding obligation of Belzberg enforceable against Belzberg in accordance with its terms.

Yours very truly,

S:\95\95657\Schedules to SPA\Schedule 5.2(7) - Opinion of Belzberg's Counsel.DOC

SCHEDULE 5.2(8)

Astaraki Employment Agreement

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement ("Agreement") is made and effective this [date], by and between Belzberg Technologies Inc. ("Company") and Hoss Astaraki ("Executive").

THEREFORE, the parties hereto agree as follows:

1. **Terms of Employment.** Company hereby agrees to employ Executive as its Chief Executive Officer and Chairman, at Company's Toronto office and Executive hereby accepts such employment in accordance with the terms of this Agreement.

2. **Compensation.** Executive will receive compensation the following compensation:

A. **Base Salary.** Executive will be paid a base salary of \$250,000.00 per year less applicable statutory deductions, payable in installments according to Company's regular payroll schedule. Executive will be considered for a base salary increase effective January 2012 provided Company maintains a positive cash flow.

B. **Annual Bonus.** Executive will be eligible for a bonus in the range of [redacted] of base salary. This bonus will be based on financial and operational targets; these targets will be determined and mutually agreed upon over the next sixty (60) days. *The specific range of bonus is redacted.

3. **Benefits.**

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

*Disclosure relating to holidays, sick leave, medical and group life insurance, MedCan clinic, parking facility, and other executive benefits is redacted.

4. **Duties of Executive.**

Executive will not, during the term of this Agreement, directly or indirectly engage in any other business, either as an employee, employer, consultant, principal, officer, director, advisor, or in any other capacity, either with or without compensation, without the prior written consent of Company.

5. Termination of Employment.

A. Employment with Company will commence on the Closing Date, as such term is defined in the Share Purchase Agreement entered into between Company, Astaraki-Saleemi Family Trust, the Executive and Sima Saleemi, on the ___ day of February, 2011. This Agreement and Executive's employment may be terminated by Company at its discretion at any time, provided that in such case:

- a) Executive shall be paid a lump sum equal to equal to one (1) year of the then applicable base salary; and
- b) Executive shall be paid a pro rata bonus payment for the number of months worked during the then current Company fiscal year, calculated based on the greater of
 - i) an average of the yearly bonus payments made in prior year(s), and
 - (ii) the actual bonus that would have been paid to Executive had his employment not been terminated.

B. Executive may, for a period of one hundred and eighty (180) days following a change of control of Company, at his discretion, resign from his employment with Company, by providing at least ninety (90) days prior written notice to Company. In such event, Executive shall be entitled to receive from Company the payments set out in section 5 A herein. For purposes of this provision, a "change of control" shall be deemed to have occurred if:

- a) the shareholders of Company approve a definitive agreement for the merger or other business combination of Company with or into another corporation pursuant to which the shareholders of Company do not own, immediately after the transaction, more than fifty percent (50%) of the voting power of the corporation that survives, and the Executive's position or role within the Company is altered; or
- b) the sale, exchange or other disposition of all or substantially all of the assets of Company.

C. Executive may otherwise resign from his employment with Company at his discretion by providing at least ninety (90) days prior written notice to Company. In the event of termination by Executive pursuant to this subsection, Company may immediately relieve Executive of all duties and immediately terminate his employment, provided that Company shall pay Executive through the termination date set out in Executive's original termination notice

- a) the then applicable base salary; and
- b) a pro rata bonus payment calculated as set out in section 5 A b) herein.

D. Company may immediately terminate Executive's employment at any time for cause without notice and without payment in lieu of notice, by written notification to Executive. Cause shall include but limited to any one or more of the following:

- a) theft, dishonesty, or other similar behavior by Executive;
- b) any repeated and demonstrated neglect of duty, misconduct, insubordination or breach of any of the terms hereof on Executive's part in discharging any of his material duties and responsibilities hereunder where Executive fails to substantially remedy the neglect, misconduct, insubordination or breach within a reasonable period of time after receiving written notice from Company; or
- c) any conduct on Executive's part which is materially detrimental or embarrassing to Company, including but not limited to Executive being convicted of an offence punishable by imprisonment under the Criminal Code of Canada and for which a pardon has not been granted.

6. **Non-Competition and Non-Solicitation.** Executive agrees that while employed by Company and for a period of one (1) year thereafter, Executive shall not, directly or indirectly within Canada:

- a) engage in or become a party with an economic interest in any business or undertaking of the type conducted by Company.
- b) render any services of the type outlined in subparagraph a) above, unless such services are rendered as an employee of or consultant to Company.
- c) take advantage of, derive a benefit or otherwise profit from any opportunities belonging to Company to invest in particular businesses, such opportunities that Executive become aware of by reason of his employment.
- d) hire, attempt to hire or assist anyone else to hire employees of Company who were so employed as at the date Executive ceased to be an employee of Company or persons who were so employed during the twelve (12) months prior to Executive ceasing to be an employee of Company or induce or attempt to induce any such employees of Company to leave their employment.

7. **Confidentiality.** Under the terms of this Agreement, Executive will keep confidential all information provided to him by Company in connection with this agreement. All information about Company and its employees will be used solely for the purpose of carrying out the duties and responsibilities described above and will not be disclosed to third parties except with the prior consent of Company. Executive acknowledges that his obligations not to use or disclose Company's information remains in effect following the termination of his employment.

This provision shall not apply to information that is publicly available without breach of this Agreement, which is lawfully obtained by Executive from a third party who has a legal right to disclose it, or that is required to be disclosed by law.

8. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. Each of the parties agrees to atorn to the jurisdiction of the courts of the Province of Ontario for the purposes of this Agreement.

9. **Final Agreement.** This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement constitutes the entire agreement between Company and Executive and sets out all employment terms and conditions. This Agreement may only be amended by the express written consent of both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Employment Agreement on this day ____ of _____, 2011.

HOSS ASTARAKI
(Executive)

BELZBERG TECHNOLOGIES INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE 5.2(11)

Belzberg Form of Articles of Amendment

- (A) To change the name of the Corporation to Frontline Technologies Inc.
- (B) To increase the authorized capital of the Corporation by creating an unlimited number of Class A Restricted Shares and to provide that the rights, privileges, restrictions and conditions attaching to the Common Shares and the Class A Restricted Shares are as follows:

Common Shares and Class A Restricted Shares

1. Dividends

1.1 Subject to the prior rights of the holders any shares of the Corporation ranking prior to the Common Shares with respect to priority in payment of dividends, the holders of the Common Shares shall be entitled to receive dividends and the Corporation shall pay dividends thereon, as and when declared by the board of directors of the Corporation, out of assets properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine. Cheques of the Corporation payable at par at any branch of the Corporation's bankers for the time being in Canada shall be issued in respect of any such dividends payable in cash (less any tax required to be withheld by the Corporation). The forwarding by prepaid mail or delivering of such a cheque to a holder of Common Shares at his address as it appears on the books of the Corporation shall satisfy such dividends to the extent of the sum represented thereby (plus the amount of any tax deducted as aforesaid) unless such cheque is not paid on presentation. Dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remains unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation. The holders of the Class A Restricted Shares shall not be entitled to receive dividends.

2. Dissolution

2.1 In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purposes of winding-up its affairs, the holders of the Class A Restricted Shares shall not be entitled to receive any payment until the aggregate amount distributed to the holders of the Common Shares in the event of such liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of assets of the Corporation among its shareholders for the purposes of winding-up its affairs, together with the aggregate of any dividends or other distributions paid to the holders of the Common Shares on or after February 9, 2011, is at least equal to the USBD Sale Distribution as defined in and determined pursuant to the terms of the share purchase agreement (the "Share Purchase Agreement") made as of February 9, 2011 among the Corporation, Hoss Astaraki and Sima Saleemi, in their capacities as trustees of the Astaraki-Saleemi Family Trust, Hoss Astaraki and Sima Saleemi, and, thereafter, the holders of the Class A Restricted Shares and the holders of the Common Shares shall be entitled to share rateably on such liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of assets of the Corporation among its shareholders for the purposes of winding-up its affairs.

3. Voting Rights

3.1 The holders of the Common Shares and the holders of the Class A Restricted Shares shall be entitled to receive notice of, attend and vote all meetings of the shareholders of the Corporation, except any meetings at which only holders of a specified class or series of shares of the Corporation are entitled to vote separately as a class or series. Each Common Share and each Class A Restricted Shares shall entitle the holder thereof to one vote for each such share held.

4. Conversion

4.1 Each Class A Restricted Share shall automatically be converted into one Common Share immediately upon the aggregate of any dividends or other distributions paid to the holders of the Common Shares on or after February 9, 2011 equalling or exceeding the amount of the USBD Sale Distribution as defined in and determined pursuant to the terms of the Share Purchase Agreement.

5. Subdivision or consolidation

5.1 Neither the Common Shares nor the Class A Restricted Shares shall be subdivided, consolidated, reclassified or otherwise changed unless contemporaneously therewith each such other class of shares is subdivided, consolidated, reclassified or otherwise changed in the same proportion and in the same manner.

(C) To declare that after giving effect to the foregoing, the authorized capital of the Corporation shall consist of an unlimited number of Common Shares and an unlimited number of Class A Restricted Shares.

6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.
7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

(Year, Month, Day)
(année, mois, jour)

These articles are signed in duplicate
Les présents statuts sont signés en double exemplaire

BELZBERG TECHNOLOGIES INC.

(Print name of corporation from Article 1 on page 1)
(Veuillez écrire le nom de la société de l'article un à la page une).

By/
Par:

(Signature)
(Signature)

(Description of Office)
(Fonction)