ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement"), is entered into as of April 22, 2003 and is effective as of April 1, 2003, by and among Workforce Logistics Inc., a Delaware corporation ("Seller"), Schedulebrain Inc., a corporation organized under the laws of Ontario, Canada ("Purchaser"), and Workbrain Corporation, a corporation organized under the laws of Ontario, Canada and the ultimate parent company of Purchaser ("Workbrain").

RECITALS

A. Seller is engaged in the business of developing, marketing and selling web-based solutions for enterprise-wide workforce management, including implementation, integration, education, support and maintenance.

B. Purchaser wishes to purchase from Seller, and Seller wishes to sell to Purchaser, all of the assets, properties and rights of Seller (other than the Excluded Assets), subject to the Assumed Liabilities, upon the terms and conditions of this Agreement.

Accordingly, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere herein, the following terms, as used herein, have the following meanings when used herein with initial capital letters:

"Accounts" has the meaning ascribed to such term in Section 3.1(a)(i).

"Accounts Receivable" has the meaning ascribed to such term in Section 2.1(a)(vi).

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with the first Person on or after the date of this Agreement, and, if such first Person is an individual, any member of the immediate family (including parents, spouse and children) of such individual and any trust whose principal beneficiary is such individual or one or more members of such immediate family and any Person who is controlled by any such member or trust. For the purposes of this Agreement, "control," when used with respect to any Person, means the possession, directly or indirectly, of the power to (a) vote 50% or more of the securities having ordinary voting power for the election of directors (or comparable positions) of such Person or (b) direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" means this Asset Purchase Agreement, as the same may be amended from time to time in accordance with the terms hereof.

"Ancillary Documents" means the Closing Payment Notes, the Escrow Payment Notes, the Employment Agreement, the Indemnification Agreement, the Non-Competition and Non-Solicitation Agreement and the Escrow Agreement and all other instruments, certificates, bills of sale and other agreements, including without limitation, the assignment of all Intellectual Property Rights of Seller, entered into by Seller in connection with the consummation of the transactions contemplated by this Agreement.

"Assigned Contracts" has the meaning ascribed to such term in Section 2.1(a)(v).

"Assumed Liabilities" has the meaning ascribed to such term in Section 3.1(b).

"Balance Sheet Date" means March 31, 2003.

"Benefit Plans" means any employee benefit plan within the meaning of Section 3(3) of ERISA, and any other plan, program, agreement, arrangement, policy, contract, commitment or scheme, written or oral, statutory or contractual of Seller, including, but not limited to, any deferred compensation agreement, executive compensation, bonus, incentive or severance pay plan, any life, health, disability or accident insurance plan or any cafeteria plan or any holiday or vacation practice under which employees or former employees of Seller are eligible to participate or derive a benefit and as to which Seller has or in the future could have any direct or indirect actual or contingent liability.

"Bonuses" has the meaning ascribed to such term in Section 6.21(f).

"Business" means the business of Seller as currently conducted.

"Business Day" means a day that is not a Saturday, Sunday or a day on which commercial banking institutions located in New York City, New York or Toronto, Ontario, Canada are authorized or required to close.

"Canadian Subsidiary" means Workforce Logistics (Canada) Inc., a corporation incorporated under the laws of Ontario, Canada, and a subsidiary of Seller.

"Capitalized Lease Obligations" means, for any applicable period, the obligations of such Person that are required to be classified and accounted for as capital lease obligations under GAAP, together with all obligations to make termination payments under such capitalized lease obligations.

"Capital Stock" means (a) with respect to any Person that is a corporation, any and all shares, interests, participation or other equivalents (however designated and whether or not voting) of capital stock, including the common stock of such Person and (b) with respect to any Person that is not a corporation, any and all partnership or other equity interests of such Person.

"Cash and Cash Equivalents" means all available cash and cash equivalents of Seller, including marketable securities.

"Closing" has the meaning ascribed to such term in Section 5.1.

"Closing Date" has the meaning ascribed to such term in Section 5.1.

"Closing Payment Notes" has the meaning ascribed to such term in Section 4.1(b)(i).

"Code" means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

"Computer Program" means (i) any and all computer programs (consisting of sets of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result), including, without limitation all source code and object code, and related documentation, (ii) all associated data and compilations of data, regardless of their form or embodiment, and (iii) all descriptions, flow charts and other work product used to design, plan, organize and develop any of the foregoing.

"Contracts" has the meaning ascribed to such term in Section 6.11(a).

"Covenant Period" means the period commencing on the date of this Agreement and terminating on the expiration of the three-year anniversary of the Effective Date.

"Damages" has the meaning ascribed to such term in Section 10.2(a).

"Direct Claim" has the meaning ascribed to such term in Section 10.3(c).

"Effective Date" has the meaning ascribed to such term in Section 5.1.

"Employment Agreement" means the Employment Agreement to be entered into at Closing between Schedulebrain Ltd. and Ken O'Brien, substantially in the form attached hereto as Exhibit F.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor thereto.

"Escrow Agent" has the meaning ascribed to such term in Section 4.1(b)(ii).

"Escrow Agreement" means the Escrow Agreement among Purchaser, Seller and Escrow Agent, substantially in the form attached hereto as Exhibit G.

"Escrow Payment Notes" has the meaning ascribed to such term in Section 4.1(b)(ii).

"Escrow Period" has the meaning ascribed to such term in Section 4.1(b)(ii).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Excluded Assets" has the meaning ascribed to such term in Section 2.2.

"GAAP" means U.S. generally accepted accounting principles, consistently applied.

"Governmental Authority" means any domestic or foreign governmental or regulatory agency, authority, bureau, commission, department, official or similar body or instrumentality thereof, or any governmental court, arbitral tribunal or other body administering alternative dispute resolution.

"Indebtedness" means with respect to any Person, at any date, without duplication, (a) all obligations of such Person for borrowed money, including, without limitation, all principal, interest, premiums, fees, expenses, overdrafts and penalties with respect thereto, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade payables incurred in the Ordinary Course of Business, (d) all obligations of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit or similar instrument, (e) all Capitalized Lease Obligations, (f) all other obligations of a Person which would be required to be shown as indebtedness on a balance sheet of such Person prepared in accordance with GAAP, and (g) all indebtedness of any other Person of the type referred to in clauses (a) to (f) above directly or indirectly guaranteed by such Person or secured by any assets of such Person, whether or not such Indebtedness has been assumed by such Person.

"Indemnification Agreement" means the Indemnification Agreement between Workbrain and Kenneth O'Brien, substantially in the form attached hereto as Exhibit J.

"Indemnified Party" has the meaning ascribed to such term in Section 10.3(a).

"Indemnifying Party" has the meaning ascribed to such term in Section 10.3(a).

"Intellectual Property Right" means all of the following: (i) patents, patent applications, patent disclosures and all related continuation, continuation-in-part, divisional, reissue, re-examination, utility, model, certificate of invention and design patents, patent applications, registrations and applications for registrations, (ii) trademarks, service marks, trade dress, logos, tradenames, service names and corporate names and registrations and applications for registration thereof, (iii) copyrights and registrations and applications for registration thereof, (iv) mask works and registrations and applications for registration thereof, (v) trade secrets and confidential business information, whether patentable or nonpatentable and whether or not reduced to practice, know-how, manufacturing and product processes and techniques, research and development information, copyrightable works, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information, (vi) Computer Programs, (vii) other proprietary rights relating to any of the foregoing (including without limitation associated goodwill and remedies against infringements thereof and rights of protection of an interest therein under the laws of all jurisdictions) and (viii) copies and tangible embodiments thereof.

"IRS" means the Internal Revenue Service.

"Law" means any foreign, federal, state or local statute, law, rule, regulation, ordinance, code, permit, license, policy or rule of common law.

"Lien" means, with respect to any property or asset, any mortgage, lien, pledge, charge, security interest, encumbrance or other adverse claim of any kind in respect of such property or asset. For the purposes of this Agreement, a Person will be deemed to own, subject to a Lien, any property or asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such property or asset.

"Material Adverse Effect" means a material adverse effect on the business, assets, liabilities, condition (financial and other), results of operations or prospects of the Person to which such phrase relates, but shall not include changes resulting from general economic conditions or world events.

"Non-Competition and Non-Solicitation Agreement" means the Non-Competition and Non-Solicitation Agreement to be entered into at Closing between Purchaser and Ken O'Brien, substantially in the form attached hereto as Exhibit H.

"Order" means any judgment, injunction, judicial or administrative order or decree.

"Ordinary Course of Business" means, with respect to any Person, the ordinary course of business of such Person, consistent in all material respects with such Person's past practice and custom.

"Permit" has the meaning ascribed to such term in Section 6.14(b).

"Permitted Lien" means (a) materialmen's, mechanics', workmen's, carriers', repairmen's or other like Liens arising or incurred in the Ordinary Course of Business in respect of obligations that are not overdue, (b) statutory liens for Taxes, assessments and other similar governmental charges that are not overdue, or (c) Liens that arise under zoning, land use and other similar imperfections of title that arise in the Ordinary Course of Business and that, in the aggregate, do not materially affect the value, use or marketability of the property subject thereto.

"Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust or other entity or organization or Governmental Authority.

"Purchase Price" has the meaning ascribed to such term in Section 4.1(a).

"Purchased Assets" has the meaning ascribed to such term in Section 2.1(a).

"Purchaser" has the meaning ascribed to such term in the introductory paragraph of this Agreement.

"Real Property" has the meaning ascribed to such term in Section 6.15(b).

"Reference Balance Sheet" means the balance sheet of Seller as of March 31, 2003 and contained in the Reference Financial Statements.

"Reference Financial Statements" means the balance sheet of Seller as of March 31, 2003, together with the related statement of income, retained earnings and cash flows for the period then ended, attached hereto as Exhibit A.

"Retained Liabilities" has the meaning ascribed to such term in Section 3.2(b).

"Schedulebrain Ltd." means Schedulebrain, Ltd., a Delaware corporation and an Affiliate of Purchaser.

"Securities Act" means the U.S. Securities Act of 1933, as amended.

"Selected Purchaser Representations and Warranties" means the representations and warranties contained in Sections 7.1 (Corporate Existence and Power), 7.2 (Corporate Authorization; Enforceability), 7.3 (Governmental Authorization) and 7.4 (Non-Contravention).

"Seller" has the meaning ascribed to such term in the introductory paragraph of this Agreement.

"Seller Software" means the Computer Programs (other than off-the-shelf Computer Programs) owned, designed, developed, licensed or otherwise used by Seller and/or the Canadian Subsidiary in connection with the operation of their business as currently conducted or proposed to be conducted, including (without limitation) the Software listed in Schedule 1.1.

"Software Contracts" has the meaning ascribed to such term in Section 6.16(b)(i).

"Subsidiary" means, with respect to any Person, (a) any corporation 50% or more of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person, directly or indirectly through Subsidiaries, and (b) any partnership, limited liability company, association, joint venture, trust or other entity in which such Person, directly or indirectly through Subsidiaries, is either a general partner, has a 50% or greater equity interest at the time or otherwise owns a controlling interest.

"Tax" means (a) any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental or windfall profit tax, custom, duty or other tax, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest, penalty, addition to tax or additional amount imposed by any Taxing Authority, (b) any liability for the payment of any amounts of any of the foregoing types as a result of being a member of an affiliated, consolidated, combined or unitary group, or being a party to any agreement or arrangement whereby liability for payment of such amounts was determined or taken into account with reference to the liability of any other Person, and (c) any liability for the payment of any amounts as a result of being a party to any Tax-Sharing Agreements or with respect to the payment of any amounts of any of the foregoing types as a result of any express or implied obligation to indemnify any other Person with respect to Taxes.

"Tax Return" means all returns, statements, reports and forms (including estimated Tax or information returns) with respect to any Tax.

"Tax-Sharing Agreements" means all existing and binding Tax-sharing agreements or arrangements (whether or not written).

"Taxing Authority" means any Governmental Authority having jurisdiction over the assessment, determination, collection or other imposition of any Tax.

"Third-Party Claim" means any claim, demand, action, suit or proceeding made or brought by any Person who or which is not a party to this Agreement or who or which is not an Affiliate of any party to this Agreement.

"Transfer" has the meaning ascribed to such term in Section 2.1(a).

"Transferred Employees" has the meaning ascribed to such term in Section 8.2.

"UCC" means the Uniform Commercial Code, as amended from time to time.

"Workbrain" has the meaning ascribed to such term in the introductory paragraph of this Agreement.

ARTICLE II

SALE AND PURCHASE OF ASSETS

2.1 Purchased Assets.

(a) At the Closing, Seller will sell, assign, transfer, convey and deliver ("Transfer"), free and clear of all Liens (except Permitted Liens), whether legal or equitable, to Purchaser, or a subsidiary or Affiliate of Purchaser designated by Purchaser, including, without limitation, Schedulebrain Ltd., and Purchaser (and/or such designee) will purchase and accept from Seller on the terms and subject to the conditions hereinafter set forth, all of the assets, properties, rights and interests of Seller to the extent existing as of the Closing Date, other than the Excluded Assets (all of such Transferred assets, properties, rights and interests being hereinafter collectively referred to as the "Purchased Assets"), including but not limited to, all right, title and interest of Seller in:

(i) those assets, properties, rights and interests reflected on the Reference Balance Sheet, except as set out in Schedule 2.1(i);

(ii) the lease of real property described in Schedule 6.15, together with all rights thereunder to all leasehold improvements thereon and all easements, rights-of-way, transferable licenses and permits and other appurtenances thereof;

(iii) all equipment, computer hardware, supplies, furniture, furnishings, vehicles and other tangible personal property owned or leased or otherwise, wherever located, by Seller in the conduct of the Business;

(iv) all raw materials and inventories, wherever located, including inventories of work-in-process, stores and supplies used or held for use by Seller in connection with the conduct of the Business;

(v) all Contracts, including, without limitation, those Contracts set forth or required to be set forth in Schedule 6.11 (other than to the extent that such contracts relate to Retained Liabilities or Excluded Assets), commitments, leases, purchase orders, contracts for services and supplies, contracts to supply or sell products and all of the other agreements (whether written or oral) of Seller relating to the Business other than those Contracts that are Excluded Assets (collectively, the "Assigned Contracts");

(vi) all accounts and notes receivable (including billed and unbilled) of Seller relating to the conduct of the Business ("Accounts Receivable");

(vii) all Cash and Cash Equivalents;

(viii) all Intellectual Property Rights of Seller, including, without limitation, the rights, property and interests set forth or required to be set forth in Schedule 6.16;

(ix) all transferable licenses, Permits, registrations, and authorizations used or held for use by Seller in the conduct of the Business;

(x) all books and records of Seller relating to the Purchased Assets and the Assumed Liabilities, including, without limitation, all customer and supplier files and lists, sales information, equipment maintenance and warranty information, operating manuals, all correspondence with any customers, suppliers, employees or Governmental Authority, all personnel records related to the Transferred Employees, and any other reports, promotional materials, marketing studies, plans and documents prepared by or on behalf of Seller related to the Business, including, without limitation, data stored electronically;

(xi) except as described in Section 2.2(a), all prepaid claims, prepaid insurance premiums and other prepaid expense items and deferred charges, credits, advance payments, security and other deposits made by Seller to any other Person relating to the conduct of the Business;

(xii) all surety or similar bonds and third-party indemnities (other than insurance policies) where Seller is an indemnified party and the proceeds and coverages afforded thereby, in each case other than to the extent relating to the Retained Liabilities or Excluded Assets;

(xiii) all rights of Seller to manufacturers' warranties and indemnities with respect to any Purchased Asset;

(xiv) the right to use the names set forth in Schedule 2.1(a)(xiv), and all variants thereof;

(xv) the goodwill of Seller;

(xvi) to the extent transferable, telephone numbers and facsimile numbers (together with all other similar numbers), electronic mail addresses and web sites, in each case, used or held for use by Seller in the conduct of the Business;

(xvii) all rights of Seller pertaining to any causes of action, lawsuits, judgments, claims, demands, counterclaims, set-offs or defenses Seller may have with respect to the Assumed Liabilities or any of the Purchased Assets, except to the extent relating to the Retained Liabilities or Excluded Assets;

(xviii) all the shares of the Canadian Subsidiary; and

(xix) all other assets, properties and rights of every kind and nature owned or held by Seller or in which Seller has an interest on the Closing Date, known or unknown, fixed or unfixed, accrued, absolute, contingent or otherwise, whether or not specifically referred to in this Agreement, that, in each case, relate to the Business.

(b) In confirmation of the foregoing sale, assignment and transfer, Seller will execute and deliver to Purchaser at the Closing such bills of sale and other instruments of assignment and Transfer as Purchaser may reasonably deem necessary or desirable.

2.2 Excluded Assets. Anything in this Agreement to the contrary notwithstanding, the following assets of Seller (the "Excluded Assets") are being retained by Seller and will not be included in the Purchased Assets:

(a) prepaid federal income Tax deposits;

(b) all books and records of Seller relating to the Excluded Assets or Retained Liabilities, all minute books, stock books and all personnel records and other records that Seller is required by law to retain in its possession (provided that if and to the extent Seller is required by law to retain any books or records relating to Purchased Assets, Assumed Liabilities or Transferred Employees, copies thereof shall be included in the Purchased Assets to comply with the requirements of Section 2.1(a)(x));

(c) all rights of Seller pertaining to any causes of action, lawsuits, judgments, claims, demands, counterclaims, set-offs or defenses Seller may have with respect to the Retained Liabilities or any of the Excluded Assets; and

(d) all insurance policies and rights thereunder, except to the extent specified in Section 2.1(a)(xi).

(e) the rights of Seller under this Agreement and under the Ancillary Documents and the proceeds payable to Seller pursuant to this Agreement.

2.3 Nonassignable Contracts, Leases and Permits. In the case of any Purchased Assets constituting contracts, leases or Permits that are not by their terms assignable or that require the consent of a third party in connection with the Transfer by Seller, Seller will use its best efforts to obtain or cause to be obtained in writing prior to the Closing Date any consents necessary to convey the benefits thereof; provided that Seller shall not be required to expend any money in connection with the procurement of such consents. Purchaser will assist Seller in such manner as may be reasonably requested in connection therewith; provided that such assistance will not be deemed to require any expenditure of money on the part of Purchaser, whether before or after the Closing Date. If the consent of any third party is not obtained prior to the Closing Date and Purchaser agrees, after receiving written notice of such failure from Seller, to complete the transaction notwithstanding the failure to obtain such consent, Seller will use its best efforts to assist Purchaser to obtain such consent promptly thereafter; provided that Seller shall not be required to expend any money in connection with the procurement of such consents. During such period in which the applicable contract, lease or Permit is not capable of being assigned to Purchaser due to the failure to obtain any required consent, Seller will make such arrangements as may be necessary to enable Purchaser to receive all the economic benefits under such contract, lease or Permit accruing on and after the Effective Date (including through a sub-contracting, sub-licensing, sub-participation or sub-leasing arrangement, or an arrangement under which Seller would enforce such Contract, lease or Permit for the benefit of Purchaser, with Purchaser, to the extent permissible, assuming Seller's executory obligations and any and all rights of Seller against the other party thereto or if Purchaser is unable to assume Seller's executory obligations, Purchaser shall provide such financial assistance to Seller in order to put Seller in the same economic position). If the approval of the other party to such Contract, lease or Permit is obtained, such approval will, as between Seller and Purchaser, constitute a confirmation (automatically and without further action of the parties) that such Contract, lease or Permit is assigned to Purchaser as of the Effective Date, and (automatically and without further action of the parties) that the liabilities with respect to such Contract, lease or Permit are assumed as of the Effective Date.

ARTICLE III

ASSUMPTION OF LIABILITIES

3.1 Liabilities Assumed by Purchaser.

(a) Subject to Section 3.2, at the Closing, Purchaser, or a subsidiary or Affiliate of Purchaser designated by Purchaser, including without limitation, Schedulebrain Ltd., will assume, as of the Closing Date, and will subsequently pay, honor and discharge when due and payable and otherwise in accordance with their terms, the following liabilities and obligations of Seller to the extent existing on the Closing Date (other than the Retained Liabilities):

(i) all accounts payable, accrued expenses and withholdings ("Accounts") of Seller, provided such Accounts are specifically listed in the Reference Financial Statements or specifically agreed to in writing by Purchaser;

(ii) all liabilities and obligations of Seller under the Assigned Contracts which are to be performed on or after the Effective Date, provided that the existence of such Contract does not constitute a breach of any representation, warranty or covenant of Seller under this Agreement, but not including any undisclosed liabilities and obligations thereunder that relate to a breach by Seller of any of the terms and conditions of any such Contracts prior to the Effective Date (including, without limitation, any undisclosed breach of any limitation on the assignment or delegation thereof);

(iii) an aggregate of US $90,000 of legal fees of Kelley Drye & Warren LLP, counsel to Seller, incurred by Seller in connection with the negotiation and documentation of the transactions between Seller and Purchaser described herein and associated herewith; and

(iv) any liability or obligation of Seller up to a maximum of US $15,000 for sales tax and to a maximum US $87,000 for United States federal, state and local alternative minimum tax (imposed by section 55 of the Code), in each case resulting directly from the Transfer of the Purchased Assets by Seller to Purchaser and the assumption of the Assumed Liabilities by Purchaser hereunder, provided that Seller shall submit for Purchaser's review and approval (which shall not be unreasonably withheld or delayed) and comment before filing those sales and income Tax Returns that reflect such sales and income Tax.

(b) The liabilities to be assumed by Purchaser pursuant to Section 3.1(a) are hereinafter sometimes collectively referred to as "Assumed Liabilities."

3.2 Liabilities Not Assumed by Purchaser.

(a) Anything in this Agreement to the contrary notwithstanding, Purchaser will not assume, cause to be assumed or be deemed to have assumed, or in any way be liable or responsible for, any liabilities or obligations of Seller, except as specifically provided in Section 3.1(a). Without limiting the generality or effect of the foregoing, Purchaser will not assume the following:

(i) except as provided in Section 3.1(a)(iii), any liability or obligation of Seller arising out of or in connection with the negotiation and preparation of this Agreement or any Ancillary Document and the consummation and performance of the transactions contemplated hereby;

(ii) any liability or obligation of Seller for Indebtedness (including accrued interest), including without limitation Indebtedness under any convertible promissory notes issued by Seller;

(iii) liability for the defense of and liability (if any) in respect of all claims (other than claims which constitute Assumed Liabilities) arising out of Seller's operation of the Business prior to the Effective Date (irrespective of whether any such claim was made before, on or after the Effective Date);

(iv) except as provided in Section 3.1(a)(iv), any liability or obligation of Seller with respect to any federal, state, local or foreign Taxes, provided, however, for the avoidance of doubt, that sales Tax liability with respect to Accounts Receivable shall not be considered a liability of Seller, and Purchaser shall be liable with respect to any such sales Tax liability.

(v) all liabilities or obligations of Seller with respect to any employee of Seller that is not a Transferred Employee, including with respect to wages, salaries, bonus, vacation, severance or other compensation or pursuant to any Benefit Plan and any liabilities of Seller with respect to a Transferred Employee that is not governed by the employment contract between Purchaser and such Transferred Employee;

(vi) all liabilities or obligations of Seller relating to any actual or alleged personal injury, discrimination, wrongful discharge, unfair labor practice or other similar claim or cause of action to the extent arising out of or relating to facts or circumstances existing on or prior to the Effective Date but which occurred prior to the Effective Date or Seller's operation of the Business prior to the Effective Date;

(vii) all liabilities and obligations related to the Business which should have been, but were not, reflected, reserved against or otherwise disclosed on the Reference Financial Statements;

(viii) any liability or obligation of Seller incurred in breach of this Agreement or any of the Ancillary Documents; and

(ix) all claims, liabilities and obligations with respect to the Excluded Assets (irrespective of whether such liabilities or obligations arise before, on or after the Effective Date).

(b) All liabilities or obligations of Seller other than Assumed Liabilities are hereinafter sometimes collectively referred to as the "Retained Liabilities."

ARTICLE IV

PURCHASE PRICE AND CLOSING PAYMENTS

4.1 Purchase Price.

(a) The aggregate purchase price (the "Purchase Price") to be paid by Purchaser to Seller in consideration for the Transfer of the Purchased Assets by Seller to Purchaser is US $3,300,000. The Purchase Price shall be paid as set forth in Section 4.1(b) below.

(b) (i) At the Closing, Purchaser shall deliver one or more promissory notes in the aggregate principal amount of US $2,900,000, substantially in the form attached hereto as Exhibit B (the "Closing Payment Notes"), to Seller.

(ii) At the Closing, Purchaser shall deliver one or more promissory notes in the aggregate principal amount of US $400,000, substantially in the forms attached hereto as Exhibit C (the "Escrow Payment Notes"), to Goodman and Carr LLP, as escrow agent ("Escrow Agent"), to be held in escrow by Escrow Agent for a period of one (1) year following the Closing (the "Escrow Period") in accordance with the terms of the Escrow Agreement.

4.2 Allocation of Purchase Price. Purchaser and Seller agree that (i) the sum of the aggregate Purchase Price plus the Assumed Liabilities will be allocated among the Purchased Assets as set forth in Exhibit D, which will be amended as required to reflect any changes in the Purchase Price in accordance with Section 10.4, (ii) they will file all Tax returns and related forms (including, without limitation, Form 8594) in accordance with Exhibit D and (iii) will not make any statement or take any position inconsistent with the allocation arrived at in accordance with this Section 4.2 on any Tax returns, in any refund claim or during the course of any IRS or other tax audit. Each party will notify the other party if it receives notice that the IRS proposes any allocation that is different from the allocation as set forth in Exhibit D.

ARTICLE V

CLOSING AND CLOSING DELIVERIES

5.1 The Closing. The closing of the sale and purchase of the Purchased Assets and the assumption of the Assumed Liabilities (the "Closing") shall take place at the offices of Jones Day, 222 East 41st Street, New York, New York 10017, at 10:00 a.m., local time. The Closing shall occur on the date of this Agreement (the "Closing Date"). Notwithstanding the date of the Closing, the date and time upon which the Closing shall be given effect for all purposes shall be the commencement of business on April 1, 2003, herein called the "Effective Date."

5.2 Deliveries of Seller. At the Closing, Seller will deliver or cause to be delivered to Purchaser:

(a) such instruments of assignment, assumption and Transfer as Purchaser may deem necessary or desirable to Transfer any of the Purchased Assets, duly executed by Seller;

(b) a certificate of Seller's Secretary certifying as to Seller's Certificate of Incorporation, Bylaws or other comparable documents and to the due adoption of resolutions adopted by its Board of Directors authorizing the execution of this Agreement and each Ancillary Document to which it will be a party at Closing and the taking of any and all actions deemed necessary or advisable to consummate the transactions contemplated herein and therein;

(c) the opinion of Kelley Drye & Warren LLP, counsel to Seller, dated as of the Closing Date, substantially in the form attached hereto as Exhibit E;

(d) evidence or copies of any consents, approvals, orders, qualifications or waivers required by any third party or Governmental Authority to consummate the transactions contemplated by this Agreement;

(e) a copy of an unfiled Certificate of Amendment of Seller's Certificate of Incorporation, dated as of the Closing Date, changing Seller's name to "XWLI Inc.";

(f) each Ancillary Document required to be duly executed and delivered by parties other than Purchaser or its Affiliates;

(g) evidence of the termination of all Liens, other than Permitted Liens, on the Purchased Assets and of the filing of UCC termination statements with respect to any UCC financing statements effecting any of the Purchased Assets;

(h) a non-foreign person affidavit as required by Section 1445 of the Code substantially in the form attached hereto as Exhibit I; and

(i) such other documents and instruments as may be reasonably required to consummate the transactions contemplated by this Agreement and the Ancillary Documents and to comply with the terms hereof and thereof.

5.3 Deliveries by Purchaser. At the Closing, Purchaser will deliver or cause to be delivered:

(a) the Closing Payment Notes to the Seller;

(b) the Escrow Payment Notes to the Escrow Agent to be held in escrow in accordance with the terms of the Escrow Agreement;

(c) a certificate of Purchaser's Secretary to Seller certifying as to Purchaser's Certificate of Incorporation, Bylaws or other comparable documents and to the due adoption of resolutions adopted by its Board of Directors authorizing the execution of this Agreement and each Ancillary Document to which it will be a party at Closing and the taking of any and all actions deemed necessary or advisable to consummate the transactions contemplated herein and therein;

(d) to Seller, the opinions of Goodman and Carr LLP, counsel to Purchaser and Workbrain, dated the Effective Date, substantially in the forms attached hereto as Exhibits K and L, respectively;

(e) such instruments of assumption as Seller may deem necessary or desirable, duly executed by Purchaser to Seller;

(f) each Ancillary Document required to be duly executed and delivered by Purchaser or its Affiliates to Seller; and

(g) such other documents and instruments as may be reasonably required to consummate the transactions contemplated by this Agreement and the Ancillary Documents and to comply with the terms hereof and thereof.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Purchaser as of the Effective Date and as of the Closing Date as follows:

6.1 Corporate Existence and Power. Seller is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. Seller has all corporate power and all material governmental licenses, authorizations, Permits, consents and approvals required to carry on its business as now conducted. Seller is duly qualified to conduct business as a foreign corporation and is in good standing in each jurisdiction where such qualification is necessary, except for those jurisdictions where the failure to be so qualified or in good standing would not, individually or in the aggregate, have a Material Adverse Effect. Seller has heretofore delivered to Purchaser true and complete copies of the Certificate of Incorporation and Bylaws of Seller, in each case as amended to date.

6.2 Corporate Authorization; Enforceability. The execution, delivery and performance by Seller of this Agreement and each of the Ancillary Documents to which it will be a party at the Closing are, and will be at the Closing, within Seller's corporate powers and have been duly authorized by the Board of Directors and have been or, prior to the Closing Date, will have been duly authorized by the stockholders of Seller (by a majority thereof) and no other corporate action on the part of Seller is necessary to authorize the execution, delivery and performance of this Agreement or any of the Ancillary Documents to which Seller will be a party at the Closing. This Agreement has been, and each of the Ancillary Documents to which Seller will be a party at the Closing will have been, duly executed and delivered by Seller. This Agreement constitutes, and each Ancillary Document to which Seller will be a party at the Closing will constitute at the Closing, assuming this Agreement and the Ancillary Documents constitute valid and binding obligations of Purchaser, Workbrain and Schedulebrain Ltd., valid and binding agreements of Seller, enforceable against Seller in accordance with their terms, except to the extent that their enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (regardless whether such enforceability is considered in a proceeding in equity or at law).

6.3 Governmental Authorization. Except as described in Schedule 6.3, the execution, delivery and performance by Seller of this Agreement and each Ancillary Document to which Seller will be a party at the Closing require no consent, approval, order, authorization or action by or in respect of, or filing with, any Governmental Authority.

6.4 Non-Contravention; Consents. Except as disclosed in Schedule 6.4, the execution, delivery and performance by Seller of this Agreement and each Ancillary Document to which Seller will be a party at the Closing do not and will not at the Closing (a) violate the Certificate of Incorporation or Bylaws of Seller, (b) violate any applicable Law or Order, (c) require any filing with or Permit, consent or approval of, or the giving of any notice to, any Person (including filings, consents or approvals required under any Permits of Seller or any licenses to which Seller is a party), (d) result in a violation or breach of, conflict with, constitute (with or without due notice or lapse of time or both) a default under, or give rise to any right of termination, cancellation or acceleration of any right or obligation of Seller or to a loss of any benefit to which Seller is entitled under, any Contract, agreement or other instrument binding upon Seller or any license, franchise, Permit or other similar authorization held by Seller in a manner which would have a Material Adverse Effect on the condition (financial or otherwise) or results of operations of the Purchased Assets, the Assumed Liabilities or the Business, or (e) result in the creation or imposition of any Lien on any asset of Seller, including, without limitation, the Purchased Assets.

6.5 Capitalization. The authorized, issued and outstanding Capital Stock of Seller (including the record and beneficial owners thereof and the percentage of the issued and outstanding Capital Stock held by each such owner) as of the Closing Date is as disclosed in Schedule 6.5. Except as disclosed in Schedule 6.5, (i) no subscription, warrant, option, convertible security or other right (contingent or otherwise) to purchase or acquire any shares of Capital Stock of Seller is authorized or outstanding, (ii) Seller has no obligation (contingent or otherwise) to issue any subscription, warrant, option, convertible security or other such right or to issue or distribute to holders of any shares of its Capital Stock any evidences of indebtedness or assets of Seller, (iii) Seller has no obligation (contingent or otherwise) to purchase, redeem or otherwise acquire any shares of its Capital Stock or any interest therein or to pay any dividend or make any distribution in respect thereof. Except as set forth in Schedule 6.5, there are no agreements, written or oral, between Seller and any holder of its Capital Stock, relating to the acquisition (including without limitation rights of first refusal or preemptive rights), disposition, registration under the Securities Act or voting of the Capital Stock of Seller.

6.6 Subsidiaries. Except for the Canadian Subsidiary, Seller does not own any Capital Stock or other equity or ownership or proprietary interest in any corporation, partnership, association, trust, joint venture or other entity.

6.7 Financial Statements.

(a) Except as set forth therein or in the notes thereto, the Reference Financial Statements have been derived from the books and records of Seller, have been prepared in accordance with GAAP and fairly present in all material respects the financial position of Seller at the respective dates thereof and the results of the operations and cash flows of Seller for the periods indicated.

(b) Since the Balance Sheet Date, there have been no changes in Seller's reserve policies, accrual policies or other material accounting policies.

(c) The books of account, minute books, stock record books and other records of Seller have been made available to Purchaser.

6.8 No Undisclosed Liabilities. There are no liabilities, whether accrued, contingent, absolute, determined, determinable or otherwise, of Seller other than (a) liabilities adequately provided for in the Reference Financial Statements, (b) liabilities specifically disclosed in Schedule 6.8, and (c) other undisclosed liabilities incurred since the Balance Sheet

Date in the Ordinary Course of Business which, individually or in the aggregate, would not have a Material Adverse Effect.

6.9 Tax Matters.

(a) All Tax Returns required to be filed by or on behalf of Seller with any Taxing Authority with respect to any Taxes relating to any period prior to the Closing have, to the extent required to be filed on or before the date hereof, been filed when due in accordance with all applicable Laws, and all Taxes owed by Seller (whether or not shown as due and payable on the Tax Returns that have been filed) have been timely paid or withheld (including withholding for independent contractors, consultants and other employees) and remitted to the appropriate Taxing Authority, except where the failure to file any such Tax Return or to pay or withhold any such Tax could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(b) Seller has not granted any extension or waiver of the statute of limitations period applicable to any Tax Return, which period (after giving effect to such extension or waiver) has not yet expired;

(c) There is no action, suit, proceeding, audit or investigation pending or, to the knowledge of Seller, threatened against or with respect to Seller in respect of any Tax. No claim has been made in writing by any Taxing Authority in any jurisdiction in which Seller does not file a Tax Return that it is or may be subject to taxation by that jurisdiction and no such claim exists which has not been resolved by a determination by such Taxing Authority that Seller is not so subject to taxation; and

(d) There are no Liens for Taxes upon the assets of Seller, except Liens for current Taxes not yet due.

6.10 Absence of Certain Changes. Except as disclosed in Schedule 6.10, since the Balance Sheet Date, there has not been any event, occurrence, development, circumstances or state of facts which has had or which would reasonably be expected to have a Material Adverse Effect. Since the Balance Sheet Date, there has not occurred any damage, destruction or casualty loss (whether or not covered by insurance) with respect to any of the Purchased Assets.

6.11 Contracts.

(a) Except as specifically disclosed in Schedule 6.11, Seller is neither a party to nor bound by any lease, agreement, contract, commitment or other legally binding contractual right or obligation (whether written or oral) (collectively, "Contracts") that is of a type described below:

(i) any lease (whether of real or personal property) providing for annual rentals of US $1 or more;

(ii) any agreement for the purchase of materials, supplies, goods, services, equipment or other assets that provides for aggregate payments by Seller of US $10,000 or more;

(iii) any sales, distribution or other similar agreement providing for the sale by Seller of materials, supplies, goods, services, equipment or other assets that provides for aggregate payments to Seller of US $10,000 or more in calendar year 2002 or 2003;

(iv) any partnership, joint venture or other similar agreement or arrangement;

(v) any Contract pursuant to which any third party has rights to own or use any material asset of Seller, including, without limitation, any Intellectual Property Right of Seller;

(vi) any agreement relating to the acquisition or disposition of the Business or part thereof (whether by merger, sale of stock, sale of assets or otherwise) or granting to any Person a right of first refusal, first offer or other right to purchase any of the Purchased Assets;

(vii) any agreement relating to Indebtedness (in any case, whether incurred, assumed, guaranteed or secured by any asset);

(viii) any license, franchise or similar agreement;

(ix) any agency, dealer, sales representative, marketing, value added reseller or other similar agreement;

(x) any maintenance, support, enhancement or similar agreement;

(xi) any Contract that may not be terminated by Seller without payment of penalty on more than 90 days' prior notice;

(xii) any agreement that limits the freedom of Seller to compete in any line of business, geographic area or with any Person or which would so limit the freedom of Purchaser after the Effective Date;

(xiii) any agreement with (A) any stockholder of Seller or any other Affiliate of Seller, or (B) any director or officer of Seller or with any "associate" or any member of the "immediate family" (as such terms are respectively defined in Rules 12b-2 and 16a-1 of the Exchange Act) of any such director or officer;

(xiv) any management service, consulting, development, work-for-hire or any other similar type of contract;

(xv) any warranty, guaranty or other similar undertaking with respect to any contractual performance (or Seller's standard forms of any of the foregoing) or agreement to indemnify any Person;

(xvi) any employment, deferred compensation, severance, bonus, retirement, other benefit or other similar agreement or plan in effect as of the Effective Date and entered into or adopted by Seller; or

(xvii) any other agreement, commitment, arrangement or plan not made in the Ordinary Course of Business of Seller.

(b) Each Contract disclosed in or required to be disclosed in Schedule 6.11 is a valid and binding agreement of Seller and, to the knowledge of Seller, each other party thereto, enforceable in accordance with their respective terms, except to the extent that their enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles. Except as set forth on Schedule 6.11, neither Seller nor, to the knowledge of Seller, any other party to any such Contract is in default or breach (with or without due notice or lapse of time or both) in any material respect under the terms of any such Contract. Except as set forth on Schedule 6.11, to the knowledge of Seller, there is no event, occurrence, condition or act which, with the giving of notice or the passage of time or both, or the happening of any other event or condition, would become a material default or event of default under any such Contract. Seller has delivered or made available to Purchaser true and complete originals or copies of all Contracts disclosed in or required to be disclosed in Schedule 6.11.

(c) Except as set forth on Schedule 6.11, each Assigned Contract will be duly assigned to Purchaser as of the Effective Date and upon such assignment, Purchaser will acquire all right, title and interest of Seller in and to each such Contract. Except as set forth on Schedule 6.11, no consent is required for such assignment.

6.12 Insurance Coverage. Schedule 6.12 contains a list of all of the insurance policies and fidelity bonds covering the assets (including, without limitation, any Purchased Assets), Business, operations, employees, officers and directors of Seller. There is no material claim by Seller pending under any of such policies or bonds as to which coverage has been questioned, denied or disputed by the underwriters of such policies or bonds. All premiums due and payable under all such policies and bonds have been paid and Seller has complied in all material respects with the terms and conditions of all such policies and bonds. Except as set forth in Schedule 6.12, such policies of insurance and bonds (or other policies and bonds providing substantially similar insurance coverage) are in full force and effect and are of the type and in amounts deemed by the management of Seller to be sufficient in light of the business of Seller. No insurance coverage with respect to any of Seller's assets (including, without limitation, any Purchased Assets), Business, operations, employees, officers or directors has lapsed for any period due to a failure to timely make any premium payment or renewal or otherwise, nor has Seller been refused by any insurance carrier to which it has applied for any such insurance. Seller has no knowledge of any threatened termination of, or premium increase with respect to, any of such policies or bonds. Since the last renewal date of any insurance policy, there has not been any material adverse change in the relationship of Seller with its respective insurers or the premiums payable pursuant to such policies.

6.13 Litigation. Except as disclosed in Schedule 6.13, there is no action, suit, arbitration or administrative or other proceeding pending or, to the knowledge of Seller, threatened against Seller or its properties or assets, including, without limitation, the Purchased Assets, or any investigations, before any court or arbitrator or any Governmental Authority which in any manner challenges or seeks to prevent, enjoin, alter or materially delay the transactions contemplated by this Agreement and the Ancillary Documents to which Seller will be a party at Closing. Seller does not know of any valid basis for any such action, proceeding or investigation. Except as disclosed in Schedule 6.13, there are no outstanding Orders (whether rendered by a court, administrative agency, arbitral body or Governmental Authority) against Seller, the Purchased Assets or the Business.

6.14 Compliance with Laws; Permits.

(a) Each of Seller, and to Seller's knowledge, Seller's Affiliates and the Transferred Employees, has been in compliance in all material respects with all applicable Laws and Orders, except for instances of noncompliance that would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect on the Seller. None of Seller, or to Seller's knowledge, Seller's Affiliates or the Transferred Employees, has received any written communication from any Governmental Authority that alleges noncompliance in any material respect with any such Law or Order.

(b) There are no government or regulatory licenses, authorizations, permits, franchises, consents and approvals (the "Permits") issued and held by or on behalf of Seller or required to be so issued and held to carry on the Business as currently conducted, except to the extent the failure to have any such Permits, individually and in the aggregate, would not have a Material Adverse Effect. Seller is not in default under, and no condition exists that with notice or lapse of time or both could constitute a default or could give rise to a right of termination, cancellation or acceleration under, any material Permit held by Seller.

6.15 Properties; Sufficiency of Assets.

(a) Seller has good title to, or in the case of leased property has valid leasehold interests in, all property and fixed assets (whether real or personal, tangible or intangible) transferred pursuant to this Agreement, free and clear of all Liens, except for Permitted Liens and Liens disclosed in Schedule 6.15.

(b) Schedule 6.15 sets forth a list of all real property assets owned or leased by Seller ("Real Property"). All such leases of real property are valid and binding agreements of Seller and, to the knowledge of Seller, each other party thereto, enforceable in accordance with their respective terms, except to the extent that their enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles. Seller is a tenant or possessor in good standing thereunder and all rents due under such leases have been paid. Neither Seller nor, to the knowledge of Seller, any other party to any such lease is in default or breach (with or without due notice or lapse of time or both) in any material respect under the terms of any such lease. To the knowledge of Seller, there is no event, occurrence, condition or act which, with the giving of notice or the passage of time or both, could reasonably be expected to become a material default or event of default under any such lease. Seller is in peaceful and undisturbed possession of the space and/or estate under each lease of which it is a tenant and has good and valid rights of ingress and egress to and from all the Real Property from and to the public street systems for all usual street, road and utility purposes. Seller has not received any notice of any appropriation, condemnation or like proceeding, or of any violation of any applicable zoning

Law or Order affecting the Real Property, and to Seller's knowledge, no such proceeding has been threatened or commenced.

(c) Schedule 6.15 sets forth a list of all tangible personal property comprising the Purchased Assets. Except as set forth on Schedule 6.15, the tangible personal property comprising the Purchased Assets has been maintained by Seller in good repair and operating condition in accordance with Seller's general maintenance policies (normal wear and tear excepted).

(d) The Purchased Assets constitute all of the assets required for use in connection with the Business and are adequate to conduct the Business as currently conducted.

(e) Except as set forth on Schedule 6.11 or 6.15 hereto, no consent is necessary to, and there exists no restriction on, the transfer of any of the Purchased Assets or the assignment of the Assumed Liabilities to Purchaser. To the knowledge of Seller, and subject to all consents listed on Schedule 6.11 or 6.15 being obtained, except for Permitted Liens, there exists no condition, restriction or reservation affecting the title to or utility of the Purchased Assets or Assumed Liabilities which would prevent Purchaser from occupying or utilizing the Purchased Assets or enforcing the rights under the Assumed Liabilities, or any part thereof, to the same extent, in all material respects, that Seller would have the right to continue to do so if the sale and transfer contemplated hereby did not take place. Upon the Closing, good and marketable title to the Purchased Assets and the rights under the Assumed Liabilities shall be vested in Purchaser free and clear of all Liens (other than Permitted Liens).

6.16 Intellectual Property.

(a) Except as set forth on Schedule 6.16, Seller owns, possesses or otherwise has the legally enforceable right to use, and, to bring actions for infringement of, all Intellectual Property Rights (including all Intellectual Property Rights pertaining to the Seller Software) necessary or required for the conduct of the Business.

(b) (i) Set forth in Schedule 6.16 is a list and brief description of the Seller Software, identifying with respect to each separate Computer Program making up the Seller Software, whether it is owned, licensed or otherwise used by Seller. Schedule 6.16 identifies all material agreements relating to the Seller Software (the "Software Contracts") and further classifies each such Software Contract under one of the following categories: (A) license to use third party software; (B) development contract, work-for-hire agreement, or consulting agreement; (C) distributor, dealer or value added reseller agreement; (D) license or sublicense to a third party (including agreements with end-users); (E) maintenance, support or enhancement agreement; or (F) other.

(ii) Except as disclosed in Schedule 6.16, the Computer Programs included in the Seller Software are (A) owned by Seller, (B) currently in the public domain or otherwise available to Seller without the approval or consent of any third party, or (C) licensed or otherwise used by Seller pursuant to the terms of valid, binding written agreements.

(iii) The Seller Software conforms in all material respects to the technical specifications for the design, performance, operation, test, support and maintenance of the Seller Software, and all other documentation relating to such technical specifications, although no representation is made that the Seller Software is bug-free. No portion of the Seller Software sold or licensed by Seller directly or indirectly to end users contained, on the date of shipment by Seller, no portion of the Seller Software currently for sale or license directly or indirectly to end users contains, and, no portion of any other Seller Software contains any software routines or hardware components designed to permit unauthorized access; to disable or erase software, hardware or data; or to perform any other such actions.

(iv) Except as set forth in Schedule 6.16, all agents, consultants, and contractors, who have contributed to or participated in the conception and development of any of the Seller Software have executed appropriate instruments of assignment in favor of Seller as assignee that have conveyed to Seller full, effective and exclusive ownership of all Intellectual Property Rights thereby arising. All employees who have contributed to or participated in the conception and development of any of the Seller Software have created such materials in the scope of his or her employment with Seller.

(v) Except as set forth on Schedule 6.16, Seller has taken reasonable steps necessary to protect Seller's rights in confidential information and trade secrets of Seller or provided by an other person to Seller. Without limiting the foregoing, except as set forth on Schedule 6.16, Seller has, and enforces, a policy requiring each employee, consultant and contractor other than ministerial employees to execute proprietary information, confidentiality and assignment agreements substantially in Seller's standard forms, and all material current and former employees, consultants and contractors of Seller since its inception have executed such an agreement.

(vi) Set forth on Schedule 6.16 is a list specifying the location of all copies of any source code for the Seller Software and detailing all source code escrow arrangements or agreements entered into by Seller and all beneficiaries of any such arrangements or agreements. Except as set forth in Schedule 6.16, Seller has not made available to any Person any source code for the Seller Software. Seller is not aware that any Person is violating or infringing upon, or has violated or infringed upon at any time, any right of Seller in or to the Seller Intellectual Property Rights. The source code for the Seller Software is supported by documentation, including coding comments, which is current and accurate. This documentation is of sufficient detail to permit an adequately trained individual the full and proper use of said source code and the understanding, compilation, modification and correction of the Seller Software. Standard back-up copies and working copies of the source code for the Seller Software have been made and securely maintained under the sole control of Seller.

(vii) The Seller Software does not include any source code or technology that is subject to or governed by the terms of the "GNU General Public License," the "Mozilla Public License" or any similar open source licensing arrangement which would in any way restrict the licensing or commercial exploitation of the Seller Software.

(c) Set forth in Schedule 6.16 is a list and brief description of all Intellectual Property Rights prepared, owned by or registered in the name of Seller, or of which Seller is a licensor or licensee or in which Seller has any right, and in each case a brief description of the nature of such right. To the knowledge of Seller, the operation of the Business as it currently is conducted, including but not limited to Seller's design, development, use, import, manufacture and sale of the products, technology or services (including products, technology or services currently under development) of Seller does not infringe or misappropriate the Intellectual Property Rights of any Person, violate the rights of any Person (including rights to privacy or publicity), or constitute unfair competition or trade practices under the laws of any jurisdiction, and Seller has not received notice from any Person claiming that such operation or any act, product, technology or service (including products, technology or services currently under development) of Seller infringes or misappropriates the Intellectual Property Rights of any Person or constitutes unfair competition or trade practices under the laws of any jurisdiction (nor is Seller aware of any basis therefor). Except as set forth in Schedule 6.16, Seller has no obligation to compensate any Person for the use of any such Intellectual Property Rights and Seller has not granted any Person any license or other rights to use in any manner any of the Intellectual Property Rights of Seller, whether requiring the payment of royalties or not. Except as set forth in Section 6.16, Seller has not entered into any agreement to indemnify any other Person against any charge of infringement of any Intellectual Property Rights.

6.17 **[Intentionally deleted]**

6.18 **[Intentionally deleted]**

6.19 Affiliate Transactions.

(a) There are no outstanding payables, receivables, loans, advances and other similar accounts between Seller, on the one hand, and any of its Affiliates, on the other hand, relating to the Business.

(b) To the knowledge of Seller, no director, officer or employee of Seller possesses, directly or indirectly, any ownership interest in, or is a director, officer or employee of, any Person which is a supplier, customer, lessor, lessee, licensor, developer, competitor or known potential competitor of Seller. Ownership of 2% or less of any class of securities of a Person whose securities are registered under the Exchange Act will not be deemed to be an ownership interest for purposes of this Section 6.19.

6.20 Customers and Suppliers. Schedule 6.20 includes a complete and correct list of (a) all current customers of the Business generating annual net revenues in excess of US $10,000 and (b) all suppliers from whom Seller has purchased in excess of US $10,000 in equipment or supplies in calendar year 2002. Except as set forth in Schedule 6.20, Seller has no reason to believe that its relationships with such customers and suppliers are other than good commercial working relationships and, except as disclosed in Schedule 6.20, none of such customers or suppliers has canceled, terminated or otherwise materially altered, or notified Seller of any intention to cancel, terminate or materially alter, its relationship with Seller since the Balance Sheet Date and Seller has no reason to believe that there will be any such change as a result of the transactions contemplated by this Agreement. Seller is also aware of Purchaser's discussions and negotiations with certain prospective customers of the Business, as set forth in Schedule 6.20, and Seller has no reason to believe that Purchaser would be unable to enter into commercial working relationships with such prospective customers.

6.21 Other Employment Matters.

(a) Seller is not a party to any labor or collective bargaining agreement; there are no labor or collective bargaining agreements which pertain to any Transferred Employee in his or her capacity as an employee of Seller; and no Transferred Employee is represented by any labor organization in his or her capacity as an employee of Seller.

(b) No labor organization or group of Transferred Employees has made a pending demand for recognition, there are no representation proceedings or petitions seeking a representation proceeding presently pending or, to the knowledge of Seller, threatened to be brought or filed with the National Labor Relations Board or other labor relations tribunal, and there is no organizing activity involving Seller pending or, to the knowledge of Seller, threatened by any labor organization or group of Transferred Employees.

(c) There are no (i) strikes, work stoppages, slow-downs, lockouts or arbitrations or (ii) grievances or other labor disputes pending or, to the knowledge of Seller, threatened against or involving Seller.

(d) There are no complaints, charges or claims against Seller pending or, to the knowledge of Seller, threatened to be brought or filed with any Governmental Authority based on, arising out of, in connection with, or otherwise relating to the employment by Seller, of any Transferred Employee, including any claim for workers' compensation.

(e) Seller is in material compliance with all Laws and Orders in respect of employment and employment practices and the terms and conditions of employment and wages and hours, and has not, and is not, engaged in any unfair labor practice.

(f) Schedule 6.21 contains a complete and accurate list of the following information for each employee, officer or director of Seller, including each employee on leave of absence or layoff status: employer; name; job title; current compensation paid or payable and any change in compensation since the Balance Sheet Date; vacation accrued as of a recent date; and service credited as of a recent date for purposes of vesting and eligibility to participate under any pension, retirement, profit-sharing, thrift-savings, deferred compensation, stock bonus, stock option, cash bonus, employee stock ownership (including investment credit or payroll stock ownership), Seller severance pay, insurance, medical, welfare, or vacation plan or other Benefit Plan of Seller; and all bonuses and any other amounts to be paid by Seller at or in connection with the Closing ("Bonuses").

(g) To the knowledge of Seller, no former or current employee, officer or director of Seller is a party to, or is otherwise bound by, any confidentiality, non-competition, proprietary rights agreement or similar agreement that would affect (i) the performance of his or her duties as an employee, officer or director or (ii) the ability of Purchaser to conduct the Business after the Effective Date.

6.22 Accounts Receivable. All of the Accounts Receivable reflected on the Reference Balance Sheet (net of any applicable reserves set forth on the Reference Balance Sheet) and all Accounts Receivable which have arisen since the Balance Sheet Date (net of any immaterial additional applicable reserves established since such date in the Ordinary Course of Business of Seller) are valid and enforceable claims, and the goods and services sold and delivered which gave rise to such Accounts Receivable were sold and delivered in material conformity with the applicable purchase orders, agreements and specifications.

6.23 Finders' Fees. There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of Seller who might be entitled to any fee or other commission in connection with the transactions contemplated by this Agreement.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES OF PURCHASER AND WORKBRAIN

Purchaser and Workbrain hereby jointly and severally represent and warrant to Seller as of the Effective Date and as of the Closing Date as follows:

7.1 Corporate Existence and Power.

(a) Purchaser is a corporation duly organized, validly existing and in good standing under the laws of Ontario, Canada. Purchaser has all corporate or similar power and all material governmental licenses, authorizations, Permits, consents and approvals required to carry on its business as now conducted. Purchaser is duly qualified to conduct business as a foreign corporation and is in good standing in each jurisdiction where such qualification is necessary, except for those jurisdictions where the failure to be so qualified or in good standing would not, individually or in the aggregate, have a Material Adverse Effect. Purchaser has heretofore delivered to Seller true and complete copies of the Certificate of Incorporation and Bylaws or other similar constituent documents of Purchaser, in each case as amended to date.

(b) Workbrain is a corporation duly organized, validly existing and in good standing under the laws of Ontario, Canada. Workbrain has all corporate or similar power and all governmental licenses, authorizations, Permits, consents and approvals required to carry on its business as now conducted. Workbrain is duly qualified to conduct business as a foreign corporation and is in good standing in each jurisdiction where such qualification is necessary, except for those jurisdictions where the failure to be so qualified or in good standing would not, individually or in the aggregate, have a Material Adverse Effect. Workbrain has given access heretofore to Seller true and complete copies of the Certificate of Incorporation and Bylaws or other similar constituent documents of Workbrain, in each case as amended to date.

7.2 Corporate Authorization; Enforceability. The execution, delivery and performance by Purchaser, Schedulebrain Ltd. (as applicable) and Workbrain of this Agreement and each of the Ancillary Documents to which it, Schedulebrain Ltd. and Workbrain will be a party at the Closing and the issuance of the Share Consideration, are, and will be at the Closing, within the corporate power of Purchaser, Schedulebrain Ltd. and Workbrain and have been duly authorized by the Board of Directors of Purchaser, Schedulebrain Ltd. and Workbrain and no other corporate action on the part of Purchaser, Schedulebrain Ltd. and Workbrain is necessary to authorize the execution, delivery and performance of this Agreement or any of the Ancillary Documents to which Purchaser, Schedulebrain Ltd. and Workbrain will be a party at the Closing. This Agreement has been, and each of the Ancillary Documents to which Purchaser, Schedulebrain Ltd. and Workbrain will be a party at the Closing will have been, duly executed and delivered by Purchaser, Schedulebrain Ltd. and Workbrain. This Agreement constitutes, and each Ancillary Document to which Purchaser, Schedulebrain Ltd. and Workbrain will be a party at the Closing will constitute at the Closing, valid and binding agreements of Purchaser, Schedulebrain Ltd. (as applicable) and Workbrain, enforceable against each in accordance with their terms, except to the extent that their enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

7.3 Governmental Authorization. Except as described in Schedule 7.3, the execution, delivery and performance by Purchaser, Schedulebrain Ltd. (as applicable) and Workbrain of this Agreement and each of the Ancillary Documents to which Purchaser, Schedulebrain Ltd. and Workbrain will be a party at the Closing require no consent, approval, order, authorization or action by or in respect of, or filing with, any Governmental Authority.

7.4 Non-Contravention. The execution, delivery and performance by Purchaser, Schedulebrain Ltd. (as applicable) and Workbrain of this Agreement and each Ancillary Document to which Purchaser, Schedulebrain Ltd. and Workbrain will be a party at the Closing do not and will not at the Closing (a) violate the Certificate of Incorporation or Bylaws or other similar constituent documents of Purchaser, Schedulebrain Ltd. (as applicable) or Workbrain or (b) violate any applicable Law or Order.

7.5 Litigation. There is no action, suit, investigation, arbitration or administrative or other proceeding pending or, to the knowledge of Purchaser or Workbrain, threatened against or affecting Purchaser, Workbrain or any of Purchaser's or Workbrain's properties or assets before any court or arbitrator or any Governmental Authority which in any manner challenges or seeks to prevent, enjoin, alter or materially delay the transactions contemplated by this Agreement and the Ancillary Documents to which Purchaser, Schedulebrain Ltd. and Workbrain will be a party at Closing. Purchaser and Workbrain do not know of any valid basis for any such action, proceeding or investigation.

ARTICLE VIII

CERTAIN COVENANTS

8.1 Reasonable Commercial Efforts.

(a) Seller and Purchaser will cooperate and use their respective reasonable commercial efforts to take, or cause to be taken, all appropriate actions, and to make, or cause to be made, all filings necessary, proper or advisable under applicable Laws to consummate and make effective the transactions contemplated by this Agreement, including, without limitation, their respective reasonable efforts to obtain, prior to the Closing Date, all licenses, Permits, consents, approvals, authorizations, qualifications and orders of Governmental Authorities and parties to Contracts with Seller as are necessary to consummate the transactions contemplated by this Agreement and to fulfill the conditions to the sale contemplated hereby. Except as provided in Section 3.1(a)(iii), the parties will pay or cause to be paid all of their own fees and expenses contemplated by this Section 8.1, including but not limited to the fees and expenses of any broker, finder, financial advisor, legal advisor or similar person engaged by such party. Notwithstanding any other provision hereof, in no event will Purchaser or any of its Affiliates be required to (a) enter into or offer to enter into any divestiture hold-separate, business limitation or similar agreement or undertaking in connection with this Agreement or the transactions contemplated hereby, or (b) institute or defend any litigation or other legal proceeding, whether judicial or administrative, including, without limitation, seeking to have any stay or temporary restraining order imposed or reversed.

(b) Each party hereto shall promptly inform the other of any material communication from the Federal Trade Commission, the United States Department of Justice or any other Government Authority regarding any of the transactions contemplated hereby. If either party or any Affiliate thereof receives a request for additional information or documentary material from any such Government Authority with respect to the transactions contemplated hereby, then such party will endeavor in good faith to make, or cause to be made, as soon as reasonably practicable and after consultation with the other party, an appropriate response in compliance with such request.

8.2 Transfer of Employees and Benefit Plans. As of the Closing Date:

(a) Purchaser will offer to each full-time employee of Seller who is not on leave of absence (whether on disability or otherwise) immediately prior to the Closing Date and whose name is listed in Schedule 8.2 (the "Transferred Employees") employment with Schedulebrain Ltd. upon such terms as Purchaser may determine, which, for clarity, may not include substantially equivalent title, level of responsibility, compensation and Benefit Plans as each such employee had as an employee of Seller on the date hereof.

Nothing contained in this Agreement will confer upon any Transferred Employee, or any legal representative thereof, any rights or remedies, including, without limitation, any right to employment for any specified period, of any nature or kind whatsoever, under or by reason of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, neither Purchaser nor any Affiliate of Purchaser will be required to continue any particular Benefit Plan after the Effective Date for the Transferred Employees.

8.3 Books and Records.

(a) From and after the Closing Date, Purchaser will give Seller's representatives reasonable access to such documentation and information and reasonable access to and cooperation of employees which Seller may reasonably require (i) to prepare and file Tax Returns and to respond to any issues which may arise with respect to Taxes for which Seller is responsible to the extent relating to the Purchased Assets, Assumed Liabilities or Business, (ii) with respect to any Retained Liabilities, and (iii) to defend any claim which Seller is required to defend pursuant to this Agreement or in connection with the operation of the Business prior to the Closing Date. Prior to the seventh anniversary of the Effective Date, Purchaser will give Seller at least 10 days' prior written notice of Purchaser's intention to dispose of any books, records or other documentation which are delivered to Purchaser under the terms of this Agreement. Seller will have the opportunity to obtain possession, at its own expense, of any such books, records or documentation as Seller may reasonably request prior to Purchaser's disposition thereof prior to the seventh anniversary of the Effective Date. In the absence of gross negligence, bad faith or willful misconduct, Purchaser will have no liability arising out of or in connection with its retention and handling of such records in accordance with this Section 8.3.

(b) From and after the Closing Date, Seller will give Purchaser's representatives reasonable access to such documentation and information which Purchaser may reasonably require (i) to prepare and file Tax Returns and respond to any issues which may arise with respect to Taxes for which Purchaser is responsible to the extent relating to the Purchased Assets, Assumed Liabilities or Business or (ii) to defend any claim which Purchaser is required to defend pursuant to this Agreement or in connection with the operation of the Business after the Closing Date. Prior to the seventh anniversary of the Effective Date, Seller will give Purchaser at least 10 days' prior written notice of Seller's intention to dispose of any books, records or other documentation which Seller is entitled to retain pursuant to this Agreement, and Purchaser will have the opportunity to obtain possession, at its own expense, of any such books, records or documentation as Purchaser may reasonably request prior to Seller's disposition thereof prior to the seventh anniversary of the Effective Date. In the absence of gross negligence, bad faith or willful misconduct, Seller will not have any liability arising out of or in connection with its retention and handling of such records.

(c) Information which is obtained by either party pursuant to this Section 8.3 will be kept confidential by such party; provided, however that in the event the party or any of its representatives is requested or required pursuant to applicable Law by any Governmental Authority or court of competent jurisdiction to disclose any such information, the party may do so after providing the other party with notice of the request or requirement so that the other party may attempt, at its own expense, to obtain a protective order. Each party will use reasonable efforts to retain the information in their respective departments (such as tax, credit, and accounting departments, etc.) in which any such information is to be used and will limit access to such information on a "need to know" basis. Neither party may use information obtained from the other party pursuant to this subsection to compete with the other party.

8.4 Non-Competition. During the Covenant Period, Seller will not, without the prior written consent of Purchaser, directly or indirectly:

(a) Participate, engage or have any other material interest (whether as owner, purchaser, shareholder, employee, broker, agent, principal, trustee, corporate officer, director, consultant or in any other capacity) in any business which is competitive with any product or service offered by Seller on or prior to the Closing Date;

(b) Solicit, canvass or approach any Person who, to the knowledge of Seller, was provided with products or services by Seller at any time prior to the Closing Date, (i) to offer that Person products or services similar to or derivative of products or services provided by Seller within the two year period preceding the Closing Date or by Purchaser prior to the expiration of the Covenant Period or (ii) to endeavor to cause such Person to cease providing or receiving products or services to or from Purchaser or any Affiliate of Purchaser; and

(c) Employ, solicit or entice away any Transferred Employee, director, officer or employee of Purchaser or any Affiliate of Purchaser.

8.5 Collection of Payments. Following the Closing, (a) Seller will promptly, and in any event, not later than seven days following receipt, forward to Purchaser any payments received by Seller with respect to any of the Purchased Assets, and any checks, drafts or other instruments payable to Seller will, when so delivered, bear all endorsements required to effectuate the transfer of the same to Purchaser, (b) Seller will promptly forward to Purchaser any mail or other communications received by Seller relating to the Purchased Assets or the Assumed Liabilities, (c) Purchaser will promptly, and in any event, not later than seven days following receipt, forward to Seller any payments received by Purchaser with respect to any of the Excluded Assets, and any checks, drafts or other instruments payable to Purchaser shall, when so delivered, bear all endorsements required to effect the transfer of the same to Seller, and (d) Purchaser will promptly forward to Seller any mail or other communications received by Purchaser relating to the Excluded Assets or the Retained Liabilities.

8.6 Use of Names. After the Closing Date, Purchaser shall file the Certificate of Amendment of Seller's Certificate of Incorporation with the Delaware Secretary of State, changing Seller's name to "XWLI Inc.," together with certified copies of all other documentation required to be filed in all other jurisdictions where Seller is qualified or licensed to do business to reflect such name change. After the Closing Date, Seller will discontinue all use of the names and marks included in the Intellectual Property Rights Transferred pursuant to this Agreement, including the names "Workforce Logistics Inc.," "eRoster," and "XWLI Inc.," alone or in any combination of words or marks confusingly similar thereto, and will as promptly as possible, but in no event later than 30 days after the Closing Date, eliminate such names from all signs, purchase orders, invoices, sales orders, packaging stock, labels, letterheads, business cards, displays, signs, promotional materials, manuals, shipping documents and other materials used by Seller.

8.7 Insurance. Seller will cause Purchaser to be included as an additional insured on all such policies designated in Section 1 of Schedule 6.12 from and after the Effective Date with respect to claims occurring on or prior to the Effective Date. Purchaser acknowledges and agrees that effective on the Effective Date, all insurance policies and coverages provided or made available by Seller to or for the benefit of the Business will terminate and Purchaser shall, at Purchaser's sole cost and expense, be responsible for making any and all necessary or appropriate arrangements for the provision of insurance coverage and similar matters for or relating to the Business.

8.8 Further Assurances. From time to time, as and when requested by either party hereto, the other party will execute and deliver, or cause to be executed and delivered, all such documents and instruments and will take, or cause to be taken, all such further actions, as the requesting party may reasonably deem necessary or desirable to consummate the transactions contemplated by this Agreement.

ARTICLE IX

CONDITIONS TO CLOSING

9.1 Conditions to Obligations of Purchaser. The obligations of Purchaser to consummate the Closing are subject to the satisfaction (or waiver by Purchaser) of the following conditions:

9.1.1 No Injunction, etc. No provision of any applicable Law and no judgment, injunction, order or decree of any Governmental Authority shall be in effect which shall prohibit the consummation of the Closing.

9.1.2 No Governmental Proceedings. No action, suit or proceeding challenging this Agreement, the Ancillary Documents or the transactions contemplated hereby or thereby or seeking to prohibit, alter, prevent or materially delay the Closing or seeking material damages shall have been instituted or threatened by any Governmental Authority and be pending.

9.1.3 Ancillary Documents. Each of the Ancillary Documents shall have been executed and delivered by the parties thereto other than Purchaser and its Affiliates.

9.1.4 Shareholder Approval. The holders of at least fifty percent (50%) of the voting Capital Stock of Seller shall have approved the transactions contemplated by this Agreement.

9.1.5 Third-Party Consents; Governmental Approvals. Subject to Section 2.3 hereof and except as set forth on Schedule 6.11, all consents, approvals, waivers and Permits, if any, disclosed or required to be disclosed on any Schedule attached hereto or otherwise required in connection with the consummation of the transactions contemplated by this Agreement shall have been received.

9.1.6 Due Diligence. Purchaser shall have completed its due diligence investigation of Seller to Purchaser's satisfaction. Purchaser shall have received a complete report from David Sheppard documenting the Intellectual Property Rights of Seller, covering the topics and matters set forth on Schedule 9.1.6 and including, without limitation, the methodologies and processes used in the Business, whether a business, technical or other nature and whether or not protected under U.S. or foreign patent, copyright, trademark, trade secret or other law, and Purchaser shall have declared, in Purchaser's sole discretion, such report satisfactory in all respects.

9.1.7 Assignment of Contracts. Except as set forth on Schedule 6.11, each Contract shall have been duly assigned to Purchaser and all consents required for such assignment shall have been obtained.

9.2 Conditions to Obligations of Seller. The obligations of Seller to consummate the Closing are subject to the satisfaction (or waiver by Seller) of the following conditions:

9.2.1 No Injunction, etc. No provision of any applicable Law of any Governmental Authority shall be in effect which shall prohibit the consummation of the Closing.

9.2.2 No Governmental Proceedings. No action, suit or proceeding challenging this Agreement, the Ancillary Documents or the transactions contemplated hereby or thereby or seeking to prohibit, alter, prevent or materially delay the Closing or seeking material damages shall have been instituted or threatened by any Governmental Authority and be pending.

9.2.3 Ancillary Documents. Each of the Ancillary Documents shall have been executed and delivered by Purchaser where Purchaser is a party thereto.

ARTICLE X

SURVIVAL; INDEMNIFICATION

10.1 Survival. The representations and warranties of the parties contained in this Agreement or in any certificate or other writing delivered pursuant hereto or in connection herewith will survive the Closing until the first anniversary of the Effective Date. Notwithstanding the immediately preceding sentence, any representation or warranty in respect of which indemnity may be sought under this Agreement will survive the time at which it would otherwise terminate pursuant to the immediately preceding sentence if written notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time; provided, however, that the applicable representation or warranty will survive only with respect to the particular inaccuracy or breach specified in such written notice. All covenants and agreements of the parties contained in this Agreement will survive the Closing indefinitely.

10.2 Indemnification.

(a) Seller will indemnify, defend and hold harmless Purchaser and its officers, directors, employees, Affiliates, stockholders and agents, and the successors to the foregoing (and their respective officers, directors, employees, affiliates, stockholders and agents), against any and all out-of-pocket liabilities, damages and losses, and all costs or expenses, including, without limitation, attorneys' and consultants' fees and expenses ("Damages"), incurred or suffered as a result of or arising out of (i) the failure of any representation or warranty made by Seller in Article VI to be true and correct as of the Effective Date or as of the Closing Date, (ii) the breach of any covenant or agreement made or to be performed by Seller pursuant to this Agreement, (iii) any Retained Liabilities, and (iv) the litigation described in Schedule 6.13; provided, however, that Seller will not be liable under clause (i) of this Section 10.2(a) unless the aggregate amount of Damages exceeds US $50,000 and provided, further, that Seller's liability under clause (i) of this Section 10.2(a) will not exceed, in the aggregate, an amount equal to the Purchase Price.

(b) Purchaser will indemnify, defend and hold harmless Seller and its officers, directors, employees, Affiliates, stockholders and agents and the successors to the foregoing (and their respective officers, directors, employees, affiliates, stockholders and agents) against Damages incurred or suffered as a result of or arising out of (i) the failure of any representation or warranty made by Purchaser in Article VII to be true and correct as of the Effective Date and as of the Closing Date, (ii) the breach of any covenant or agreement made or to be performed by Purchaser pursuant to this Agreement or (iii) any Assumed Liabilities; provided, however, that

Purchaser will not be liable under clause (i) of this Section 10.2(b) (other than with respect to a breach of any of the Selected Purchaser Representations and Warranties) unless the aggregate amount of Damages exceeds US $50,000 and otherwise indemnifiable; provided, further, that Purchaser's liability under clause (i) of this Section 10.2(b) (other than with respect to a breach of any of the Selected Purchaser Representations and Warranties) will not exceed, in the aggregate, an amount equal to the Purchase Price.

10.3 Procedures.

(a) If any Person who or which is entitled to seek indemnification under Section 10.2 (an "Indemnified Party") receives notice of the assertion or commencement of any Third-Party Claim against such Indemnified Party with respect to which the Person against whom or which such indemnification is being sought (an "Indemnifying Party") is obligated to provide indemnification under this Agreement, the Indemnified Party will give such Indemnifying Party reasonably prompt written notice thereof, but in any event not later than 20 days after receipt of such written notice of such Third-Party Claim. Such notice by the Indemnified Party will describe the Third-Party Claim in reasonable detail, will include copies of all available material written evidence thereof and will indicate the estimated amount, if reasonably practicable, of the Damages that has been or may be sustained by the Indemnified Party. The Indemnifying Party will have the right to participate in, or, by giving written notice to the Indemnified Party, to assume, the defense of any Third-Party Claim at such Indemnifying Party's own expense and by such Indemnifying Party's own counsel (reasonably satisfactory to the Indemnified Party), and the Indemnified Party will cooperate in good faith in such defense.

(b) If, within ten days after giving notice of a Third-Party Claim to an Indemnifying Party pursuant to Section 10.3(a), an Indemnified Party receives written notice from the Indemnifying Party that the Indemnifying Party has elected to assume the defense of such Third-Party Claim as provided in the last sentence of Section 10.3(a), the Indemnifying Party will not be liable for any legal expenses subsequently incurred by the Indemnified Party in connection with the defense thereof; provided, however, that if the Indemnifying Party fails to take reasonable steps necessary to defend diligently such Third-Party Claim within ten days after receiving written notice from the Indemnified Party that the Indemnified Party reasonably believes the Indemnifying Party has failed to take such steps or if the Indemnifying Party has not undertaken fully to indemnify the Indemnified Party in respect of all Damages relating to the matter, the Indemnified Party may assume its own defense, and the Indemnifying Party will be liable for all reasonable costs and expenses paid or incurred in connection therewith. Without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed, the Indemnifying Party will not enter into any settlement of any Third-Party Claim which would lead to liability or create any financial or other obligation on the part of the Indemnified Party for which the Indemnified Party is not entitled to indemnification hereunder, or which provides for injunctive or other non-monetary relief applicable to the Indemnified Party, or does not include an unconditional release of all Indemnified Parties. If a firm offer is made to settle a Third-Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party for which the Indemnified Party is not entitled to indemnification hereunder and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party will give written notice to the Indemnified Party to that effect. If the Indemnified Party fails to consent to such firm offer within ten days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third-Party Claim and, in such event, the maximum liability of the Indemnifying Party as to such Third-Party Claim will not exceed the amount of such settlement offer. The Indemnified Party will provide the Indemnifying Party with reasonable access during normal business hours to books, records and employees (if still in their employ) of the Indemnified Party necessary in connection with the Indemnifying Party's defense of any Third-Party Claim which is the subject of a claim for indemnification by an Indemnified Party hereunder.

(c) Any claim by an Indemnified Party on account of Damages which does not result from a Third-Party Claim (a "Direct Claim") will be asserted by giving the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than 20 days after the Indemnified Party becomes aware of such Direct Claim. Such notice by the Indemnified Party will describe the Direct Claim in reasonable detail, will include copies of all available material written evidence thereof and will indicate the estimated amount, if reasonably practicable, of Damages that has been or may be sustained by the Indemnified Party. The Indemnifying Party will have a period of thirty days after receipt thereof within which to respond in writing to such Direct Claim. If the Indemnifying Party does not respond in writing within the thirty day period, the Indemnifying Party will be deemed to have rejected such Direct Claim and will be free to pursue remedies available to the Indemnifying Party on the terms and subject to the provisions of this Agreement.

(d) A failure to give timely notice or to include any specified information in any notice as provided in Section 10.3(a), 10.3(b) or 10.3(c) will not affect the rights or obligations of any party hereunder, except and only to the extent that, as a result of such failure, any party which was entitled to receive such notice was deprived of its right to recover any payment under its applicable insurance coverage or was otherwise materially prejudiced as a result of such failure.

10.4 Treatment of Indemnification Payments. Any amount paid by Seller or Purchaser under Section 10.2 will be treated as an adjustment to the Purchase Price.

10.5 Indemnification Amounts Net of Benefits Received. The amount of Damages for which indemnification is provided under Section 10.2 shall be computed net of any insurance proceeds received by the Indemnified Party in connection with such Damages (reduced by all costs and expenses related thereto and any retroactive or other premium increase or expense resulting therefrom). If the amount with respect to which any claim is made under this Section 10.4 gives rise to a currently realizable Tax benefit to the Indemnified Party, the indemnity amount otherwise payable shall be reduced by the amount of such currently realizable Tax benefit then available to the party making the claim if and to the extent actually realized by such party in the year in which such indemnity payment is made to such party or in the next succeeding year.

ARTICLE XI

MISCELLANEOUS

11.1 Notices. All notices, requests, claims, demands and other communications to any party hereunder must be in writing (including facsimile transmission, which must be confirmed) and will be given to such party at its address and facsimile number set forth in Schedule 11.1 (which may be changed by such party upon notice in accordance with this Section 11.1). All such notices, requests and other communications will be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication will be deemed not to have been received until the next succeeding Business Day in the place of receipt following the date of receipt.

11.2 Amendments and Waivers.

(a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided will be cumulative and not exclusive of any rights or remedies provided by Law.

11.3 Expenses. Except as provided in Section 3.1(a)(iii), the parties will pay or cause to be paid all of their own fees and expenses incident to this Agreement and in preparing to consummate and in consummating the transactions contemplated hereby, including the fees and expenses of any broker, finder, financial advisor, investment banker, legal advisor or similar person engaged by such party.

11.4 Successors and Assigns. The provisions of this Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. No party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement (including any transfer by way of merger or operation of law) without the consent of each other party hereto; provided that Purchaser may assign its rights and obligations under this Agreement to a wholly-owned Affiliate of Purchaser, it being understood that such assignment will not relieve Purchaser from its obligations hereunder. Any assignment in violation of the preceding sentence will be void *ab initio*.

11.5 No Third-Party Beneficiaries. Except as provided in Section 11.4, this Agreement is for the sole benefit of the parties hereto and their permitted successors and assigns, and nothing herein expressed or implied will give or be construed to give to any Person, other than the parties hereto and such permitted successors and assigns, any legal or equitable rights hereunder.

11.6 Governing Law. This Agreement will be governed by, and construed in accordance with, the laws of the State of New York, regardless of the Laws that might otherwise govern under principles of conflict of laws thereof.

11.7 Public Announcements. Seller and Purchaser will consult with each other before issuing, or permitting any agent or Affiliate to issue, any press releases or otherwise making or permitting any agent or Affiliate to make, any public statements with respect to this Agreement and the transactions contemplated hereby.

11.8 Jurisdiction. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby may be brought in the Superior Court of Justice of Ontario located in the City of Toronto. Each of the parties (i) consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding, and (ii) irrevocably waives, to the fullest extent permitted by Law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum, (iii) will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, and (iv) will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than such courts. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 11.1 will be deemed effective service of process on such party.

11.9 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

11.10 Counterparts. This Agreement may be executed in one or more counterparts, all of which will be considered one and the same agreement and will become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

11.11 Headings. The headings in this Agreement are for convenience of reference only and will not control or affect the meaning or construction of any provisions hereof.

11.12 Entire Agreement. This Agreement (including the Schedules and Exhibits hereto) and the Ancillary Documents constitute the entire agreement among the parties with respect to the subject matter of this Agreement. This Agreement (including the Schedules and Exhibits hereto) and the Ancillary Documents supersede all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter hereof of this Agreement.

11.13 Severability; Injunctive Relief.

(a) The provisions of this Agreement are severable. If any provision of this Agreement is held invalid, illegal or otherwise unenforceable, in whole or in part, the remaining provisions or enforceable parts thereof will not be affected thereby and will be enforced to the fullest extent permitted by Law. In addition, should any provision or any portion thereof ever be adjudicated by a court of competent jurisdiction to exceed the time or other limitation permitted by applicable Law as determined by such court in such action, then such provisions will be decreased, performed to the maximum time or other limitations prescribed by applicable Law, the parties acknowledging their desire that in such event such action be taken.

(b) The parties acknowledge and agree that the provisions of Section 8.4 are reasonably necessary to protect the legitimate interests of Purchaser, its Affiliates and their businesses and (i) that any violation of Section 8.4 may result in irreparable injury to Purchaser and its Affiliates, the exact amount of which may be difficult to ascertain and the remedies at Law for which may not be reasonable or adequate compensation to Purchaser and its Affiliates for such a violation. Accordingly, Seller agrees that if it violates any of the provisions of Section 8.4, in addition to any other remedy available at Law or in equity, Purchaser may be entitled to seek specific performance or injunctive relief without posting a bond, or other security.

11.14 Certain Interpretive Matters.

(a) When a reference is made in this Agreement to an Article, Section, Exhibit or Schedule, such reference will be to an Article or Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement. Whenever the words, "include," "includes" or "including" are used in this Agreement, they will be deemed to be followed by the words "without limitation." The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. All terms defined in this Agreement have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. All references to "$" or dollar amounts will be to lawful currency of the United States of America. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns. Each accounting term not otherwise defined in this Agreement has the meaning assigned to it in accordance with GAAP. All references to Laws in this Agreement will include any applicable amendments thereunder. To the extent the term "day" or "days" is used, it will mean calendar days unless referred to as a Business Day.

(b) No provision of this Agreement will be interpreted in favor of, or against, any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof.

(c) (i) All references to the "knowledge of Seller" or to words of similar import will be deemed to be references to the actual knowledge of one or more of the officers or directors of Seller, which knowledge will include such knowledge as such officers or directors would have had after due inquiry of the responsible employees of Seller and its counsel and accountants.

(ii) All references to the "knowledge of Purchaser" or "knowledge of Workbrain" or to words of similar import will be deemed to be references to the actual knowledge of one or more of the officers or directors of Purchaser or Workbrain, as the case may be, which knowledge will include such knowledge as such officers or directors would have had after due inquiry of the responsible employees of Purchaser and Workbrain and their counsel and accountants.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first written above.

SCHEDULEBRAIN INC.

By: Dave Ossip
Name: DAVID OSSIP
Title: President

WORKFORCE LOGISTICS INC.

By: ______________________________
Name:
Title:

The undersigned (a) agrees to be a party hereto solely for purposes of Article VII and (b) hereby guarantees the payment and performance by Purchaser of its obligations under this Agreement:

WORKBRAIN CORPORATION

By: Dave Ossip
Name: DAVID OSSIP
Title: President

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first written above.

SCHEDULEBRAIN INC.

By: ______________________________
Name:
Title:

WORKFORCE LOGISTICS INC.

By: ______________________________
Name: K. O'BRIEN
Title: PRESIDENT, CEO

The undersigned (a) agrees to be a party hereto solely for purposes of Article VII and (b) hereby guarantees the payment and performance by Purchaser of its obligations under this Agreement:

WORKBRAIN CORPORATION

By: ______________________________
Name:
Title: