EXECUTION VERSION

ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT dated the 31st day of March, 2007 (the **"Agreement"**).

AMONG:

INFOR GLOBAL SOLUTIONS EUROPEAN FINANCE, S.A.R.L.,
a *société à responsibilité limitée* organized and existing under the laws of the Grand Duchy of Luxembourg,

(**"Parent"**)

\- and -

2131365 ONTARIO, INC.,
a wholly-owned subsidiary of Parent incorporated under the laws of the Province of Ontario,

(**"Subco"**)

\- and -

WORKBRAIN CORPORATION,
a corporation incorporated under the laws of the Province of Ontario,

(the "**Company**").

RECITALS:

A. Upon the terms and subject to the conditions set out in this Agreement, the parties hereto intend to propose a statutory plan of arrangement under section 182 of the *Business Corporations Act* (Ontario) whereby Parent will cause Subco to acquire all of the outstanding common shares of the Company (the **"Common Shares"**) on the terms set out in the Plan of Arrangement (as defined below);

B. The board of directors of the Company wishes to support and facilitate the arrangement on the terms set out in this Agreement and has concluded, after receiving financial and legal advice, that it is in the best interests of the Company to enter into this Agreement; and

C. Certain shareholders controlled by members of the Ossip family have duly executed and delivered a Voting Agreement evidencing their agreement to vote, in their capacity as shareholders of the Company, in favour of the transactions contemplated by this Agreement.

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

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

"Acquisition Proposal" has the meaning ascribed thereto in Subsection 8.1(a);

"Affiliate" means a Person which is an "affiliate", as such term is used in Section 1.2 of Ontario Securities Commission Rule 45-501;

"Agreement" or **"Arrangement Agreement"** means this arrangement agreement entered into among Parent, Subco and the Company on the date written above;

"Arrangement" means the arrangement involving Subco and the Company under the provisions of section 182 of the OBCA on the terms and subject to the conditions set forth in this Agreement resulting, *inter alia*, in the acquisition by Subco of all of the outstanding Common Shares of the Company, all on such terms and subject to the conditions set out in this Agreement and as more particularly described in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the provisions of this Agreement and the Plan of Arrangement or made at the direction of the Court;

"Arrangement Resolution" means the special resolution of Shareholders and Warrantholders, approving the Arrangement, substantially in the form of Schedule "A" attached hereto;

"Articles of Arrangement" means the articles of arrangement of the Company to be filed with the Director in connection with the Arrangement;

"Benefit Plans" means all the employee benefit, fringe benefit, supplemental unemployment benefit, bonus, vacation, severance, incentive, profit sharing, termination, change of control, retention, pension, retirement, stock option, stock purchase, stock appreciation, health, welfare, medical, dental, disability, life insurance and similar plans, programmes, arrangements or practices to the current or former employees, independent contractors, officers or directors of the Company or any of its Subsidiaries maintained, sponsored or funded by the Company or any of its Subsidiaries, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered or under which the Company or any of its Subsidiaries may have any liability, contingent or otherwise, including for greater certainty, the Stock Plan;

"Board of Directors" means the board of directors of the Company;

"Business Day" means any day of the week, other than a Saturday, a Sunday or a statutory or civic holiday observed in Toronto, Ontario;

"Canadian GAAP" means accounting principles generally accepted in Canada as recommended in the Handbook of the Canadian Institute of Chartered Accountants, at the relevant time applied on a consistent basis;

"Circular" means the notice of meeting and management information circular of the Company to be prepared and sent to holders of outstanding securities of the Company in connection with the Meeting, including the exhibits thereto;

"Closing Date" means (a) the later of (i) the date that is five (5) Business Days after the satisfaction and/or waiver of the conditions set forth in Article 6 (other than delivery of items to be delivered on the Effective Date and other than the satisfaction of those conditions that by their nature are to be satisfied immediately prior to the Effective Time) or (ii) June 1, 2007; or (b) such other date as the Company and Parent shall mutually agree;

"Common Shares" has the meaning set out in the first recital;

"Company" means Workbrain Corporation, a corporation incorporated under the laws of the Province of Ontario;

"Company Damages" has the meaning given thereto in Section 7.5 (b);

"Company Intellectual Property" has the meaning ascribed thereto in Subsection 4.14(a);

"Company Public Documents" means all documents filed by the Company with all applicable Securities Regulatory Authorities;

"Company Termination Fee " has the meaning ascribed thereto in Section 7.4(a);

"Company Termination Fee Event" has the meaning ascribed thereto in Section 7.4(a);

"**Contracts**" means all contracts, licenses, leases, agreements, commitments, entitlements, engagements, warranties or guarantees to which a Person or any

Subsidiary of the Person is a party or pursuant to which the Person or any Subsidiary of the Person is obligated to provide a benefit to, or is entitled to receive a benefit from, any other Person;

"**Court**" means the Ontario Superior Court of Justice (Commercial List);

"**Debt Commitment Letter**" has the meaning ascribed thereto in Section 3.7(a);

"**Director**" means the Director appointed under Section 278 of the OBCA;

"Disclosure Letter" means the letter dated the date hereof delivered by Workbrain to Parent;

"**Dissent Rights**" means the rights of dissent in favour of Shareholders in respect of the Arrangement as shall be described in the Plan of Arrangement;

"Effective Date" means the date upon which the Arrangement becomes effective as established by the date of issue shown on the certificate issued by the Director pursuant to the OBCA;

"Effective Time" means 8:00 a.m. (Toronto Time) on the Effective Date;

"Employment Agreements" means the employment agreements identified in the Disclosure Letter;

"Environmental Laws" means all applicable Laws relating to the protection of human health and safety or pollution or protection of the environment, or relating to hazardous or toxic substances or wastes, pollutants or contaminants;

"ERISA" means the Employment Retirement Income Security Act, 1974;

"Expenses" means all out-of-pocket expenses (including, without limitation, all fees and expenses of outside counsel, investment bankers, banks, other financial institutions, accountants, financial printers, proxy solicitors, exchange agents, experts and consultants to a party hereto) incurred by a Party or on its behalf in connection with or related to the investigation, due diligence examination, authorization, preparation, negotiation, execution and performance of this Agreement and the transactions contemplated hereby and the financing thereof and all other matters contemplated by this Agreement and the closing thereof, but excluding any out of pocket costs and expenses incurred by any Party in enforcing any of its rights set forth in this Agreement, whether pursuant to litigation or otherwise;

"Final Order" means the order of the Court approving the Arrangement as such order may be amended at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed;

"Freely Available Cash" means unrestricted cash on hand of the Company and its Subsidiaries as of immediately prior to the Effective Time less (a) the amount of any Expenses and Change of Control Payments that have not been paid as of the Effective Time, (b) the cost of the "tail" policy contemplated by Section 9.3(b) in the event such cost has not been paid by the Company as of the Effective Time, and (c) the amount of any unpaid Indebtedness of the Company as of the Effective Time; provided, that cash shall only constitute unrestricted cash on hand of the Company if (i) the transfer of such cash to the Company (from any Subsidiaries of the Company) does not result in any Tax obligations to the Company or any of its Subsidiaries directly attributable to such transfer and (ii) such cash can be distributed, contributed or otherwise delivered to the Company (from any Subsidiary of the Company) in accordance with all applicable Laws, including those relating to solvency, adequate surplus and similar capital adequacy tests;

"Governmental Entity" means (a) any multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau or agency, domestic or foreign; (b) any subdivision, agent, commission, commissioner, board, or authority of any of the foregoing; (c) any Securities Regulatory Authority, self-regulatory authority or the TSX; or (d) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

"Indebtedness" means, with respect to any Person, at any date, without duplication: (a) any indebtedness of such Person for borrowed money or issued in substitution for or exchange of indebtedness for borrowed money, including, without limitation, all principal, interest, premiums, fees, expenses, breakage costs, overdrafts and penalties with respect thereto, (ii) any obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (iii) any accrued and unpaid interest on, and any prepayment premiums, penalties or similar contractual charges in respect of, any of the foregoing obligations as though payment is being made in respect thereof as of the Effective Time, and (iv) any indebtedness referred to in the immediately preceding clauses (i) through (iii) of any other Person that is guaranteed, directly or indirectly, by such Person, but excluding, in any event, all indebtedness owing to Parent, Subco or any of their Affiliates pursuant to the loan contemplated by Section 6.2(f) below;

"Identified Company Representations" means those representations and warranties of the Company contained in Sections 4.2, 4.8, 4.23 and 4.24(a);

"Intellectual Property" means all of the following throughout the world:

(i) copyrights, whether registered or not, mask works and works of authorship, as well as applications for registration of any of the foregoing;

(ii) trade-marks, service marks, designs, logos, indicia, distinguishing guises, trade dress, trade names, business names and Internet domain names, whether registered or not, and all goodwill associated with the foregoing, as well as applications for registration of any of the foregoing;

(iii) patents, patent applications, and inventions (whether patentable or not), patent disclosures and patents which may be issued from current applications (including divisions, reissues, revisions, renewals, re-examinations, continuations, continuations-in-part and extensions) applied for or issued;

(iv) know-how, trade secrets, methods, processes, techniques, business, financial and customer data, Personal Information and other confidential information;

(v) industrial designs;

(vi) Software; and

(vii) any other intellectual property or proprietary rights;

"Interim Order" means the interim order of the Court made pursuant to the application therefor contemplated by Section 2.2 (or any variation thereof);

"Laws" means all laws (including common law), by-laws, statutes, rules, regulations, principles of law, orders, ordinances, judgments, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity and the term **"applicable"** with respect to such Laws and in a context that refers to one or more Parties, means such Laws as are applicable to such Party or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the Party or Parties or its or their business, undertaking, property or securities;

"**Liens**" means any lien, encumbrance, claim, charge, security interest, mortgage, deed of trust, pledge, easement, option, debt, covenant, voting trust arrangement, conditional sale or other title retention agreement, defect in title or other restriction of a similar kind;

"**Leased Properties**" means each of the leases with respect to real property to which the Company and/or its Subsidiaries is a party;

"Material Adverse Effect" means any change, effect, event, occurrence or state of facts having a material adverse effect on (a) the ability of the Company to materially perform its obligations under this Agreement or to consummate the transaction contemplated hereby, or (b) the business, operations, affairs, assets, properties, liabilities, capitalization, results of operations or on the financial condition of the Company and its Subsidiaries taken as a whole, other than any change, effect, event, occurrence or state of facts relating to:

(i) changes in general economic or political conditions or the securities markets including changes in international financial markets other than any such change having a disproportionate impact on the Company and its Subsidiaries, taken as a whole,

(ii) changes in Laws or interpretations thereof by any Governmental Entity or changes in accounting rules;

(iii) changes affecting generally the industries in which the Parent, the Company or any of their Subsidiaries conduct business other than any such change having a disproportionate impact on the Company and its Subsidiaries, taken as a whole,

(iv) the announcement of the transactions contemplated by this Agreement or other disclosure by Parent or Subco of its plan or intentions with respect to any of the businesses of the Company,

(v) the consummation of the transactions contemplated by this Agreement, or any actions by the Company taken pursuant to or in light of this Agreement, taken as a whole,

(vi) any natural disaster or any acts of terrorism, sabotage, military action or war (whether or not declared) other than any of the foregoing having a disproportionate impact on the Company and its Subsidiaries, taken as a whole, or

(vii) in and of itself, any change in the market price or trading volume of any of the securities of the Parent or of the shares of the Company, provided, for the avoidance of doubt, that any state of facts underlying such change may be deemed to constitute, and be taken into consideration in determining whether there has been or will be a Material Adverse Effect;

“Meeting” means the annual and special meeting of Shareholders and Warrantholders (including any adjournments or postponements thereof) called pursuant to the Interim Order to be held to consider, among other things, the Arrangement Resolution;

“Misrepresentation” has the meaning ascribed thereto in the Securities Act;

“OBCA” means the *Business Corporations Act* (Ontario), R.S.O. 1990, c.B.16, as amended from time to time;

“Options” means options to purchase Common Shares granted under the Stock Plan;

“Outside Date” means August 31, 2007, or such other date as may be mutually agreed to by the Parties in writing;

“Parent” means Infor Global Solutions European Finance S.a R.L., a *société à responsibilité limitée* organized and existing under the laws of the Grand Duchy of Luxembourg;

“Parent Liability Cap” has the meaning given thereto in Section 7.5(b);

“Parent Material Adverse Effect” means any change, effect, event, occurrence or state of facts having a material adverse effect on the ability of Parent to materially perform its obligations under this Agreement or to consummate the transactions contemplated hereby;

“Parent Termination Fee” has the meaning given thereto in Section 7.4(c);

“Parent Termination Fee Event” has the meaning given thereto in Section 7.4(c);

“Parties” means the Company, Parent and Subco; and **“Party”** means any one of them;

“Person” includes an individual, partnership, association, body corporate, joint venture, business organization, trustee, executor, administrator, legal representative, Governmental Entity or any other entity, whether or not having legal status;

“**Personal Information**” means any information in the possession of the Company or any of its Subsidiaries about an identifiable individual other than the name, title, business address or telephone number of an employee.

“Plan of Arrangement” means, in relation to the Arrangement, the plan of arrangement substantially in the form and having the content of Schedule “B“

hereto, together with any and all amendments or variations thereto made in accordance with the provisions hereof or made at the direction of the Court in the Final Order;

"Proposed Agreement" has the meaning ascribed thereto in Subsection 8.1(f);

"Required Buyer Regulatory Approvals" means any and all regulatory approvals required under the competition or other applicable Laws of the United States and Canada and any and all regulatory approvals under the Investment Canada Act, and any other regulatory approval required under the law of any foreign jurisdiction (unless the failure to obtain such foreign regulatory approval could not reasonably be expected to have a Material Adverse Effect)**;**

"Required Company Regulatory Approvals" means any and all regulatory approvals required under the competition or other applicable Laws of the United States and Canada and any and all regulatory approvals under the Investment Canada Act, and any other regulatory approval required under the law of any foreign jurisdiction (unless the failure to otherwise obtain such foreign regulatory could not reasonably be expected to have a Material Adverse Effect)**;**

"Securities Act" means the *Securities Act* (Ontario), R.S.O. 1990, c. S.5, as amended, and the rules, regulations and published policies made thereunder, as now in effect and as they may be amended from time to time prior to the Effective Date;

"Securities Laws" means all applicable provincial and territorial securities laws, rules and regulations and published policies thereunder in Canada;

"Securities Regulatory Authorities" means the applicable securities commission or regulatory authority in each province and territory of Canada;

"Shareholders" means the holders of Common Shares;

"Software" means computer systems, software and programs (including data, databases, object code and source code), all proprietary rights in the computer systems, software and programs and all documentation and other materials related thereto;

"Stock Plan" means the amended and restated stock option plan for directors, senior officers and employees of the Company or any affiliate dated as of June 7, 2006;

"Subco" means 2131365 Ontario, Inc., a wholly-owned subsidiary of Parent and a corporation incorporated under the laws of the Province of Ontario**;**

"Subsidiary" means a "subsidiary" as defined in Rule 45-501 adopted under the Securities Act (Ontario);

"Superior Proposal" has the meaning ascribed thereto in Subsection 8.1(a);

"Tax Act" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1, as amended;

"Taxes" includes any taxes, duties, fees, premiums, assessments, imposts, levies and other like charges imposed by any Governmental Entity, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping duties, all license, franchise and registration fees and all employment insurance, health insurance and Canada, Québec and other government pension plan premiums or contributions;

"Tax Returns" includes all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether in tangible, electronic or other form) and including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared, filed or required to be made, prepared or filed by law in respect of Taxes;

"Third Party Beneficiaries" has the meaning ascribed thereto in Section 9.9;

"TSX" means the Toronto Stock Exchange;

"Warrantholders" means the holders of Warrants; and

"Warrants" means the warrants issued pursuant to the warrant agreement between the Company and Accenture LLP dated April 20, 2001.

1.2 Interpretation Not Affected by Headings

The division of this Agreement into Articles, Sections, Subsections and Paragraphs and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. Unless the contrary intention appears, references in this Agreement to an Article, Section, Subsection, Paragraph or Schedule by number or letter or both refer to the Article, Section, Subsection, Paragraph or Schedule, respectively, bearing that designation in this Agreement. References in this Agreement to "**including**" shall be deemed to have the meaning "**including, without limitation**".

1.3 Number and Gender

In this Agreement, unless the contrary intention appears, words importing the singular include the plural and *vice versa*, and words importing gender include all genders.

1.4 Date for Any Action

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

1.5 Currency

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada.

1.6 Accounting Matters

Unless otherwise stated all accounting terms used in this Agreement in respect of the Company shall have the meanings attributable thereto under Canadian GAAP and all determinations of an accounting nature in respect of the Company required to be made shall be made in a manner consistent with Canadian GAAP, as recommended from time to time in the Handbook of the Canadian Institute of Chartered Accountants, and with the Company's past practice.

1.7 Knowledge

In this Agreement, unless otherwise stated, references to "the knowledge of" the Company or its Subsidiaries means the actual knowledge of David Ossip, Arthur Gitajn, David Stein, Daniel Debow, Susan Hutt, Steve Debacco and Matthew Chapman after reasonable inquiry.

1.8 Schedules

The following Schedules are annexed to this Agreement and are incorporated by reference into this Agreement and forms part hereof:

Schedule "A"	-	Form of Arrangement Resolution
Schedule "B"	-	Plan of Arrangement

ARTICLE 2
ARRANGEMENT AND RELATED MATTERS

2.1 Implementation Steps by the Company

The Company covenants in favour of Parent that the Company shall:

(a) as soon as reasonably possible and in any event on or before April 30, 2007 bring an application before the Court pursuant to section 182 of the OBCA for the Interim Order in a manner and form acceptable to Parent, acting reasonably, providing for, among other things, the calling and holding of the Meeting, and thereafter proceed with and diligently pursue obtaining the Interim Order in such form;

(b) convene and hold the Meeting in accordance with the Interim Order and applicable Laws for the purpose of considering the Arrangement Resolution and for any other proper purpose as may be set out in the Circular and agreed to by Parent; provided that the Arrangement Resolution shall be voted on before any other matter at the Meeting, unless otherwise agreed to by Parent;

(c) except to the extent required by a Governmental Entity, not adjourn, postpone or cancel (or propose adjournment, postponement or cancellation of) the Meeting without the Parent's prior written consent, such consent not to be unreasonably withheld or delayed, provided that the Company shall adjourn the Meeting for a period of up to three (3) Business Days upon the reasonable request of Parent;

(d) solicit proxies in favour of the Arrangement Resolution and against any resolution submitted by any other Shareholder, including, if so requested by Parent and agreed to by the Company (such agreement not to be unreasonably withheld), using the services of dealers and proxy solicitation services, and use reasonable commercial efforts to take such other action that is necessary to secure the approval of the Arrangement Resolution;

(e) subject to obtaining such approvals as are contemplated by the Interim Order, bring an application, as soon as reasonably practicable after the Meeting, before the Court pursuant to section 182 of the OBCA for the Final Order in a manner and form acceptable to Parent, acting reasonably, and thereafter proceed with and diligently pursue obtaining the Final Order in such form;

(f) subject to obtaining the Final Order and the satisfaction or waiver of the conditions set forth in Article 6, on the Closing Date file the Articles of Arrangement and such other documents as may be required in connection therewith under the OBCA with the Director to give effect to the Arrangement pursuant to section 182 of the OBCA in a manner and form acceptable to Parent acting reasonably;

(g) instruct the Company's counsel to bring the applications referred to in subsections (a) and (e) of this section in co-operation with Parent's counsel and on a timely basis; and

(h) permit Parent and its counsel to review and comment upon drafts of all materials to be filed by the Company with the Court or any Securities Regulatory Authority in connection with the Arrangement (including the Circular and any supplement thereto or amendment thereof) prior to the service and/or filing of those materials and give reasonable and timely consideration to such comments. The Company shall also provide Parent's counsel on a timely basis with copies of any notice of appearance and evidence or other court documents served on the Company or counsel to the Company in respect of the applications for the Interim Order and the Final Order or any appeal therefrom and of any notice, whether written or oral, received by the Company indicating any intention to oppose the granting of the Interim Order or the Final Order or to appeal the Interim Order or the Final Order.

2.2 Interim Order

The notice of motion in respect of the application for the Interim Order referred to in Section 2.1(a) shall request that the Interim Order provide:

(a) for the class of Persons to whom notice is to be provided in respect of the Arrangement and the Meeting and for the manner in which such notice is to be provided;

(b) that the requisite approval for the Arrangement Resolution shall be two-thirds of the votes cast on the Arrangement Resolution by Shareholders and Warrantholders, voting together as a single class, present in person or by proxy at the Meeting;

(c) that, in all other respects, the terms, restrictions and conditions of the Company's articles of incorporation and by-laws, including quorum requirements and all other matters, shall apply in respect of the Meeting;

(d) for the grant of the Dissent Rights; and

(e) for such other matters as Parent may reasonably require subject to obtaining the prior consent of the Company, such consent not to be unreasonably withheld.

2.3 Articles of Arrangement

The Articles of Arrangement shall, with such other matters as are necessary to effect the Arrangement and subject to the provisions of the Plan of Arrangement, consummate the Plan of Arrangement. The Articles of Arrangement shall be in form satisfactory to Parent and the Company, each acting reasonably. As set out more particularly in the Plan of Arrangement, the Articles of Arrangement shall provide that the Shareholders receive $12.50 in cash per Common Share. Parent shall have the right, in its sole discretion, but not the obligation at any time prior to the Effective Time to increase the consideration payable to Shareholders under the Arrangement (including without limitation by adding additional consideration or other forms of consideration).

2.4 Circular

As promptly as reasonably practicable after the execution and delivery of this Agreement the Company, in consultation with Parent, will prepare the Circular together with any other documents required by Securities Laws, the OBCA or other applicable Laws in connection with the Arrangement and the Meeting. The Circular and such other documents, together with any amendments thereto, shall be in form and substance satisfactory to Parent and its counsel acting reasonably. The Company will file the Circular and any other documentation required to be filed under the Interim Order and applicable Law in all jurisdictions where the Circular is required to be filed by the Company and mail or cause to be mailed the Circular and any other documentation required to be mailed under the Interim Order and applicable Law to Shareholders (including registered and beneficial Shareholders), Warrantholders, the directors of the Company, the auditors of the Company and any other required Persons on or before May 4, 2007, in accordance with the terms of the Interim Order and applicable Law.

2.5 Preparations of Filings, etc.

(a) Parent and the Company shall cooperate in the preparation of the Circular as described in Section 2.4 and the preparation of any required documents reasonably deemed by the Parties to be necessary to discharge their respective obligations under applicable Laws in connection with this Agreement or the Arrangement.

(b) Each of Parent and the Company shall furnish to the other, on a timely basis, all information as may be reasonably required to effectuate the foregoing actions, and each covenants that no information so furnished by it in writing in connection with those actions or otherwise in connection with the consummation of the Arrangement will contain any Misrepresentation. Each of the Parties will ensure that the information relating to it and its Subsidiaries, which is provided in the Circular will not contain any Misrepresentation.

(c) Each of the Company and Parent shall promptly notify the other if at any time before the Effective Date it becomes aware that the Circular, an application for any regulatory approvals or any other filing under corporate or securities Laws contains a Misrepresentation, or that otherwise requires an amendment or supplement to the Circular or such other document, as the case may be, that corrects that Misrepresentation, and the Company will cause the same to be distributed to the Shareholders (including registered and beneficial Shareholders), the directors of the Company, the auditors of the Company and any other required Persons and filed as required under applicable Law.

(d) The Company shall ensure that the Circular complies with all applicable Laws and, without limiting the generality of the foregoing, that the Circular does not contain a Misrepresentation (other than any information provided in writing for the purpose of inclusion provided by Parent or Subco). Parent shall ensure that no information regarding itself, its Subsidiaries or their respective directors, officers and shareholders delivered to the Company for inclusion in the Circular contains a Misrepresentation. Without limiting the generality of the foregoing, the Company shall ensure that the Circular provides the Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Meeting.

2.6 Dissenting Shareholders

Registered Shareholders may exercise Dissent Rights with respect to their Common Shares in connection with the Arrangement pursuant to and in the manner set forth in the Plan of Arrangement. The Company shall give Parent (i) prompt notice of any written notice of a dissent, withdrawal of such notice, and any other documents delivered pursuant to such Dissent Rights and received by the Company, and (ii) the opportunity to participate in all negotiations and proceedings with respect to any such notice of dissent. The Company shall not make any payment or settlement offer prior to the Effective Time with respect to any such notice of dissent unless Parent shall have given its written consent to such payment or settlement offer.

2.7 Amendments

This Agreement may, at any time and from time to time before or after the holding of the Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties hereto, and any such amendment may, without limitation:

(a) change the time for the performance of any of the obligations or acts of the Parties;

(b) waive any inaccuracies or modify any representation or warranty contained herein or in any document to be delivered pursuant hereto;

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

(d) waive compliance with and modify any conditions precedent herein contained;

provided, however, that after receipt of approval of Shareholders there shall be no amendment that by Law requires further approval by Shareholders without further approval of such Shareholders.

2.8 Redemption and Termination of Options

On or before the Effective Time, the Company shall:

(a) amend the Stock Plan to grant holders of Options the right to redeem outstanding Options for a cash payment equal to the "in the money" amount of such Options;

(b) accelerate the vesting of all outstanding Options that are eligible for acceleration in accordance with the terms, conditions and restrictions set forth in the Stock Plan (as may be amended) and any grant document or agreement governing such Options;

(c) provide written notice to the holders of Options pursuant to Section 9.2 of the Stock Plan that all unexercised Options will be terminated on the fifteenth day following the giving of such notice; and

(d) ensure that following the Effective Time no holder of an Option or any participant in any Stock Plan or other plan shall have any right thereunder to acquire any shares in the capital of the Company.

2.9 Withholding

The Company, Parent or one or more Subsidiaries of Parent, as the case may be, shall be entitled to directly or indirectly deduct and withhold from the amount otherwise payable pursuant to this Agreement or the Plan of Arrangement to any Shareholder or holder of Options or Warrants such amounts as are required to be deducted and withheld with respect to the making of such payment under the Tax Act or any other provision of domestic or foreign (whether national, federal, provincial, state, local or otherwise) Law relating to Taxes. To the extent the amounts are so deducted and withheld and paid to the appropriate Governmental Entity directly or indirectly by the Company, Parent or one or more Subsidiaries of Parent, as the case may be, such deducted and withheld amounts shall be treated for all purposes of this Agreement and the Plan of Arrangement as having been paid to the Shareholders or holders of Options or Warrants in respect of which such deduction and withholding was made by the Company, Parent or one or more Subsidiaries of Parent, as the case may be.

2.10 Shareholder Communications

The Company and Parent agree to cooperate in the preparation of presentations to investors, if any, regarding the Arrangement prior to the making of such presentations. Except as required by applicable Law or applicable stock exchange requirements, neither Parent nor the Company shall make any public announcement or statement with respect to the Arrangement or this Agreement or make any filing with any Governmental Entity with respect thereto without the approval of the Company or Parent, respectively, such approval not to be unreasonably withheld or delayed, except to the extent necessary to comply with Law or applicable stock exchange requirements. Moreover, in any event, each party agrees to give prior notice to the other of any public announcement relating to the Arrangement or this Agreement and agrees to consult with each other prior to issuing each such public announcement and in making any filing with any Governmental Entity with respect thereto and shall enable the other Party to review and comment on all such press releases, public announcements and filings prior to the release or filing thereof.

2.11 Company Approval of the Arrangement

The Company represents and warrants to and in favour of Parent, and acknowledges that Parent is relying upon such representations and warranties in entering into this Agreement, that, as of the date of this Agreement:

(a) each of Merrill Lynch Canada Inc. and Genuity Capital Markets has delivered and not withdrawn an opinion, to be subsequently confirmed in writing, to the Board of Directors to the effect that the consideration to be received under the Arrangement is fair, from a financial point of view, to Shareholders;

(b) the Board of Directors, following consultation with its financial and legal advisors has: (A) determined that the Arrangement is fair to the Shareholders of the Company and it is in the best interests of the Company for the Arrangement to be consummated and the Board of Directors to support it on the terms of this Agreement; and (B) approved the entering into of this Agreement and the making of a recommendation that Shareholders vote in favour of the Arrangement Resolution; and

(c) as of the date of this Agreement, each director and senior officer of the Company intends to vote, in his or her capacity as a Shareholder, in favour of the Arrangement Resolution.

2.12 Performance of Subco

Parent hereby unconditionally and irrevocably guarantees, covenants and agrees to be jointly and severally liable with Subco for the due and punctual performance of each and every obligation of Subco arising under this Agreement.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF PARENT AND SUBCO

Parent and Subco hereby jointly and severally represent and warrant to the Company as follows, and acknowledge that the Company is relying upon these representations and warranties in connection with the entering into of this Agreement:

3.1 Organization

Parent is a company incorporated and existing under the laws of the Grand Duchy of Luxembourg and Subco is a company incorporated and existing under the laws of Province of Ontario. Each of Parent and Subco has all necessary corporate power and authority to own its respective assets and conduct its respective businesses as now owned and conducted. Parent and Subco are each duly qualified to carry on business and are in good standing in each jurisdiction in which the character of their respective properties or the nature of their respective activities makes such qualification necessary, except where the failure to be so qualified will not, individually or in the aggregate, have a Parent Material Adverse Effect.

3.2 Authority Relative to this Agreement

Each of Parent and Subco has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by Parent and Subco and the consummation of the Arrangement have been duly authorized by the board of directors of each of Parent and Subco (or any authorized committee thereof), as applicable, and no other corporate proceedings on the part of Parent and Subco are necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement has been duly executed and delivered by each of Parent and Subco and constitutes a valid and binding obligation of each of Parent and Subco, enforceable by the Company against each of them in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

3.3 No Conflict

The execution and delivery by Parent and Subco of this Agreement and the performance by each of them of their respective obligations hereunder and the completion of the Arrangement will not violate, conflict with or result in a breach of any provision of: (i) the constating documents of Parent or Subco; or (ii) subject to receiving the Required Buyer Regulatory Approvals, the Laws to which either Parent or Subco is subject or by which Parent or Subco is bound.

3.4 Compliance with Laws

Parent and each of its Subsidiaries is in compliance with all applicable Laws, except where non-compliance would not have a Parent Material Adverse Effect.

3.5 WTO Investor

Parent is a WTO Investor within the meaning of the Investment Canada Act.

3.6 Required Regulatory Approvals

The execution and delivery by the Parent and Subco of this Agreement and the performance by the Parent and Subco of their respective obligations herein, do not, assuming the Company has complied with its obligations under Section 2.1 and the Required Buyer Regulatory Approvals have been made, given, or obtained, require any consent or approval of any Governmental Entity under any material Law applicable to either Parent or Subco, as applicable. The only Required Buyer Regulatory Approvals are (a) compliance with the *Competition Act* (Canada), and (b) compliance with the pre-merger notification requirements under the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "**HSR Act**").

3.7 Sufficient Funds

(a) Parent has delivered to the Company true and complete copies of a fully executed commitment letter (the "**Debt Commitment Letter**") from JPMorgan Bank, N.A. and J.P. Morgan Securities Inc., and the Debt Commitment Letter is adequate to ensure that the required funds are available to effect payment in full for all securities that Subco has agreed to purchase pursuant to the Plan of Arrangement.

(b) As of the date hereof, the Debt Commitment Letter, in the form so delivered, is a legal, valid and binding obligation of Parent and Subco, and to the knowledge of Parent and Subco, the other parties thereto, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.

(c) As of the date hereof, no event has occurred that with or without notice, lapse of time or both, would, individually or in the aggregate, constitute a default or breach on the part of Parent, Subco or any of their Affiliates under any material term or condition of the Debt Commitment Letter.

(d) (i) As of the date hereof, Parent and Subco have no reason to believe that they will be unable to satisfy, on a timely basis, any material term or condition of funding to be satisfied by them or any of their Affiliates contained in the Debt Commitment Letter, and (ii) there are no conditions to the financing contemplated in the Debt Commitment Letter other than the conditions set out in the Debt Commitment Letter.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to each of Parent and Subco, and acknowledges that each of Parent and Subco is relying upon these representations and warranties in connection with the entering into of this Agreement and the completion of the Arrangement:

4.1 Organization and Qualification

The Company is incorporated and existing under the OBCA and has all necessary corporate power and authority to own its assets and conduct its business as now owned and conducted. The Company is duly qualified to carry on business in each jurisdiction in which the character of its properties or the nature of its activities makes such qualification necessary, except where the failure to be so qualified will not have a Material Adverse Effect. True and complete copies of the articles and by-laws of the Company have been delivered to Parent and the Company has not taken any action to amend such documents.

4.2 Authority Relative to this Agreement

The Company has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by the Company and the consummation by the Company of the transactions contemplated by this Agreement have been duly authorized by the Board of Directors and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement (other than the approval of the Shareholders and the Court as provided in this Agreement). This Agreement has been duly executed and delivered by the Company and constitutes a valid and binding obligation of the Company, enforceable by Parent and Subco against the

Company in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency and other applicable Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

4.3 No Conflict

The execution and delivery by the Company of this Agreement and the performance by it of its obligations hereunder and the completion of the Arrangement will not violate, conflict with or result in a breach of any provision of: (i) the constating documents of the Company or any of its Subsidiaries; (ii) subject to obtaining all Required Company Regulatory Approvals applicable to the Company or any of its Subsidiaries, any Law to which the Company or any of its Subsidiaries is subject or by which the Company or any of its Subsidiaries is bound, as applicable, except as would not result in a Material Adverse Effect; or (iii) any note, bond, mortgage indenture, loan agreement, deed of trust, Lien or other Contract to which the Company or any of its Subsidiaries is a party or to which any of them, or any of their respective assets or properties, may be subject or by which the Company or any of its Subsidiaries is bound, except as would not result in a Material Adverse Effect.

4.4 Public Disclosure

The Company is a "reporting issuer" under Securities Laws and is not in default of any material requirements of any Securities Laws; no delisting, suspension of trading in or cease trading order with respect to the Common Shares is pending or, to the knowledge of the Company, threatened; except as disclosed in the Disclosure Letter and to the knowledge of the Company, no inquiry, review or investigation (formal or informal) of any Securities Regulatory Authority or the TSX is in effect or ongoing or expected to be implemented or undertaken. None of the Company Public Documents filed since January 1, 2006 contains a Misrepresentation as at the respective dates that such documents were filed. The Company has not filed any confidential material change report or similar disclosure document with any securities regulatory authority or stock exchange which remains confidential as of the date of this Agreement.

4.5 Required Regulatory Approvals

The execution and delivery by the Company of this Agreement and the performance by the Company of its obligations herein, do not, assuming the Required Company Regulatory Approvals have been made, given, or obtained, require any consent or approval of any Governmental Entity under any Law applicable to the Company, except where the failure to obtain such consent or approval would not have a Material Adverse Effect. The only Required Company Regulatory Approvals are (a) compliance with the *Competition Act* (Canada), and (b) compliance with the pre-merger notification requirements under the *HSR Act*.

4.6 Subsidiaries

Except as set forth in the Disclosure Letter, the Company does not own, directly or indirectly, any interest or investment (whether equity or debt) in any Person. Each Subsidiary of the Company is organized and is existing under the laws of its jurisdiction of incorporation or organization, has all necessary corporate power and authority to own its assets and conduct its business as now owned and conducted by it and is duly qualified to carry on business in each jurisdiction in which the character of its properties or the nature of its activities makes such qualification necessary. The Company beneficially owns, directly or indirectly, as applicable, all of the issued and outstanding securities of each of its Subsidiaries. All of the outstanding shares in the capital of each of the Company's Subsidiaries are: (i) validly issued, fully-paid and non-assessable and all such shares are owned free and clear of all pledges, security interests, Liens, claims or encumbrances of any kind or nature whatsoever and (ii) free of any other restrictions including any restriction on the right to vote, sell or otherwise dispose of the shares.

4.7 Compliance with Laws

Except as disclosed in the Disclosure Letter, each of the Company and its Subsidiaries is and since January 1, 2006 has been in material compliance with all applicable Laws, except where non-compliance would not result in a Material Adverse Effect.

4.8 Capitalization and Listing

(a) The authorized share capital of the Company consists of an unlimited number of Common Shares. As at the date of this Agreement: (i) there are 17,844,918 Common Shares validly issued and outstanding as fully paid and non-assessable shares in the capital of the Company; (ii) there are outstanding Options providing for the issuance of no more than 1,358,300 Common Shares upon the exercise thereof; and (iii) there are outstanding Warrants providing for the issuance of 37,596 Common Shares upon the exercise thereof. The terms of the Options granted pursuant to the Stock Plan (including exercise price) and the Warrants are set forth in the Disclosure Letter. Except for the Options and Warrants referred to in the immediately preceding sentence and described in the Disclosure Letter, there are no options, warrants, conversion privileges, calls or other rights, shareholder rights plans, agreements, arrangements, commitments, or obligations of the Company or any of its Subsidiaries to issue or sell any shares of the Company or of any of its Subsidiaries or securities or obligations of any kind convertible into, exchangeable for or otherwise carrying the right or obligation to acquire any shares of the Company or any of its Subsidiaries. No Shareholder is entitled to any pre-emptive or other similar right granted by the Company or any of its Subsidiaries. The Common Shares are not listed or quoted on any market other than the TSX.

(b) The Disclosure Letter contains a true and complete list of the holders of all outstanding Options and Warrants and the number, exercise prices and expiration dates of each grant to such holders. All Common Shares that may be issued pursuant to the exercise of outstanding Options and Warrants will, when issued in accordance with the terms of the Options and Warrants, be duly authorized, validly issued, fully paid and non-assessable and are not and will not be subject to or issued in violation of, any pre-emptive rights. There are no outstanding contractual obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any Common Shares or any shares in the share capital of any of its Subsidiaries. No Subsidiary of the Company owns any Common Shares.

(c) As of the date hereof, no more than $100,000 has been deducted from employee payroll pursuant to the Company's Employee Share Ownership Plan (the **"ESOP"**) in respect of the current contribution period thereunder.

4.9 Shareholder and Similar Agreements

Other than the Options and Warrants, the Company is not party to any shareholder, pooling, voting trust or other agreement relating to the issued and outstanding shares of the Company or any of its Subsidiaries.

4.10 Financial Statements

The audited consolidated financial statements of the Company as at and for the 12 month periods ended on each of December 31, 2005 and December 31, 2006, including the notes thereto and the report by the Company's auditors thereon, have been, and all financial statements of the Company which are publicly disseminated by the Company in respect of any subsequent periods prior to the Effective Date will be, prepared in accordance with Canadian GAAP applied on a basis consistent with prior periods and present fairly the consolidated financial position and results of operations of the Company and its Subsidiaries, taken as a whole, as of the respective dates thereof and for the respective periods covered thereby.

4.11 Undisclosed Liabilities

Except as disclosed in the Disclosure Letter and the Company Public Documents filed since January 1, 2007, since January 1, 2007, (i) each of the Company and its Subsidiaries has conducted its business in the ordinary course consistent with past practice, (ii) other than as reflected on the audited balance sheet of the Company as at December 31, 2006, no liability or obligation material to the Company and its Subsidiaries, on a consolidated basis, has been incurred other than in the ordinary course consistent with past practice or pursuant to Section 6.2(f), (iii) there has not been any Material Adverse Effect with respect to the Company, and (iv) as of the date of this Agreement, there are no material change reports filed on a confidential basis with any Securities Regulator which remain confidential.

4.12 Interest in Properties

(a) The Company does not own any real property.

(b) Neither the Company nor any of its Subsidiaries is the owner or lessee of, or subject to any agreement or option to own or lease, any real property, or any interest in any real property, other than the Leased Properties listed in the Disclosure Letter. The Company has made available to Parent copies of each of the lease agreements with respect to each of the Leased Properties.

4.13 Employment Matters

(a) Except as disclosed in the Disclosure Letter, neither the Company nor any of its Subsidiaries has entered into any written or oral agreement or understanding providing for severance, retention, termination or other material payments to any director, officer or employee including, without limitation, in connection with (i) the termination of his or her position or employment as a result of a change in control of the Company (whether alone or in combination with any other event or circumstance) or (ii) his or her resignation or termination following the occurrence of a change in control of the Company. To the knowledge of the Company, no executive or manager of the Company, or of any Subsidiary, is a party to any confidentiality, non-competition, proprietary rights or other such agreement with any Person other than the Company or any Subsidiary that materially impedes the performance of such employee's employment duties, or would have a Material Adverse Effect.

(b) Except as disclosed in the Disclosure Letter, neither the Company nor any of its Subsidiaries (i) is a party to any collective bargaining agreement, (ii) is a party to any letters of understanding, letters of intent or other written communication with a bargaining agent for the employees of the Company or any of its Subsidiaries which impose any obligations upon the Company or any of its Subsidiaries, (iii) has been declared a related employer pursuant to the Labour Relations Act (Ontario) or any similar legislation in any jurisdiction in which the Company or any of its Subsidiaries carries on business, or (iv) is to the knowledge of the Company subject to any application for certification or, threatened or apparent union-organizing campaigns for employees not covered under a collective bargaining agreement. No trade union, council of trade, union or employee association holds bargaining rights with respect to the employees of the Company and/or any of its Subsidiaries by way of certification, interim certification, voluntary recognition or successor rights. To the knowledge of the Company, as of the date of this Agreement, no fact or event exists that would reasonably be expected to cause this Subsection (b) to become untrue on or before the Effective Date.

(c) Except as disclosed in the Disclosure Letter, all amounts due or accrued due for all salary, wages, bonuses, commissions, vacation with pay, and benefits under the Benefit Plans have either been paid or are accurately reflected in the Company's books and records, except where such failure would not result in a Material Adverse Effect.

(d) Except as disclosed in the Disclosure Letter, all current assessments under workers compensation legislation in relation to the Company employees have been paid or accrued by the Company or any applicable Subsidiary and the business of the Company and the Subsidiaries has not been and is not (i) subject to any additional or penalty assessment under such legislation which has not been paid, or (ii) subject to any audit in connection with such legislation. The accident cost experience of the Company and the Subsidiaries is such that, to the knowledge of the Company, it would not materially adversely affect the premium payments or accident cost experience of the Company or any Subsidiary or result in material additional payments in connection with the business of the Company and the Subsidiaries.

4.14 Intellectual Property Rights.

(a) The Disclosure Letter sets forth a complete and correct list of: (i) all patented or registered Intellectual Property owned or used by the Company and/or any of its Subsidiaries, including, without limitation, Internet domain name registrations; (ii) all pending patent applications or other applications for registration of Intellectual Property owned or used by the Company and/or any of its Subsidiaries; (iii) all trade names and corporate names used by the Company and/or any of its Subsidiaries; (iv) all material Software owned and/or distributed or maintained by the Company and/or any of its Subsidiaries but excluding Third Party Software and any Software developed by or on behalf of the Company to be transferred to a customer or partner of the Company pursuant to an agreement with such customer or partner (collectively, the "**Company Software**"), listed by major point release; and (v) internally developed back office software, other than Company Software and Third Party Software, owned or used by the Company.

(b) Except as disclosed in the Disclosure Letter (i) the Company and its Subsidiaries own and possess, free and clear of all Liens, all right, title and interest in and to, or valid and enforceable right to use, pursuant to the Company IP Agreements set forth in the Disclosure Letter, all material Intellectual Property which is necessary for conducting the business, as presently conducted, of the Company and/or its Subsidiaries (collectively, with the Intellectual Property disclosed in the Disclosure Letter, the "**Company Intellectual Property**"); (ii) neither the Company nor any of its Subsidiaries have licensed any material Company Intellectual Property to any third party on an exclusive basis; and (iii) (A) the products or services sold or licensed by the Company and its Subsidiaries and (B) the conduct of their respective businesses do not, in any material way, infringe, misappropriate or otherwise conflict with any third parties' Intellectual Property and proprietary rights and no event has occurred and no event will occur as a result of the transactions contemplated hereby, that would render invalid or unenforceable or impair any rights to any Company Intellectual Property, and neither the Company nor its Subsidiaries has received any written notices regarding any of the foregoing.

(c) The Disclosure Letter sets forth a complete and correct list of: (i) all material co-development or distribution agreements pursuant to which the Company and/or any of its Subsidiaries embeds, integrates, bundles, redistributes, resells or otherwise sublicenses material Software of any other party but excluding any customer contracts that have intellectual property clauses entered into in the normal course of business ("**Third Party Software**"); (ii) all material agreements or other material arrangements pursuant to which the Company or any of its Subsidiaries are a party related to the development of material Company Software but excluding any customer contracts that have intellectual property clauses entered into in the normal course of business; (iii) all material agreements or other material arrangements related to information technology used in the business of the Company and/or any of its Subsidiaries ("**IT Software**") for which the Company and/or its Subsidiaries have paid more than a total of US$100,000 in the aggregate in license fees or has an obligation to pay more than US$25,000 annually for maintenance or support; (iv) all other material agreements or material arrangements pursuant to which the Company and/or any of its Subsidiaries are a licensee or licensor of Intellectual Property (other than agreements related to mass-marketed, off-the-shelf software purchased or licensed by the Company or any of its Subsidiaries for its internal use only and not as part of the computer software it licenses to others as part of its business for less than a total cost and/or annual license or support fee of US$250,000; and (v) all other material agreements or material arrangements relating to the use of Intellectual Property by the Company and/or any of its Subsidiaries, including settlement or coexistence agreements, consent-to-use or standstill agreements, source code escrow agreements, outsourcing agreements and indemnification agreements but excluding any customer contracts that have intellectual property clauses entered into in the normal course of business (collectively, the "**Company IP Agreements**").

(d) Except as set forth in the Disclosure Letter, (i) only the object code of any Company Software has been disclosed to any Person (except to a source code escrow agent for the benefit of customers in the ordinary course of business); (ii) no Person has asserted any right to access any source code for any Company Software, including, without limitation, pursuant to any source code escrow agreement; and (iii) no source code licensed to Persons as disclosed in the Disclosure Letter is material to the current business of the Company.

(e) (i) To the knowledge of the Company, such Software does not contain any undisclosed program, device or other feature, including viruses, worms, or Trojan horses, and (ii) all the material Software distributed by the Company and its Subsidiaries operates in all material respects within its specifications other than those errors or defects that occur in the normal course of business consistent with past practices and are rectified in the ordinary course of the Company's business. Except as disclosed in the Disclosure Letter, the Company Software, including any embedded or integrated Third Party Software, is not subject to any term that could (x) require, or condition the use or distribution of such Company Software, on the disclosure, licensing, or distribution of any source code for any portion of such Company Software or (y) otherwise impose any limitation, restriction, or condition on the right or ability of the Company or any of its Subsidiaries to use, license or distribute any Company Software. Except as disclosed in the Disclosure Letter, the Software, hardware, networks and interfaces, used by the Company and each of its Subsidiaries in the conduct of its business are sufficient for the immediate needs of the Company and each of its Subsidiaries, as currently conducted.

(f) (i) To the knowledge of the Company, no third party has infringed, misappropriated or otherwise conflicted with any of the Company Intellectual Property and there are no facts that would form the basis to conclude that there is a reasonable likelihood of any of the foregoing, except as would not be expected to result in a Material Adverse Effect and (ii) the Company and its Subsidiaries have taken all necessary or commercially reasonable action to maintain and protect all of the Company Intellectual Property.

(g) (i) To the extent that any Intellectual Property is confidential, the employees and contractors of the Company and its Subsidiaries are subject to enforceable legal obligations to maintain the confidentiality of such Intellectual Property, (ii) no current or former employee of, or consultant to, the Company and/or any of its Subsidiaries owns in his or her own name, or has any other right, title or interest in or to, any Company Intellectual Property; and (iii) all current or former employees of, and consultants to, the Company and/or any of its Subsidiaries have entered into valid and enforceable written agreements pursuant to which such employee or consultant agrees to (A) protect the confidential information of the Company and/or such Subsidiary and assign to the Company or such Subsidiary, as applicable, all Intellectual Property authored, developed, reduced to practice, or otherwise created by such employee or consultant in the course of his or her relationship with the Company or any of its Subsidiary, without any restrictions or obligations on the use of such Intellectual Property whatsoever, and (B) waive any moral or other rights that they or those working for them may have in works of authorship.

4.15 Litigation, Etc.

Except as disclosed in the Disclosure Letter, there is no claim, action, grievance, complaint, proceeding or investigation pending or, to the knowledge of the Company, threatened against or relating to the Company or any of its Subsidiaries or the business of the Company or any of its Subsidiaries or affecting any of their Properties, assets or Products which, if adversely determined, would have a Material Adverse Effect. Neither the Company nor any of its Subsidiaries is subject to any outstanding order, writ, injunction or decree which has had a Material Adverse Effect.

4.16 Taxes

Except as disclosed in the Disclosure Letter, the Company and each of its Subsidiaries has duly and in a timely manner filed all Tax Returns required to be filed by it, those Tax Returns were complete and correct in all material respects, and the Company and each of its Subsidiaries has paid all material Taxes which are due and payable by it on or before the date of this Agreement, and the Company has provided adequate accruals in accordance with Canadian GAAP in the most recently published financial statements of the Company for any Taxes for the period covered by such financial statements that have not been paid whether or not shown as being due on any Tax Returns. Except as disclosed in the Disclosure Letter, since such publication date, no material liability in respect of Taxes not reflected in such statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the ordinary course of business. Except as disclosed in the Disclosure Letter, there are no actions, suits, proceedings, investigations or claims threatened against the Company or any of its Subsidiaries in respect of Taxes, or any matters under discussion with any Governmental Entity relating to Taxes asserted by any such authority, except as would not result in a Material Adverse Effect. Except as disclosed in the Disclosure Letter, no waivers of statutes of limitations with respect to Taxes have been given with respect to the Company or any Subsidiary. Except as disclosed in the Disclosure Letter, the Company and each of its Subsidiaries has withheld from each amount paid or credited by it the amount of all Taxes and other deductions required by applicable Laws to be withheld therefrom and have remitted the same to the appropriate Governmental Entity. Except as disclosed in the Disclosure Letter, the Company and each of its Subsidiaries has charged, collected and remitted on a timely basis all Taxes as required by applicable Laws on any sale, supply or delivery whatsoever made by them. Except as disclosed in the Disclosure Letter, none of the Company or its Subsidiaries is a party to or bound by any Tax allocation or Tax sharing agreement with any Person, including a Governmental Entity, other than the Company and its Subsidiaries, and none has any current or potential contractual obligation to indemnify any other Person with respect to Taxes. Except as disclosed in the Disclosure Letter, none of the Company or its Subsidiaries (A) has been a member of an affiliated group filing a consolidated income Tax Return (other than a group the common parent of which was the Company) or (B) has any liability for Taxes of any Person (other than any of the Company or its Subsidiaries) as a transferee or successor, by contract, or otherwise. Except as disclosed in the Disclosure Letter, no claim has ever been made by a taxing authority in a jurisdiction where the Company or any of its Subsidiaries does not file Tax Returns that such Person is or may be subject to taxation by such jurisdiction. Except as disclosed in the Disclosure Letter, there are no Liens for Taxes (other than for Taxes not yet due and payable) upon the assets of the Company or its Subsidiaries.

4.17 Insurance

The Disclosure Letter contains a true and complete list of all of the insurance policies maintained by the Company and its Subsidiaries, and the Company is in compliance in all material respects with all requirements with respect thereto.

4.18 Pension and Employee Benefits

(a) The Disclosure Letter contains a true and complete list of all material Benefit Plans. Neither the Company nor any of its Subsidiaries has any material liability with respect to any other employee benefit plan, arrangement or agreement except as set forth in the Disclosure Letter. The Company has made available to Parent current and complete copies of all material (i) Benefit Plans (ii) each trust or other funding arrangement, prepared in connection with any applicable Benefit Plan, (iii) insurance contracts or policies, investment management agreements, subscription and participation agreements, benefit administration contracts, and any financial administration contracts relating to any Benefit Plan, (iv) summaries in the Company's possession or control distributed or made available to any employee or former employee concerning any Benefit Plans, (v) financial and accounting statements for each of the last three years together with the four most recent quarterly investment reports with respect to any Benefit Plan, (vi) annual information returns and material correspondence with, any Governmental Entity within the last three years with respect to any Benefit Plan, and (vii) valuations and other documentation for each of the last three years which materially affect premiums, contributions, refunds, deficits or reserves under any Benefit Plan.

(b) Except as disclosed in the Disclosure Letter, the Company and all of its Subsidiaries have complied in all material respects with all the terms of, and all applicable Laws in respect of, the Benefit Plans, including the terms of any funding and investment contracts or obligations applicable thereto, arising under or relating to any Benefit Plans. Except as disclosed in the Disclosure Letter, the Company and the Subsidiaries have not been notified of any material default or violation by any other Person in relation to obligations under any Benefit Plan. Except as disclosed in the Disclosure Letter, all employer or employee payments, contributions or premiums required to be remitted, paid to or in respect of each Benefit Plan have been paid or remitted in a timely fashion in accordance with its terms and all applicable Laws in all material respects. Except as disclosed in the Disclosure Letter, no Taxes, penalties or fees are owing or eligible under or in relation to any Benefit Plan. Except as disclosed in the Disclosure Letter, there is no investigation by any Governmental Entity, or claim (other than routine claims for payment of benefits) pending or, to the knowledge of the Company, threatened involving any Benefit Plan or their assets.

(c) Except as disclosed in the Disclosure Letter, no Benefit Plan is a "registered pension plan" as such term is defined in the Tax Act or is subject to Title IV of ERISA or other similar legislation of another jurisdiction.

(d) Except as disclosed in the Disclosure Letter, the Company and its Subsidiaries have no liability for life, health, medical or other welfare benefits to future or current former employees or beneficiaries or dependents thereof.

(e) Except as disclosed in the Disclosure Letter and except for the Company's employees and their eligible covered dependents, there are no Persons other than the Company or the Subsidiaries sponsoring, participating in or contributing to any Benefit Plan. Except as disclosed in the Disclosure Letter, none of the Benefit Plans is required to be established and maintained pursuant to a collective bargaining agreement and no participants in any Benefit Plan are covered by a collective bargaining agreement. None of the Benefit Plans is a "multi-employer" plan as defined by applicable Laws.

(f) Except as disclosed in the Disclosure Letter, there has been no amendment to, announcement by the Company or any of the Subsidiaries relating to, or change in employee participation or coverage under, any Benefit Plan which would materially increase the expense of maintaining any Benefit Plan. Except as disclosed in the Disclosure Letter, neither the execution of this Agreement, Shareholder approval of this Agreement nor the consummation of the transactions contemplated by this Agreement will (i) entitle any employees of the Company or any of the Subsidiaries to severance pay or any increase in severance pay, (ii) accelerate the time of payment or vesting or result in any payment of funding (through a grantor trust or otherwise) of compensation or benefits under, increase the amount payable or result in any other material obligation pursuant to, any of the Benefit Plans, (iii) limit or restrict the right of the Company or, after the consummation of the transactions contemplated by this Agreement, Parent to merge, amend or terminate any of the Benefit Plants or (iv) result in payments under any of the Benefit Plans which would not be deductible under Section 162(m), or Section 280G of the Internal Revenue Code of 1986, as amended.

4.19 Environmental

(a) Except for any matters that, individually or in the aggregate, would not have a Material Adverse Effect, the Company is and has been in compliance with all applicable Environmental Laws.

(b) Except for any matters that, individually or in the aggregate, would not have a Material Adverse Effect, neither the Company nor any of its Subsidiaries is subject to:

(i) any Environmental Law which requires or may require any work, repairs, construction, change in business practices and operations or expenditures; or

(ii) any demand or notice with respect to a breach of or liability under any Environmental Laws, including any regulations respecting the use, storage, treatment, transportation, or disposition of any pollutants, contaminant, waste of any nature, hazardous material, toxic substance, dangerous substance or dangerous good.

(c) To the knowledge of the Company, there are no contaminants located in the ground or in groundwater under any of the Leased Properties.

(d) All reports and documents relating to the environmental matters affecting the Company or any of its Subsidiaries or any of the Leased Properties have been made available to Parent.

4.20 Restrictions on Business Activities

Except as disclosed in the Disclosure Letter, there is no agreement, judgement, injunction, order or decree binding upon the Company or any of its Subsidiaries that has the effect of prohibiting, restricting or impairing any business practice of the Company, any of its Subsidiaries, any acquisition of property by the Company or any of its Subsidiaries or the conduct of business by the Company or any of its Subsidiaries as currently conducted (including following the transactions contemplated by this Agreement), except as would not result in a Material Adverse Effect.

4.21 Material Agreements

The Disclosure Letter contains a list of all Contracts that are material to the conduct of the Company's business or the business of its Subsidiaries. Except as set forth in the Disclosure Letter, no approval or consent of any Person is needed in order that any material Contracts of the Company and its Subsidiaries continue in full force and effect following consummation of the transactions contemplated hereby. All material

Contracts of the Company and its Subsidiaries constitute valid and binding obligations of the Company or its Subsidiaries and, to the knowledge of the Company or its Subsidiaries, the other parties to those contracts and licenses, enforceable by the Company or its Subsidiaries against those other parties to such Contracts in accordance with their respective terms (subject to bankruptcy, insolvency, fraudulent transfer and similar laws of general applicability relating to or affecting creditor's rights and to general equity principles) and are in full force and effect. There is no pending or, to the knowledge of the Company or its Subsidiaries, any threatened cancellation or termination, existing default, or event, condition or occurrence which, after notice or lapse of time, or both, would constitute a default of or under any material Contract to which the Company or its Subsidiaries is a party or otherwise bound which could have a Material Adverse Effect.

4.22 No "Collateral Benefit" Under Ontario Rule

To the knowledge of the Company, no related party of the Company (within the meaning of Ontario Securities Commission Rule 61-501 – *Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions)* together with its associated entities, beneficially owns or exercises control or direction over 1% or more of the outstanding Common Shares, except for related parties who will not receive a "collateral benefit" (within the meaning of such Rule) as a consequence of the transactions contemplated by this Agreement.

4.23 Brokers

Except for Merrill Lynch Canada Inc. and Genuity Capital Markets, the fees and expenses of which shall be paid by the Company, the Company has not become obligated to pay any fee or commission to any broker, finder or intermediary for or on account of the transactions contemplated by this Agreement.

4.24 Change of Control Payments

(a) The Disclosure Letter sets forth a good faith estimate of the amount of any compensation or remuneration of any kind or nature which is or may become payable to any current or former employee, officer or director of the Company or any of its Subsidiaries, in whole or in part, by reason of the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby (the "**Change of Control Payments**").

(b) The Disclosure Letter sets forth a good faith estimate of any costs, fees and expenses which have not been paid prior to the date hereof and which may be incurred by the Company or any of its Subsidiaries or on their behalf in connection with or related to the authorization, preparation, negotiation, execution or performance of this Agreement and the transactions contemplated hereby at any time prior to or at the Effective Time, including, but not limited to, those of the financial advisor(s) and counsel to the Company or any of its Subsidiaries**.**

ARTICLE 5
COVENANTS

5.1 Conduct of Business by the Company

The Company covenants and agrees that, prior to the earlier of: (i) the Effective Date; and (ii) the date on which this Agreement has been terminated pursuant to Article 7, unless Parent and Subco shall otherwise agree in writing or as otherwise expressly contemplated or permitted by this Agreement:

(a) except as disclosed in the Disclosure Letter, the Company shall, and shall cause each of its Subsidiaries to, conduct its and their respective businesses in the ordinary course of business consistent with past practice except as may be required in order to comply with the terms of this Agreement;

(b) without limiting the generality of subsection (a) above, and except (A) as otherwise expressly required by this Agreement, or (B) for transactions involving the Company and one or more of its wholly-owned Subsidiaries or between wholly-owned Subsidiaries of the Company, the Company shall not, directly or indirectly, and shall cause each of any of its Subsidiaries not to:

(i) issue, sell, award, pledge, dispose of, encumber or agree to issue, sell, award, pledge, dispose of or encumber any Common Shares, or other securities of the Company or any shares or other securities of its Subsidiaries, or any calls, conversion privileges or rights of any kind to acquire any Common Shares or other securities of the Company or any shares or other securities of its Subsidiaries (other than Common Shares pursuant to the exercise of Options and Warrants outstanding on the date hereof and set forth in the Disclosure Letter;

(ii) except as disclosed in the Disclosure Letter, or in the ordinary course of business consistent with past practice, sell, pledge, lease, dispose of, encumber or agree to sell, pledge, lease, dispose of or encumber any assets of the Company or any of its Subsidiaries or any interest in any asset of the Company or any of its Subsidiaries that, in either case, has a value greater than US$100,000 for any single asset or US$500,000 in the aggregate;

(iii) amend the articles, by-laws or other constating documents of the Company or any of its Subsidiaries;

(iv) split, combine or reclassify any outstanding Common Shares;

(v) except for repurchasing or cashing out Options or Warrants as contemplated in this Agreement and the Plan of Arrangement, redeem, purchase or offer to purchase any Common Shares or other securities of the Company or any shares or other securities of any of its Subsidiaries;

(vi) other than in the ordinary course of business, terminate or materially amend, modify, or assign any of the material Company IP Agreements, or take any action that could reasonably be expected to cause the loss, lapse or abandonment of any material Company Intellectual Property;

(vii) except for licenses to customers and partners in the ordinary course of business, sell, pledge, lease, dispose of, encumber or agree to sell, pledge, lease, dispose of or encumber any material Intellectual Property;

(viii) declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) in respect of any securities except for dividends by any Subsidiary of the Company to the Company or another wholly-owned Subsidiary of the Company and dividends paid with the prior written consent of the Parent;

(ix) reorganize, amalgamate or merge the Company or any of its Subsidiaries with any other Person;

(x) reduce the stated capital of the shares of the Company or of any of its Subsidiaries;

(xi) acquire or agree to acquire (by merger, amalgamation, acquisition of stock or assets or otherwise) any Person, or make any investment either by purchase of shares or securities, contributions of capital (other than to any of its existing wholly-owned Subsidiaries) of any other Person;

(xii) incur or commit to incur any indebtedness for borrowed money or issue any debt securities, or guarantee, endorse or otherwise (as an accommodation) become responsible for, the obligations of any other Person or make any loans or advances;

(xiii) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of the Company or any of its Subsidiaries;

(xiv) pay, discharge or satisfy any claims, liabilities or obligations other than (i) the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice, of liabilities reflected or reserved against in the Company's financial statements or incurred in the ordinary course of business consistent with past practice, or (ii) claims that are set forth in the Disclosure Letter;

(xv) except as disclosed in the Disclosure Letter or other than in the ordinary course of business, waive, release, grant or transfer any rights of value, materially modify or materially change any existing licence, lease or Contract; or

(xvi) terminate the employment of any senior management employee, except if such termination is for just cause;

(c) the Company shall not, and shall cause each of its Subsidiaries not to:

(i) except as disclosed in the Disclosure Letter and other than in the ordinary course of business, consistent with past practice, increase the remuneration or benefits payable or to become payable to its directors or officers (whether from the Company or any of its Subsidiaries); or enter into or modify any employment, severance, or similar agreements or arrangements with, or grant any bonuses, salary increases, severance or termination pay to, any officer of the Company or member of the Board of Directors; other than pursuant to agreements already entered into prior to the date hereof;

(ii) take any action other than in the ordinary course of business and consistent with past practice with respect to the grant of any bonuses, salary increases, severance or termination pay or with respect to any increase of benefits payable in effect on the date of this Agreement; or

(iii) except with the prior written consent of Parent (not to be unreasonably withheld), hire any managerial employee (defined as an employee with a base salary of US$150,000 or more per year) other than the replacement of any current employee whose employment with the Company or any of its Subsidiaries is terminated for any reason (with such replacement employee receiving no more compensation and benefits as such terminated employee);

(d) subject to this Agreement, the Company shall not, and shall cause each of its Subsidiaries not to, establish, adopt, enter into, amend or waive any performance or vesting criteria, exercisability or funding under any bonus, profit sharing, thrift, incentive, compensation, stock option, restricted stock, pension, retirement, deferred compensation, savings, welfare, employment, termination, severance or other employee benefit plan, agreement, trust, fund, policy or arrangement for the benefit or welfare of any directors or senior officers of the Company or its Subsidiaries;

(e) the Company shall use reasonable commercial efforts to cause its current material insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

(f) the Company shall:

(i) use reasonable commercial efforts, and cause each of its Subsidiaries, to preserve intact their respective business organizations and goodwill, to keep available the services of its and their officers and employees as a group and to maintain satisfactory relationships with suppliers, distributors, customers and others having business relationships with them;

(ii) not take any action or enter into any transaction, or permit any of its Subsidiaries to take any action or enter into any transaction, which would, (A) render any representation or warranty made by it in this Agreement inaccurate, (B) result in a breach of any of its covenants or obligations under this Agreement, (C) cause any condition in Section 6.1 or Section 6.2 to become incapable of satisfaction, or (D) render the transactions contemplated by this Agreement incapable of completion;

(iii) promptly notify Parent of the occurrence of any Material Adverse Effect, in the normal course of its or any of its Subsidiaries' businesses or in the operation of its or any of its

Subsidiaries' properties and of any governmental or material third party complaints, investigations or hearings (or communications indicating that the same are being contemplated) or any material developments in relation to any of the foregoing;

(iv) not incur any capital expenditures or enter into any agreement obligating the Company or any of its Subsidiaries to provide for future capital expenditures that involve payments in excess of US$500,000 individually or US$2 million in the aggregate; and

(v) other than settling the outstanding claims set forth in the Disclosure Letter, not pay, discharge, settle or compromise any claim, action, litigation, arbitration or proceeding, other than any such payment, discharge, settlement or compromise in the ordinary course of business consistent with past practice;

(g) the Company and each of its Subsidiaries shall:

(i) duly and timely file all material Tax Returns required to be filed by it on or after the date of this Agreement and all such Tax Returns will be true, complete and correct in all material respects;

(ii) take commercial reasonable steps consistent with past practice to continue to maintain and protect all of the material Company Intellectual Property prior to the Closing so as not to materially adversely affect the validity or enforceability thereof;

(iii) timely withhold, collect, remit and pay all Taxes which are to be withheld, collected, remitted or paid by it to the extent due and payable;

(iv) not make or rescind any express or deemed election relating to Taxes;

(v) except as set forth in the Disclosure Letter, not make a request for or pursue the obtaining of any Tax ruling or enter into any agreement with any taxing authorities or consent to any extension or waiver of any limitation period with respect to Taxes;

(vi) not settle or compromise any claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes that requires a payment by the Company or any of its Subsidiaries in excess of US$500,000; and

(vii) not change any of its methods of reporting income, deductions or accounting for income Tax purposes from those employed in the preparation of its income Tax Return for the tax year ended December 31, 2005, except as may required by applicable Laws;

(h) the Company shall not authorize or enter into or modify any contract, agreement, commitment or arrangement, to do any of the matters prohibited by the other paragraphs of this Section 5.1;

(i) the Company shall ensure that (i) the ESOP is, and that all offering periods in progress under the ESOP are, terminated immediately following the date of this Agreement, (ii) with respect to persons participating in the ESOP on the date on which the offering periods cease and the ESOP terminates (and who have not withdrawn from or otherwise ceased participation in the ESOP prior to such date), accumulated contributions will be applied on such date to the purchase of Common Shares in accordance with the ESOP's terms (treating the date of termination as the last day of the relevant offering period), (iii) any remaining balances in the withholding accounts of the participants in the ESOP are returned in accordance with the terms of the ESOP, and (iv) there are no outstanding rights of participants under the ESOP following the termination thereof;

(j) the Company shall use its reasonable commercial efforts to maintain the listing of the Common Shares on the TSX until the Effective Date; and

(k) the Board of Directors shall recommend to the Shareholders the approval of the Arrangement and shall not withdraw, modify or qualify in any manner adverse to Parent such recommendation, or take any action or make any statement in connection with the Circular, the Meeting or the obtaining of Shareholder approval that is inconsistent with such recommendation, except as expressly permitted by Article 8.

5.2 Covenants of Parent and Subco

Each of Parent and Subco covenants and agrees that, except as contemplated in this Agreement, until the Effective Date or the day upon which this Agreement is terminated, whichever is earlier:

(a) it shall use reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions set forth in Section 6.1 and Section 6.3 of this Agreement, to the extent the same is within its control;

(b) it shall use reasonable commercial efforts to make or cooperate as necessary in the making of all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated herein and take all reasonable action necessary to be in compliance with such Laws;

(c) it shall use reasonable commercial efforts to (i) fully satisfy in all material respects, on a timely basis, all terms, conditions, representations and warranties set forth in the Debt Commitment Letter, (ii) enforce its respective rights under the Debt Commitment Letter, and (iii) enter into definitive agreements with respect to the financings contemplated by the Debt Commitment Letter or alternative financing as soon as reasonably practicable and in any event prior to the Closing Date. Parent will furnish correct and complete copies of such executed definitive agreements to the Company promptly upon execution of such agreements. Parent shall keep the Company informed with respect to all material activity concerning the status of the financings contemplated by the Debt Commitment Letter and shall give the Company prompt notice of any material adverse change with respect to such financings. Without limiting the foregoing, Parent agrees to notify the Company promptly and in any event within two Business Days if at any time prior to the Effective Time (i) the Debt Commitment Letter expires or is terminated for any reason or (ii) any financing source that is a party to the Debt Commitment Letter notifies Parent that such source no longer intends to either provide or underwrite financing to Parent on the terms set forth therein or requests amendments or waivers which are adverse to the timely completion by Parent or Subco of the transactions contemplated by this Agreement. Other than in connection with this Agreement, neither Parent nor Subco shall, nor shall they permit any of their respective controlled Affiliates to, without the prior written consent of the Company, take any action or enter into any transaction, including any merger, acquisition, joint venture, disposition, lease, contract or debt or equity financing, that would reasonably be expected to materially and adversely impair, delay or prevent Parent's obtaining of the financings contemplated by the Debt Commitment Letter. Neither Parent nor Subco shall amend or alter, or agree to amend or alter, the Debt Commitment Letter in any manner that would materially and adversely impair, delay or prevent the consummation of the transactions contemplated by this Agreement without the prior written consent of the Company. If the Debt Commitment Letter shall be terminated or modified in a manner materially adverse to Parent or Subco for any reason, Parent shall use reasonable commercial efforts to (i) obtain, and, if obtained, will provide the Company with a copy of, a new financing commitment that provides for at least the same amount of financing as contemplated by the Debt Commitment Letter as originally issued (ii) enter into definitive agreements with respect to such new financing as soon as reasonably practicable and in any event prior to the Closing Date; and (iii) obtain funds under such agreements to the extent necessary to consummate the transactions contemplated by this Agreement. If, after Parent's use of reasonable commercial efforts, Parent is unable to obtain such new financing as described in the immediately preceding sentence, then the Company may, in its sole discretion, propose an alternative new financing that provides for at least the same amount of financing as contemplated by the Debt Commitment Letter as originally issued on terms that are not materially less favourable to Parent and its Affiliates than those set forth in the Debt Commitment Letter, and Parent shall use reasonable commercial efforts to enter into definitive agreements with respect to such alternative new financing and obtain funds under such agreements to the extent necessary to consummate the transactions contemplated by this Agreement. In the event that new Debt Commitment Letter is executed in accordance with this Section 5.2(c), then such new Debt Commitment Letter shall be the "Debt Commitment Letter" for purposes of this Agreement; and

(d) it shall comply with the terms of the Plan of Arrangement to the extent the Plan of Arrangement contains obligations of Parent or Subco, respectively.

5.3 Filings and Authorizations

(a) Each of Parent, Subco and the Company, as promptly as practicable after the execution and delivery of this Agreement, will (i) make, or cause to be made, all such filings and submissions under all Laws applicable to it, as may be required for Parent, Subco and the Company to consummate the Arrangement, (ii) use all commercially reasonable efforts to obtain, or cause to be obtained, and secure all Required Company Regulatory Approvals and Required Buyer Regulatory Approvals; and (iii) use all commercially reasonable efforts to take, or cause to be taken, all other actions necessary, proper or advisable in order for it to fulfil its obligations under this Agreement and the Plan of Arrangement including fulfilling as soon as is practicable any reasonable requests for additional information. Subject to any applicable Laws, the Parties will coordinate and cooperate with one another in exchanging such information and supplying such assistance as may be reasonably requested by each in connection with the foregoing, including providing each other with all notices and information supplied or filed with any Governmental Entity (except for notices and information which Parent and Subco or the Company, in each case acting reasonably, considers confidential and sensitive which may be filed on a confidential basis), and all notices and correspondence received from any Governmental Entity.

(b) Parent shall use commercially reasonable efforts to obtain the Required Buyer Regulatory Approvals.

(c) The Company shall use commercially reasonable efforts to obtain Required Company Regulatory Approvals.

5.4 Employees

(a) Subject to the provisions of this Agreement, Parent and Subco hereby covenant and agree that following the Effective Time, they will cause the Company to honour the Employment Agreements, including any severance benefits contained therein, copies of which have been provided to Parent and Subco. In the event Parent or its Subsidiaries, as applicable, replaces the Benefit Plans within the year following the Effective Time with replacement benefit plans after the Effective Time, Parent shall use commercially reasonable efforts to ensure that employees of the Company receive, for the purposes of eligibility and vesting, credit under applicable benefit plans established or maintained by Parent or any of its Subsidiaries for service accrued or deemed accrued prior to the Effective Time with the Company or any of its Subsidiaries.

(b) At Parent's request, immediately prior to the Effective Time, the Company’s Board of Directors shall adopt resolutions terminating the Company's 401(k) Plan (the “**401(k) Plan**”) effective immediately prior to the Effective Time. If terminated and following such termination, the Company shall make no further contributions to the 401(k) Plan (other than contributions which relate to compensation paid for services rendered on or prior to the date of the termination of the 401(k) Plan), all participants in the 401(k) Plan shall vest 100% in their respective account balances, and the plan administrator of the 401(k) Plan shall be authorized, but not directed, to apply for a favourable determination letter from the Internal Revenue Service with respect to the termination of the 401(k) Plan.

5.5 Freely Available Cash

The Company shall use reasonable commercial efforts to preserve and make available its and its Subsidiaries’ cash, cash equivalents and marketable securities for the purposes of the loan contemplated by Section 6.2(f). To the extent action taken by the Company in accordance with the foregoing sentence would cause the Company to incur any Tax obligations, the Company shall inform Parent of such obligations prior to taking any such action, and shall be required to take such action only if Parent agrees to reimburse such obligations in the event the Arrangement does not occur.

ARTICLE 6
CONDITIONS

6.1 Mutual Conditions Precedent

The respective obligations of each Party to complete the transactions contemplated by this Agreement shall be subject to the satisfaction, at or before the Effective Time, of the following conditions precedent and the Parties shall cause such conditions to be fulfilled insofar as they relate to matters within their respective control:

(a) Interim Order - The Interim Order shall have been obtained in form and substance satisfactory to each of the Parties, acting reasonably and shall not have been set aside or modified in a manner unacceptable to such Parties, acting reasonably, on appeal or otherwise;

(b) Approval of Arrangement Resolution - The Arrangement Resolution shall have been approved by the Shareholders at the Meeting in accordance with the requirements of the Interim Order;

(c) Final Order - The Final Order shall have been obtained in form and substance satisfactory to each of the Parties, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to such Parties, acting reasonably, on appeal or otherwise;

(d) No Restrictions - no orders or decrees restricting the Arrangement shall have been issued, no proceedings in relation to the Arrangement shall have been taken or threatened, and no other similar legal impediments to the Arrangement shall exist; and

(e) Required Regulatory Approvals - the Required Buyer Regulatory Approvals and the Required Company Regulatory Approvals have been made, given, obtained or all terminations or expirations of waiting periods imposed by any Governmental Entity shall have occurred.

6.2 Additional Conditions Precedent to the Obligations of Parent and Subco

The obligations of Parent and Subco to consummate the Arrangement shall also be subject to the fulfilment of each of the following conditions precedent:

(a) Parent and Subco shall have determined, acting reasonably, that (i) no act, action, suit or proceeding shall have been taken or threatened in writing before or by any Governmental Entity in Canada or elsewhere, and (ii) no Law shall have been proposed, enacted, promulgated or applied, in either case:

(i) to cease trade, enjoin or prohibit the purchase by or the sale to Subco of the Common Shares or the right of Subco to own or exercise full rights of ownership of the Common Shares; or

(ii) which, if the Arrangement were consummated, would have a Material Adverse Effect; or

(iii) which would prevent the completion of the Arrangement;

(b) all representations and warranties of the Company qualified by references to materiality or to Material Adverse Effect and each of the Identified Company Representations shall be true and correct in all respects, and (ii) all representations and warranties of the Company not qualified by references to materiality or to Material Adverse Effect shall be true and correct in all material respects, in either case as if made on and as of the Effective Date (except to the extent such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date*),* (unless, with respect to any failure of any one or more of the Identified Company Representations to be true and correct, such failure would not be expected to result in additional liability to Parent, the Company or any of their Affiliates of more than US$400,000 in the aggregate) and Parent and Subco shall have received a certificate of the Chief Executive Officer and the Chief Financial Officer of the Company (in each case without personal liability) addressed to Parent and Subco and dated as of the Effective Date confirming the same, such certificate to be in form and substance satisfactory to Parent and Subco, acting reasonably;

(c) the Company shall have complied with all covenants and obligations (other than those set forth in Section 5.1(k)) in all material respects that are to be complied with by the Company under this Agreement at or prior to the Effective Date and the Company shall have complied with all covenants and obligations set forth in Section 5.1(k) in all respects, and Parent and Subco shall have received a certificate of the Chief Executive Officer and the Chief Financial Officer of the Company (in each case without personal liability) addressed to Parent and Subco and dated as of the Effective Date confirming the same, such certificate to be in form and substance satisfactory to Parent and Subco, acting reasonably;

(d) since the date of this Agreement, there shall not have occurred and there shall not exist a Material Adverse Effect;

(e) holders of no more than 16% of the issued and outstanding Common Shares will have exercised their Dissent Rights (and not withdrawn such exercise) in respect of the Arrangement; and

(f) immediately prior to the Effective Time, the Company shall have made a loan to Subco in an amount equal to its Freely Available Cash as of the Effective Time or such lesser amount that Parent requests sufficiently in advance of the Effective Date to be used for the purpose of consummating the transactions contemplated hereby and to which the Company, acting reasonably, agrees, minus the aggregate amount to be paid by the Company or its affiliates pursuant to Section 2.2 of the Plan of Arrangement in connection with the exercise of Options and Warrants.

The foregoing conditions are for the exclusive benefit of Parent and Subco and may be waived by Parent and Subco in whole or in part at any time.

6.3 Additional Conditions Precedent to the Obligations of the Company

The obligations of the Company to consummate the Arrangement shall also be subject to the fulfilment of each of the following conditions precedent:

(a) (i) all representations and warranties of Parent and Subco qualified by references to materiality or to Material Adverse Effect shall be true and correct in all respects, and (ii) all representations and warranties of Parent and Subco not qualified by materiality or to Material Adverse Effect shall be true and correct in all material respects, in either case as if made on and as of the Effective Date (except to the extent such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and the Company shall have received a certificate from two senior officers of Parent and Subco (in each case without personal liability) addressed to the Company and dated as of the Effective Date confirming the same, such certificate to be in form and substance satisfactory to the Company, acting reasonably; and

(b) Parent and Subco shall have complied with all covenants and obligations in all material respects that are to be complied with under this Agreement by Parent and Subco at or prior to the Effective Date and the Company shall have received a certificate from two senior officers of Parent and Subco (in each case without personal liability) addressed to the Company and dated as of the Effective Date confirming the same, such certificate to be in form and substance satisfactory to the Company, acting reasonably.

The foregoing conditions are for the exclusive benefit of the Company and may be waived by the Company in whole or in part at any time.

ARTICLE 7
TERMINATION, AMENDMENT AND WAIVER

7.1 Termination

This Agreement may be terminated by notice in writing:

(a) at any time prior to the Effective Time by mutual consent of Parent and the Company;

(b) by Parent, if any representation or warranty on the part of the Company set forth in this Agreement fails to continue to be true and correct or there has been a breach of or failure to perform any covenant or agreement on the part of the Company set forth in this Agreement, which failure, breach or failure to perform (i) would cause the conditions set forth in Sections 6.1 or 6.2 not to be satisfied, and (ii) either cannot be cured or is not waived by Parent at or before the Effective Time and has not been cured prior to the twentieth business day following receipt by the Company of written notice of such breach from Parent;

(c) by the Company, if any representation or warranty on the part of the Parent or Subco set forth in this Agreement fails to continue to be true and correct or there has been a breach of or failure to perform any covenant or agreement on the part of Parent or Subco set forth in this Agreement (except in the circumstances giving rise to the Company's termination right under Section 7.1(i)), which failure, breach or failure to perform (i) would cause the conditions set forth in Sections 6.1 or 6.3 not to be satisfied, and (ii) either cannot be cured or is not waived by the Company at or before the Effective Time and has not been cured prior to the twentieth Business Day following receipt by Parent of written notice of such breach from the Company;

(d) by either Party if the Arrangement has not been consummated by the Outside Date, provided that the right to terminate this Agreement pursuant to this Section 7.1(d) shall not be available to a Party if any action of such Party or the failure of such Party to perform any of its obligations under this Agreement required to be performed at or prior to the Effective Time shall have resulted in the conditions contained in Article 6 not having been satisfied prior to the Outside Date (excluding, for the avoidance of doubt, Parent's and Subco's failure to consummate the transactions contemplated hereby solely due to their failure to obtain the proceeds of the financing contemplated by the Debt Commitment Letter or any alternative financing permitted hereunder sufficient to consummate the transactions contemplated hereby);

(e) by Parent if: (i) the Board of Directors withdraws, modifies, changes or qualifies (or resolves to do so) its approval or recommendation of this Agreement or the Arrangement in a manner adverse to Parent and Subco; or (ii) the Board of Directors or any committee thereof approves or recommends, or publicly proposes to approve or recommend, an Acquisition Proposal or enters into a binding written agreement in respect of an Acquisition Proposal; or (iii) the Board of Directors or any committee thereof fails to publicly recommend or reaffirm its approval or recommendation of the Arrangement within five (5) Business Days of any written request to do so by Parent (or, in the event that the Meeting is within such five (5) Business Day period, prior to the Meeting);

(f) by the Company, if the Company proposes to enter into a definitive agreement with respect to a Superior Proposal in compliance with the provisions of Section 8.1;

(g) by either Party, if Shareholders and Warrantholders do not approve the Arrangement Resolution at the Meeting in the manner required by the Interim Order;

(h) by either Party, if a Governmental Entity or court of competent jurisdiction shall have issued a non-appealable final order, decree or ruling or taken any other non-appealable final action, in each case, having the effect of permanently restraining, enjoining or otherwise prohibiting the transactions contemplated hereby; provided that the right to terminate this Agreement under this Section 7.1(h) shall not be available to any Party whose material failure to fulfill any obligation under this Agreement has been the principal cause of or resulted in such order, decree, ruling or action; and

(i) by the Company if (i) the conditions set forth in Sections 6.1 and 6.2 have been satisfied (other than delivery of items to be delivered on the Effective Date and other than the satisfaction of those conditions that by their nature are to be satisfied immediately prior to the Effective Time so long as such conditions are capable of being satisfied), (ii) Parent and Subco breach their obligation to consummate the Arrangement on the Closing Date and (iii) such breach has not been cured prior to the second Business Day following receipt by Parent of written notice of such breach from the Company.

7.2 Amendment

This Agreement may not be amended except by written instrument signed by each of the Parties.

7.3 Waiver

At any time prior to the Effective Date, either Parent or the Company may: (a) extend the time for the performance of any of the obligations or other acts of the other Party; or (b) waive compliance with any of the agreements of the other Party or with any conditions to its own obligations, in each case only to the extent such obligations, agreements or conditions are intended for its benefit.

7.4 Termination Fee

(a) Parent shall be entitled to a termination fee of $6,800,000 (the "**Company Termination Fee**") upon the occurrence of any of the following events (each a "**Company Termination Fee Event**") which shall be paid by the Company to Parent (less the amount of any withholding explicitly required by applicable Laws relating to Taxes which is concurrently paid by the Company) by wire transfer in immediately available funds to an account specified by Parent or as otherwise directed by Parent within the time specified in respect of each such Company Termination Fee Event:

(i) this Agreement is terminated pursuant to Section 7.1(e), in which case the Company Termination Fee shall be paid to Parent on the first Business Day following such termination;

(ii) this Agreement is terminated pursuant to Section 7.1(f), in which case the Company Termination Fee shall be paid to Parent prior to or concurrently with (and as a condition to) the termination of this Agreement; or

(iii) this Agreement is terminated pursuant to Section 7.1(g) or, in the event that the Meeting has not occurred prior to the Outside Date, Section 7.1(d), and (A) an Acquisition Proposal has been made, proposed, communicated or disclosed or a Person has indicated an intention (whether or not conditional) to make, propose, communicate or disclose an Acquisition Proposal (in each case publicly, solely with respect to a termination pursuant to Section 7.1(g)), (B) such Acquisition Proposal has not been withdrawn prior to the Meeting and (C) a definitive agreement with respect to any Acquisition Proposal is entered into or any Acquisition Proposal is consummated in the twelve (12) months following the termination of this Agreement, in which case the Company Termination Fee shall be paid to Parent prior to or concurrently with the consummation of such Acquisition Proposal.

The Company acknowledges that the agreements contained in this Section 7.4(a) are an integral part of the transactions contemplated by this Agreement and that, without these agreements, Parent and Subco would not enter into this Agreement.

(b) For greater certainty, the Company shall not be obligated to make more than one payment under Subsection 7.4(a) if one or more of the events specified therein occurs.

(c) The Company shall be entitled to a termination fee of $6,800,000 (the "**Parent Termination Fee**") in the event that this Agreement is terminated pursuant to Section 7.1(i) (a "**Parent Termination Fee Event**"), which termination fee shall be paid by Parent to the Company (less the amount of any withholding explicitly required by applicable Laws relating to Taxes which is concurrently paid by Parent) by wire transfer in immediately available funds to an account designated by the Company on the first Business Day following such termination. Each of Parent and Subco acknowledges that the agreements contained in this Section 7.4(c) are an integral part of the transactions contemplated by this Agreement and that, without these agreements, the Company would not enter into this Agreement.

(d) In the event that this Agreement is terminated pursuant to Section 7.1(b) or, so long as no Company Termination Fee is payable pursuant to Section 7.4(a)(iii) in connection therewith, Section 7.1(g), the Company shall pay Parent (by wire transfer of immediately available funds), within one Business Day following a termination of this Agreement, an amount equal to the reasonable Expenses of Parent, Subco and their respective Affiliates, up to a maximum of US$2,250,000.

7.5 Effect of Termination

(a) Notwithstanding any other provision in this Agreement to the contrary, the Parties agree that the payments contemplated by Sections 7.4(a) and 7.4(d) represent the exclusive remedy of Parent and Subco in connection with the termination of this Agreement in the circumstances specified in Sections 7.4(a) and 7.4(d), and that except for the payment of the fees expressly set forth in Sections 7.4(a) and 7.4(d) in the circumstances described therein and subject to Section 7.5(c) below, none of the Company or any of its respective Affiliates, representatives, directors, officers, employees, partners, managers or equity holders shall have any liability or obligation of any kind or nature whatsoever arising out of the termination of this Agreement, any breach of this Agreement or any representation, warranty, covenant or agreement contained hereunder by the Company, or the failure of the transactions contemplated hereby to be consummated, whether arising in contract, tort or otherwise.

(b) Notwithstanding any other provision in this Agreement to the contrary and so long as Parent and Subco are not otherwise in willful breach of this Agreement (other than any such breach arising from the failure by Parent or Subco, after complying with their obligations under Section 5.2(c), to obtain the financing contemplated by the Debt Commitment Letter), the Parties agree that the payment contemplated by Section 7.4(c) represents the exclusive remedy of the Company in connection with the circumstances giving rise the termination of this Agreement in the circumstances specified in Section 7.4(c), and except for the payment of the Parent Termination Fee in the circumstances described in Section 7.4(c), none of Parent, Subco or any of their respective Affiliates, representatives, directors, officers, employees, partners, managers or equity holders (each, a "**Parent Party**") shall have any liability or obligation of any kind or nature whatsoever arising out of the termination of this Agreement, any breach of this Agreement or any representation, warranty, covenant or agreement contained herein by Parent or Subco or the failure of the transactions contemplated hereby to be consummated, whether arising in contract, tort or otherwise ("**Company Damages**"). Notwithstanding anything to the contrary in this Agreement, the maximum aggregate liability of all of the Parent Parties for all Company Damages in respect of any wilful breach of this Agreement (other than any such breach arising solely from the failure by Parent or Subco, after complying with their obligations under Section 5.2(c), to obtain the financing contemplated by the Debt Commitment Letter) shall be limited to $13,600,000 (the "**Parent Liability Cap**") (it being understood that, for all purposes of determining whether the aggregate amount of Company Damages paid by Parent or Subco has reached the Parent Liability Cap, the amount paid in respect of the Parent Termination Fee shall be included in such computation as Company Damages paid). In no event shall the Company seek, on behalf of itself or any other Person, and the Company shall cause its Subsidiaries and Affiliates not to seek, any Company Damages or any other recovery, judgment or damages of any kind, including consequential, indirect or punitive damages, against

Parent, Subco or any of their respective Subsidiaries or Affiliates in excess of the Parent Liability Cap and the Company, its Affiliates and its Subsidiaries shall be precluded from any other remedy against Parent, Subco or any of their respective Subsidiaries or Affiliates at law or in equity or otherwise.

(c) Subject to Sections 7.4 and 7.5 hereof, nothing herein shall preclude Parent and Subco from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set forth in this Agreement or otherwise to obtain specific performance of any such covenants or agreements, without the necessity of posting bond or security in connection therewith. In no event shall the Company be entitled to any injunction or injunctions to prevent breaches of this Agreement by Parent or Subco or to enforce specifically the terms and provisions of this Agreement.

ARTICLE 8
NON-SOLICITATION

8.1 Non-Solicitation

(a) Except as otherwise provided in this Article 8, on and after the date of this Agreement, the Company shall not, and shall cause its Subsidiaries not to, directly or indirectly, through any officer, director, employee, advisor, investment banker, representative, agent or otherwise:

(i) make, solicit, assist, initiate or, encourage (including by way of furnishing non-public information, permitting any visit to any facilities or properties of the Company or any Subsidiary, or entering into any form of written agreement, arrangement or understanding) relating to (A) any liquidation or winding-up, dissolution, consolidation, recapitalization, merger, take-over bid, amalgamation or arrangement; (B) any acquisition or purchase of all or a material portion of the assets of, or any equity interest (including Common Shares) in, the Company or any of its Subsidiaries; (C) any similar transaction or business combination of, or involving, the Company or any of its Subsidiaries, other than with Parent or Subco; or (D) any proposal or offer to do, or public announcement of an intention to do, any of the foregoing from any Person other than Parent or Subco (any of such foregoing inquiries or proposals being referred to herein as an “**Acquisition Proposal**”);

(ii) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to Parent and Subco, the approval or recommendation of the Board of Directors or any committee thereof of this Agreement or the transactions contemplated hereby;

(iii) approve or recommend, or propose publicly to approve or recommend, any Acquisition Proposal; or

(iv) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement, understanding or undertaking related to any Acquisition Proposal, whether formal or informal;

provided, however, that the Board of Directors shall be permitted to:

(X) withdraw, modify or qualify (or propose to withdraw, modify or qualify) in any manner adverse to Parent and Subco the approval or recommendation of the transactions contemplated hereby; or

(Y) engage in discussions or negotiations with any person in response to an Acquisition Proposal by any such person,

if and only to the extent that: (A) it has received an unsolicited *bona fide* written Acquisition Proposal by any third party that the Board of Directors has determined in good faith (after receiving advice from its financial advisors and outside legal counsel) is reasonably capable of timely completion taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal and the party making such Acquisition Proposal and such Acquisition Proposal would, if consummated in accordance with its terms, result in a transaction more favourable to the Shareholders than the Arrangement (any such Acquisition Proposal being referred to herein as a "**Superior Proposal**"); and (B) the Board of Directors determines in good faith (after receiving advice from its financial advisors and outside legal counsel) that the failure to take such action would be inconsistent with its fiduciary duties under applicable Laws.

(b) Notwithstanding anything else contained in this Agreement, if the Company receives a request for material non-public information from a person who proposes an unsolicited *bona fide* written Acquisition Proposal when the Company is not in breach of Section 8.1(a) and the Board of Directors determines in good faith that such proposal would be reasonably likely, if consummated, to constitute a Superior Proposal, then the Board of Directors may, subject to execution by such person of a confidentiality and standstill agreement having terms not less favourable in any material respect than the Confidentiality Agreement, provide such person with access to such material non-public information regarding the Company, provided that Parent is promptly provided with a list and copies of all information provided to such person not previously provided to Parent and is promptly provided with access to information similar to that which was provided to such person.

(c) The Company shall immediately cease and shall ensure that the officers, directors, employees, representatives and agents of the Company and its Subsidiaries immediately cease and cause to be terminated, any existing solicitations, discussions or negotiations with any Person(s) (other than Parent and Subco) by the Company or any Subsidiary or any of its or their representatives or agents with respect to any potential Acquisition Proposal whether or not initiated by the Company and require the return or destruction of all confidential information provided in connection therewith. The Company shall not release any third party from or waive any confidentiality or standstill agreement in favour of any third party provided that the foregoing shall not prevent the Board of Directors from considering and accepting any Superior Proposal that might be made by any such third party in accordance with the provisions of this Article 8 and any such standstill agreement. The Company shall as soon as practicable request the return or destruction of all information provided to any third parties who have entered into a confidentiality agreement with the Company relating to any potential Acquisition Proposal.

(d) From and after the date of this Agreement, the Company shall promptly notify Parent of any proposal, inquiry, offer (or any amendment thereto) or request relating to or constituting an Acquisition Proposal, any request for discussions or negotiations or any inquiry that could lead to an Acquisition Proposal or any request for non-public information relating to the Company or any of its Subsidiaries in connection with an Acquisition Proposal or for access to the properties, books or records of the Company or any Subsidiary by any Person of which any of the Company's or any of its Subsidiaries' directors, officers, employees, representatives or agents became aware, or any amendments to the foregoing. Such notice to Parent shall be made, from time to time and shall indicate the identity of the Person making such proposal, inquiry, offer, request or contact, all material terms and conditions thereof and such other details of the proposal, inquiry or contact known to the Company. The Company shall also provide such other details of the proposal, inquiry, offer or request, or any amendment to the foregoing, as Parent may reasonably request.

The Company shall keep Parent promptly and fully informed of the status including any change to the material terms of any such proposal, inquiry, offer or request, or any amendment to the foregoing.

(e) Nothing contained in this Agreement shall prohibit the Board of Directors from making any disclosure to the Shareholders prior to the Effective Time if, in the good faith judgment of the Board of Directors, such disclosure is necessary for the Board of Directors to act in a manner consistent with its fiduciary duties or is otherwise required under applicable Law; provided that prior to any such disclosure, the Board of Directors shall inform Parent of the intended disclosure and reasonably consult with Parent regarding the content of such disclosure.

(f) The Company agrees that it will not accept, approve or recommend, or enter into any agreement (a "**Proposed Agreement**") with any Person relating to, any Acquisition Proposal unless: (i) the Acquisition Proposal constitutes a Superior Proposal or could reasonably be expected to result in a Superior Proposal; (ii) the Company has complied with this Article 8; (iii) five Business Days shall have elapsed from the later of (A) the date Parent received notice of the Company's proposed determination to accept, approve, recommend or enter into any agreement relating to such Superior Proposal, and (B) the date Parent received a copy of such Acquisition Proposal and Proposed Agreement, and if Parent and Subco have proposed to amend the terms of the Arrangement in accordance with this Section 8.1, the Board of Directors (after receiving advice from its financial advisors and outside legal counsel) shall have determined in good faith that the Acquisition Proposal is a Superior Proposal compared to the terms of the Arrangement as proposed to be amended by Parent; (iv) the Company concurrently terminates this Agreement pursuant to Section 7.1(f); and (v) the Company has paid to Parent the Company Termination Fee payable pursuant to Section 7.4.

(g) The Company acknowledges and agrees that, during the five Business Day period referred to in Section 8.1(f) or such longer period as the Company may approve for such purpose, Parent and Subco shall have the opportunity, but not the obligation, to propose to amend the terms of the Arrangement. The Board of Directors will review any proposal by Parent and Subco to amend the terms of the Arrangement in order to determine, in good faith in the exercise of its fiduciary duties, whether Parent and Subco's proposal to amend the Arrangement would result in the Acquisition Proposal not being a Superior Proposal compared to the terms of the Arrangement as proposed to be amended. The Board of Directors shall promptly reaffirm its recommendation of the Arrangement by press release after the Board of Directors determines that a proposed amendment to the terms of the Arrangement would result in the Acquisition Proposal not being a Superior Proposal. Nothing in this Agreement shall prevent the Board of Directors from responding through a directors' circular or otherwise as required by applicable Securities Laws to an Acquisition Proposal that it determines is not a Superior Proposal. The Company also acknowledges and agrees that each successive modification of any Acquisition Proposal shall constitute a new Acquisition Proposal for purposes of this Section 8.1.

ARTICLE 9
GENERAL PROVISIONS

9.1 Further Assurances

Subject to the conditions herein provided each Party agrees to use all reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as is practicable the transactions contemplated by the Arrangement and this Agreement, including (i) the execution and delivery of such documents as the other Party may reasonably require and (ii) obtaining such information, documents or consents required in connection with the preparation of the Circular, and using reasonable commercial efforts to obtain all necessary waivers, consents and approvals, including those contemplated by Sections 3.6 and 4.5 and to effect all necessary registrations and filings, including filings under applicable Laws and submissions of information requested by Governmental Entities. Each of the Parties shall cooperate in all reasonable respects with the other Party in taking such actions.

9.2 Notification of Certain Matters

Each Party shall give prompt notice to the others of: (i) the occurrence or failure to occur of any event, which occurrence or failure would cause any representation or warranty on its part contained in this Agreement to be untrue or inaccurate in any respect at any time from the date of this Agreement to the earlier of the Effective Date and the termination of this Agreement; and (ii) any failure of such Party, or any officer, director, employee or agent thereof, to comply with any covenant in any material respect.

9.3 Officers' and Directors' Insurance

(a) Parent shall cause the Company to honour, to the fullest extent permitted by the OBCA or applicable Law, all rights to indemnification existing in favour of a director, officer, employee or agent of the Company or any of its Subsidiaries as of the date of this Agreement, as provided in the Company's or its Subsidiaries' constating documents, any indemnification agreement listed in the Disclosure Letter or under applicable Laws, as applicable.

(b) Prior to the Effective Time, the Company shall obtain and fully pay for "tail" insurance policies with a claims period of at least six years from the Effective Time from an insurance carrier with the same or better credit rating as the Company's current insurance carrier with respect to directors' and officers' liability insurance and fiduciary liability insurance with benefits and levels of coverage at least as favourable as the Company's existing policies with respect to matters existing or occurring at or prior to the Effective Time (including in connection with this Agreement or the transactions contemplated hereby); provided that the Company shall use commercially reasonable efforts to minimize the cost of such "tail" insurance policy (it being understood that the Company shall not be required to accept a reduction in the quality of the insurer providing such policy or the scope of the coverage of such policy as compared to the Company's existing insurer and policy); and provided, further, that the cost of such "tail" insurance policy shall not exceed 300% of the current annual premiums paid by the Company for such insurance (the "**D&O Cap**"). If the Company and the Surviving Corporation cannot obtain such "tail" insurance policies as of the Effective Time for less than the D&O Cap, the Company and Subco shall obtain a "tail" insurance policy providing benefits and levels of coverage that are available for the amount of the D&O Cap.

9.4 Expenses

Parent and Subco shall pay all filing fees in connection with the Required Company Regulatory Approvals and the Required Buyer Regulatory Approvals. Except for the foregoing and as provided in Section 7.4(d), each Party shall pay its own expenses incurred in connection with this Agreement, the completion of the transactions contemplated hereby and/or the termination of this Agreement, irrespective of the completion of the transactions contemplated hereby.

9.5 Notices

All notices, requests, demands and other communications hereunder shall be deemed to have been duly given and made if in writing and if served by personal delivery upon the Party for whom it is intended or delivered, or if sent by facsimile transmission, upon confirmation that such transmission has been properly effected, to the Person at the address set forth below, or such other address as may be designated in writing hereafter, in the same manner, by such Person. The date of receipt of any such notice or other communication if delivered personally shall be deemed to be the date of delivery thereof, or if sent by facsimile transmission the date of such transmission if sent on a Business Day, failing which it shall be deemed to have been received on the next Business Day.

If to Parent or Subco:

Infor Global Solutions European Finance, S.a R.L.
13560 Morris Road, Suite 4100
Alpharetta, GA 30004

Attention: Gregory M. Giangiordano
Facsimile: (678) 319-8949

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP
555 California Street, Suite 2700
San Francisco, CA 94104

Attention: Gary M. Holihan, P.C.
Jeremy M. Veit

Facsimile: (415) 439-1500

And

Borden Ladner Gervais LLP
40 King Street West
44th Floor, Scotia Plaza
Toronto, Ontario M5H 3Y4

Attention: Paul A. D. Mingay

Facsimile: (416) 361-7098

If to the Company:

Workbrain Corporation
250 Ferrand Drive
Suite 1200
Toronto, Ontario M3C 3G8

Attention: David Ossip

Facsimile: (416) 421 8440

with copies (which shall not constitute notice) to:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, Ontario
M5L 1B9

Attention: Brian M. Pukier

Facsimile: (416) 947-0866

Any Party may at any time change its address for service from time to time by giving notice to the other Parties in accordance with this Section 9.5.

9.6 Severability

If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable Law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

9.7 Entire Agreement, Assignment and Governing Law

(a) This Agreement constitutes the entire agreement and supersedes all other prior agreements and undertakings, both written and oral, between the Parties with respect to the subject matter hereof. Other than as set forth in such agreements, no representation or warranty has been given by any Party to another.

(b) This Agreement: (i) is not intended to confer upon any other Person any rights or remedies hereunder, except as contemplated under Section 9.9; (ii) shall not be assigned by operation of law or otherwise, except that Parent and Subco may assign all or any portion of its rights under this Agreement to any affiliate (as such term is defined in the Securities Act) provided such affiliate executes and delivers a counterpart of this Agreement pursuant to which it agrees to be bound by the terms of this Agreement as if it were Parent and Subco but no such assignment shall relieve Parent and Subco of its obligations hereunder; and (iii) shall be governed in all respects, including validity, interpretation and effect, exclusively by the Laws of the Province of Ontario and the Laws of Canada applicable therein, without giving effect to the principles of conflict of laws thereunder.

9.8 Attornment

The Parties hereby irrevocably and unconditionally consent to and submit to the courts of the Province of Ontario for any actions, suits or proceedings arising out of or relating to this Agreement or the matters contemplated hereby (and agree not to commence any action, suit or proceeding relating thereto except in such courts) and further agree that service of any process, summons, notice or document by registered mail to the addresses of the Parties set forth in this Agreement shall be effective service of process for any action, suit or proceeding brought against any Party in such court. The Parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of the Province of Ontario and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

9.9 Third Party Beneficiaries

The provisions of Section 9.3 are (i) intended for the benefit of the Indemnified Parties, as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such persons and his or her heirs, executors, administrators and other legal representatives (collectively, the "**Third Party Beneficiaries**") and the Company shall hold the rights and benefits of Section 9.3, in trust for and on behalf of the Third Party Beneficiaries and the Company hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Third Party Beneficiaries, and (ii) in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries may have by contract or otherwise.

9.10 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce more than one counterpart.

[The Remainder of this Page is Intentionally Left Blank]

IN WITNESS WHEREOF the parties have executed this Agreement.

INFOR GLOBAL SOLUTIONS EUROPEAN FINANCE, S.A.R.L.

By: (signed) "C. James Schaper"

Name: C. James Schaper

Title: Manager

2131365 ONTARIO, INC.

By: (signed) "C. James Schaper"

Name: C. James Schaper

Title: Authorized Signing Officer

WORKBRAIN CORPORATION

By: (signed) "Gerald Throop"

Name: Gerald Throop

Title: Director

SCHEDULE "A"
FORM OF ARRANGEMENT RESOLUTION

RESOLVED THAT:

1. The arrangement (the "Arrangement") under Section 182 of the *Business Corporations Act* (Ontario) (the "OBCA") involving Workbrain Corporation (the "Corporation"), pursuant to the arrangement agreement (the "Arrangement Agreement") among the Corporation, Infor Global Solutions European Finance S.a R.L. and 2131365 Ontario, Inc. ("Acquisition Company"), dated March 31, 2007, all as more particularly described and set forth in the Management Information Circular (the "Circular") of the Corporation dated ●, 2007, accompanying the notice of this meeting (as the Arrangement may be or may have been modified or amended) is hereby approved.

2. The plan of arrangement (the "Plan of Arrangement") involving the Corporation and implementing the Arrangement, the full text of which is set out as Schedule "B" to the Arrangement Agreement (as the Plan of Arrangement may be or may have been modified or amended) is hereby approved.

3. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the shareholders of the Corporation or that the Arrangement has been approved by the Superior Court of Justice (Ontario), the directors of the Corporation are hereby authorized and empowered without further approval of the shareholders of the Corporation (i) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.

4. Any officer or director of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute, under the seal of the Corporation or otherwise, and to deliver articles of arrangement and such other documents as are necessary or desirable to the Director under the OBCA in accordance with the Arrangement Agreement for filing.

5. Any officer or director of the Corporation is authorized to execute and deliver all other documents and do all acts or things as may be necessary or desirable to give effect to this resolution.

SCHEDULE "B"
PLAN OF ARRANGEMENT

PLAN OF
ARRANGEMENT UNDER SECTION 182 OF THE
BUSINESS CORPORATIONS ACT (ONTARIO)

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

"Arrangement" means an arrangement under the provisions of Section 182 of the OBCA on the terms and conditions set forth in this Plan of Arrangement, subject to any amendment or modification thereto made in accordance with the terms of the Arrangement Agreement and this Plan of Arrangement, or made at the direction of the Court in the Final Order;

"Arrangement Agreement" means the arrangement agreement dated as of March 31, 2007 among Parent, Subco and the Company, as same may be amended, supplemented or restated in accordance therewith, prior to the Effective Time, providing for, among other things, the Arrangement;

"Articles of Arrangement" means the articles of arrangement of the Company in respect of the Arrangement that are required by the OBCA to be sent to the Director after the Final Order is made in order to give effect to the Arrangement;

"Business Day" means any day of the week, other than a Saturday, a Sunday or a statutory or civic holiday observed in Toronto, Ontario;

"Certificate" means the certificate giving effect to the Arrangement, issued by the Director pursuant to subsection 183(2) of the OBCA after the Articles of Arrangement have been filed;

"Circular" means the notice of meeting and management proxy circular of the Company dated ●, 2007 sent to Shareholders in connection with the Meeting, including the schedules and appendices thereto and all amendments from time to time made thereto;

"Common Shares" means the outstanding common shares in the capital of the Company;

"Company" means Workbrain Corporation, a corporation incorporated under the laws of the Province of Ontario;

"Court" means the *Ontario Superior Court of Justice* (Commercial List);

"Depositary" means Computershare Trust Company of Canada at its principal office in Toronto;

"Director" means the Director appointed under section 278 of the OBCA;

"Dissenting Shareholder" means any Shareholder who has properly exercised its Dissent Rights in accordance with Section 3.1 who has not withdrawn or been deemed to have withdrawn such exercise and who is ultimately determined to be entitled to be paid the fair value of its Common Shares;

"Effective Date" means the date upon which the Arrangement becomes effective as established by the date of issue shown on the Certificates issued by the Director pursuant to the OBCA;

"Effective Time" means 8:00 a.m. (Toronto Time) on the Effective Date;

"Final Order" means the final order of the Court approving the Arrangement following the application therefor contemplated by the Arrangement Agreement, as such order may be amended prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or amended by the highest court to which appeal may be applied for;

"Governmental Entity" means (a) any multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau or agency, domestic or foreign; (b) any subdivision, agent, commission, commissioner, board, or authority of any of the foregoing; (c) any Securities Regulatory Authority, self-regulatory authority or the TSX; or (d) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

"Interim Order" means the interim order of the Court made in connection with the approval of the Arrangement following the application therefor contemplated by the Arrangement Agreement, as such order may be amended as contemplated by the Arrangement Agreement;

"Letter of Transmittal" means the letter of transmittal to be forwarded by the Company to Shareholders together with the Circular or such other equivalent form of letter of transmittal acceptable to Subco, acting reasonably;

"Loan Amount" means an amount equal to the amount required to be delivered pursuant to Section 6.2(f) of the Arrangement Agreement.

"**Maximum Cash Amount**" means the aggregate amount of cash equal to (i) the product obtained by multiplying (A) the number of Common Shares outstanding immediately prior to the Effective Time by (B) the Purchase Price, less (ii) the Loan Amount.

"Meeting" means the special meeting of the Shareholders (including any adjournment or postponement thereof) to be called and held to, among other things, consider and, if deemed advisable, approve the Arrangement by way of special resolution (as defined in the OBCA);

"OBCA" means the *Business Corporations Act* (Ontario) R.S.O. 1990, c.B.16, as amended from time to time;

"Options" means options to purchase Common Shares granted under the Stock Plan;

"Parent" means Infor Global Solutions European Finance S.a R.L., a *société à responsibilité limitée* organized and existing under the laws of the Grand Duchy of Luxembourg, or its permitted assignee under the Arrangement Agreement;

"Person" includes an individual, partnership, association, body corporate, joint venture, business organization, trustee, executor, administrator, legal representative, Governmental Entity or any other entity, whether or not having legal status;

"Purchase Price" means the sum of $12.50 per Common Share;

"Shareholder" means a holder of Common Shares;

"Stock Plan" means the amended and restated stock option plan for directors, senior officers and employees of the Company or any affiliate dated as of June 7, 2006;

"Subco" means 2131365 Ontario, Inc., a corporation incorporated under the laws of the Province of Ontario, or its permitted assignee under the Arrangement Agreement;

"Tax Act" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1, as amended;

"TSX" means the Toronto Stock Exchange; and

"Warrants" means the warrants issued pursuant to the warrant agreement between the Company and Accenture LLP dated April 20, 2001 (the "**Warrant Agreement**").

1.2 Number and Gender

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular number include the plural and vice versa, and words importing any gender include all genders.

1.3 Interpretation Not Affected by Headings, etc.

The division of this Plan of Arrangement into Articles, Sections, Subsections and other parts and the insertion of headings are for convenience only and shall not affect the construction or interpretation of this Plan of Arrangement.

1.4 Date For Any Action

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

1.5 Time

All times expressed herein or in any Letters of Transmittal are local time (Toronto, Ontario) unless otherwise stipulated herein or therein.

1.6 Currency

All references to currency in this Plan of Arrangement are to Canadian dollars, being lawful money of the Canada.

1.7 Statutory References

Unless otherwise expressly provided herein, any reference in this Plan of Arrangement to a statute includes all regulations made thereunder, all amendments to such statute or regulations in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulations.

ARTICLE 2
THE ARRANGEMENT

2.1 Binding Effect

This Plan of Arrangement will become effective at, and be binding at and after, the times referred to in Section 2.2 on: (i) the Company, (ii) all Shareholders and beneficial owners of Common Shares (including Dissenting Shareholders), and (iii) all holders of Warrants or Options or participants in the Stock Plan.

2.2 Arrangement

On the Effective Date, the following events set out in this Section 2.2 shall occur and shall be deemed to occur consecutively in the following order and at the times set out in this Section 2.2 without any further authorization, act or formality:

(a) Effective at two minutes prior to the Effective Time, (i) the Company shall lend an amount equal to the Loan Amount to Subco, and Subco shall deliver to the Company a duly issued and executed promissory note (the "**Lender Note**") in the form attached as Appendix A hereto to evidence such loan and the full amount of such loan shall be immediately deposited with the Depositary to be held in a segregated account by the Depositary for the exclusive purpose of paying the Purchase Price for the Common Shares and (ii) the Maximum Cash Amount held by the Depositary shall cease to be held in escrow and shall be held in a segregated account by the Depositary for the exclusive purpose of paying the Purchase Price for the Common Shares.

(b) Effective at one minute prior to the Effective Time:

   (i) each Option that has an exercise price that is less than the Purchase Price shall be transferred by the holder thereof to the Company (free and clear of any Liens) in exchange for a cash payment from the Company equal to the amount by which the Purchase Price exceeds the exercise price thereof (less all applicable withholding taxes) and the holder of such Option shall thereafter only have the right to receive the consideration to which they are entitled pursuant to this Section 2.2(b);

   (ii) each Option that has an exercise price that is equal to or greater than the Purchase Price shall be cancelled; and

   (iii) each Warrant shall be cancelled and terminated by the Company and each holder thereof shall be entitled to receive from the Company, in exchange therefor, a cash payment from the Company equal to the amount by which the Purchase Price exceeds the exercise price thereof and the holder of such Warrant shall thereafter only have the right to receive the consideration to which they are entitled pursuant to this Section 2.2(b);

and all Stock Plans and the Warrant Agreement shall be terminated and the Company shall have no liabilities or obligations with respect to any such Stock Plan or the Warrant Agreement except pursuant to this Subsection 2.2(b).

(c) Effective at the Effective Time, each Common Share outstanding, shall be transferred to Subco in exchange for the Purchase Price, which amount shall be paid from the funds deposited in the Depositary, and the names of the holders of the Common Shares transferred to Subco shall be removed from the applicable registers of holders of Common Shares, and Subco shall be recorded as the registered holder of the Common Shares so acquired and shall be deemed the legal and beneficial owner thereof; subject to the right of Dissenting Holders to be paid the fair value of the Common Shares held prior to the Effective Time by such Dissenting Holders in accordance with Section 3.1.

ARTICLE 3
RIGHTS OF DISSENT

3.1 Rights of Dissent

Shareholders may exercise rights of dissent with respect to their Common Shares pursuant to and in the manner set forth in Section 185 of the OBCA in connection with the Arrangement and this Section 3.1, provided that, notwithstanding Subsection 185(6) of the OBCA, the written objection to the special resolution approving the Arrangement referred to in Subsection 185(6) of the OBCA must be received by the Company not later than 5:00 p.m. on the second Business Day preceding the Meeting, and as the same may be further modified by the Interim Order and/or the Final Order (the "Dissent Rights"), and Shareholders who duly exercise such rights of dissent and who:

(a) are ultimately entitled to be paid fair value for their Common Shares by Subco shall be deemed to have transferred such shares to Subco pursuant to Section 2.2(b); or

(b) are ultimately not entitled, for any reason, to be paid fair value for their Common Shares shall be deemed to have participated in the Arrangement on the same basis as any non-dissenting Shareholder;

but, for greater certainty, in no case shall the Company, Subco, the Depositary or any other Person be required to recognize such Shareholders as Shareholders at and after the Effective Time, and the names of such Shareholders shall be deleted from the register of Shareholders as of the Effective Date at the same time as the events described in Section 2.2(b) occur.

ARTICLE 4
PAYMENT OF CONSIDERATION

4.1 Letter of Transmittal

At the time of mailing the Circular or as soon as practicable thereafter, the Company shall forward to each Shareholder, each Optionholder and each Warrantholder at the address of such holder as it appears on the register maintained by or on behalf of the Company in respect of the holders of Common Shares, Common Options or Warrants, as the case may be, a Letter of Transmittal in the case of the holders of Common Shares and, in the case of Optionholders and Warrantholders, instructions for obtaining delivery of the consideration payable to Optionholders and Warrantholders, as applicable, following the Effective Date pursuant to this Plan of Arrangement.

4.2 Exchange of Certificates for Cash

(a) At or before the Effective Time, Subco shall deposit the sum of the Maximum Cash Amount with the Depositary to be held in escrow until Section 2.2(b) takes effect. Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented outstanding Common Shares, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the Shareholder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such Shareholder as soon as practicable after the Effective Time, a cheque representing the cash which such Shareholder has the right to receive under the Arrangement for such Common Shares, less any amounts withheld pursuant to section 4.4, and any certificate so surrendered shall forthwith be cancelled. The cash deposited with the Depositary shall be held in an interest-bearing account, and any interest earned on such funds shall be for the account of Subco.

(b) Until surrendered as contemplated by this section 4.2, each certificate which immediately prior to the Effective Time represented any Common Shares shall be deemed after the Effective Time to represent only the right to receive upon such surrender a cash payment in lieu of such certificate as contemplated in this section 4.2, less any amounts withheld pursuant to section 4.4. Any such certificate formerly representing Common Shares not duly surrendered on or before the second anniversary of the Effective Date shall cease to represent a claim by or interest of any former Shareholder of any kind or nature against or in the Company, the Parent or Subco. On such anniversary date, all certificates representing Common Shares shall be deemed to have been surrendered to Subco and cash to which such former holder was entitled, together with any entitlements to dividends, distributions and interest thereon, shall be deemed to have been surrendered to Subco.

(c) At or before the Effective Time, the Company shall deposit with the Depositary the amount of cash required to satisfy the payment obligations of the Company pursuant to Section 2.2(b) (including, but not limited to, the Freely Available Cash required to be maintained by the Company), such amount to be held for purposes of such obligations. The cash shall be held in a separate interest-bearing account and any interest earned on such funds shall be for the account of the Company. On or as soon as practicable after the Effective Date, the Depositary shall deliver on behalf of the Company to each Optionholder as reflected on the books and records of the Company a cheque representing the payment to which such holder is entitled in accordance with Section 2.2(b) of this Plan of Arrangement, against receipt of such documentation as the Parent or the Company may reasonably require acknowledging the transfer and termination of the Options held by such Optionholder.

(d) Any payment made by way of cheque by the Depositary on behalf of Subco or the Company that has not been deposited or has been returned to the Depositary or that otherwise remains unclaimed, in each case on or before the second anniversary of the Effective Date, shall cease to represent a right or claim of any kind or nature and the right of the Shareholder or Optionholder to receive the consideration for Common Shares or Options, as the case may be, pursuant to this Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to Subco or any successor thereof for no consideration.

4.3 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding common shares that were exchanged pursuant to Section 2.2 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Shareholder claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, cash deliverable in accordance with Section 2.2 and such Shareholder’s Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Shareholder to whom cash is to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to Subco (and its transfer agents) and the Depositary in such sum as Subco may direct or otherwise indemnify Subco in a manner satisfactory to Subco against any claim that may be made against Subco with respect to the certificate alleged to have been lost, stolen or destroyed.

4.4 Withholding Rights.

The Company, Subco and the Depositary shall be entitled to deduct and withhold from any dividend or consideration otherwise payable to any Shareholder or Option holder or Warrant holder, such amounts as the Company, Subco or the Depositary is required to deduct and withhold with respect to such payment under the Tax Act or any other provision of provincial, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the securities in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

ARTICLE 5
AMENDMENT

5.1 Amendment

(a) Subco and the Company may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that any such amendment, modification or supplement must be approved by each of Subco and the Company in a written document which is filed with the Court and, if made following the Meeting, approved by the Court and communicated to Shareholders in the manner required by the Court (if so required).

(b) Any amendment, modification or supplement to this Plan of Arrangement which is directed by the Court following the Meeting shall be effective only if (i) it is consented to in writing by Subco and the Company, and (ii) if required by the Court, it is consented to by the Shareholders in the manner directed by the Court.

(c) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company at any time prior to the Meeting (provided that the Parent and Subco shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(d) This Plan of Arrangement may be withdrawn prior to the occurrence of any of the events in Section 2.2 in accordance with the terms of the Arrangement Agreement.

(e) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Parent, provided that it concerns a matter which, in the reasonable opinion of the Parent, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interest of any former Shareholder.

ARTICLE 6
FURTHER ASSURANCES

6.1 Other Documents and Instruments

Notwithstanding that the transactions or events set out herein shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further authorization, act or formality, the Company and Subco shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order further to document or evidence any of the transactions or events set out herein including any resolutions of directors authorizing the issue, exchange, transfer, purchase for cancellation or donation of shares and any share transfer powers evidencing the transfer of shares and any receipts therefor.

PLAN OF ARRANGEMENT

APPENDIX A

FORM OF PROMISSORY NOTE

Promissory Note

Date: _________________

FOR VALUE RECEIVED the undersigned unconditionally promises to pay on demand to Workbrain Corporation (the "**Lender**") or anyone else who the Lender may specify at ●, or such other place as the Lender may direct in writing, the sum of US$● (● United States Dollars) with interest calculated daily from the date of this promissory note on the outstanding balance of such sum and payable monthly on the last day of each month at the same place, both before and after demand, default and judgment, at a nominal annual rate of interest equal to ● percent and with interest on overdue interest payable at the same time, place and rate.

The undersigned agrees to provide the Lender with a written acknowledgement of its indebtedness to the Lender hereunder within thirty (30) days prior to each anniversary of this promissory note or as otherwise requested by the Lender from time to time.

This promissory note shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in that Province. The undersigned waives presentment for payment, notice of dishonour, protest and notice of protest in respect of this promissory note. This promissory note shall become effective when it has been executed and delivered. Time shall be of the essence of this promissory note in all respects. This promissory note constitutes the entire agreement of the parties pertaining to the indebtedness evidenced by this promissory note and supersedes all prior agreements, understandings, negotiations and discussions with respect to such indebtedness, whether oral or written.

2131365 ONTARIO, INC.

By:

____
Name:
Title:

By:

____
Name:
Title: