TIME INDUSTRIAL, INC.

FOURTH AMENDED AND RESTATED SECURITYHOLDERS' AGREEMENT

October 4, 2004

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FOURTH AMENDED AND RESTATED SECURITYHOLDERS' AGREEMENT

THIS AGREEMENT is made as of October 4, 2004,

B E T W E E N:

A-LIVE HOLDINGS II (TIME & MATERIALS TECHNOLOGIES) LLC, a limited liability company incorporated under the laws of the State of Delaware

(hereinafter called "**A-Live II**")

— and —

A-LIVE II HOLDINGS INC., a corporation incorporated under the laws of Alberta

(hereinafter called "**A-Live Manager**")

— and —

MOSAIC VENTURE PARTNERS II LIMITED PARTNERSHIP, a limited partnership existing under the laws of the Province of Ontario,

(hereinafter referred to as "**Mosaic**")

— and —

KEN NICKERSON, of the City of Aurora in the Province of Ontario,

(hereinafter called "**Nickerson**")

— and —

FRANK CLEGG, of the City of Oakville in the Province of Ontario,

(hereinafter called "**Clegg**")

— and —

EDGESTONE CAPITAL VENTURE FUND NOMINEE, INC., a corporation incorporated under the laws of Canada, for and on behalf of EDGESTONE CAPITAL VENTURE FUND, L.P. and its parallel investors,

(hereinafter called **"EdgeStone"**)

— and —

TIME INDUSTRIAL, INC., a corporation incorporated under the laws of the State of Delaware

(hereinafter called the "**Corporation**")

RECITALS:

A. The authorized capital of the Corporation consists of 80,000,000 Class A shares, par value \$0.01 per share (the "**Class A Shares**"), 20,000,000 Class B shares, par value \$0.01 per share (the "**Class B Shares**"), 5,000,000 Class C preferred shares, issuable in series, par value \$0.01 per share (the "**Class C Shares**"), 5,200,000 Class D preferred shares (the "**Class D Shares**"), and 38,000,000 Class E preferred Shares (the "**Class E Shares**"), of which 10,834,669 Class A Shares, 4,466,566 Class B Shares, no Class C Shares, 4,446,535 Class D Shares, and 21,963,110 Class E Shares are issued and outstanding as at the date hereof;

B. The outstanding shares in the capital of the Corporation are held as set out in Schedule A;

C. The parties wish to enter into this Agreement to amend and restate the third amended and restated shareholders' agreement dated May 26, 2004 among each of the parties hereto (the "**Previous Shareholders Agreement**"), in light of the subscription by each of EdgeStone and Mosaic for, in addition to the Shares, Warrants and the Original Debentures currently owned by each of them, convertible debentures in the capital of the Corporation and to provide for the conduct of the business and affairs of the Corporation, to provide for restrictions on the transfer and ownership of Shares of the Corporation and to govern their relationship as shareholders of the Corporation.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the Parties), the Parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions

In this Agreement, the following terms have the meanings set out below and grammatical variations of such terms have corresponding meanings:

(a) "**Acceptance Notice**" has the meaning attributed to such term in section 4.1(b);

(b) "**Acceptance Period**" has the meaning attributed to such term in section 4.1(b);

(c) "**Act**" means the Delaware General Corporation Law, as the same may be amended from time to time and any successor legislation thereto (except where otherwise expressly provided);

(d) "**Act of Insolvency**" means (i) any action whereby a court having jurisdiction enters a decree or order for relief in respect of a Securityholder in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect; (ii) the appointing of a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar official (hereinafter collectively referred to as "receiver or trustee") of a Securityholder or for any substantial part of the property of a Securityholder; (iii) the ordering of a winding-up or liquidation of the affairs of a Securityholder and such decree or order shall remain unstayed and in effect for a period of 30 consecutive days; (iv) the commencement by a Securityholder of a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or the consent to the appointment of or taking possession by a receiver or trustee of any substantial part of the property of a Securityholder; or (v) the making by a Securityholder of any general assignment for the benefit of creditors or failing generally to pay debts as they become due;

(e) "**Additional Stock**" has the meaning attributed to such term in the Class D Share conditions and the Class E Share conditions contained in the Certificate of Incorporation;

(f) "**Additional Tranche Debentures**" has the meaning ascribed thereto in the Subscription Agreement;

(g) "**Affected Securities**" has the meaning attributed to such term in section 5.1(a);

(h) "**Affiliate**" has the meaning attributed to such term in section 1.3;

(i) "**Agreement**" means this agreement and all schedules attached to this agreement, in each case as they may be supplemented or amended from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this agreement, and unless otherwise indicated, references to Articles and sections are to the specified Articles and sections in this agreement;

(j) "**A-Live II**" means A-Live Holdings II (Time & Materials Technologies) LLC, a limited liability company incorporated under the laws of the State of Delaware;

(k) "**Arm's Length**" has the meaning ascribed to it in the *Income Tax Act* (Canada);

(l) "**as if converted to Class A Shares basis**" means, at any time and from time to time, assuming the conversion and/or exercise of all outstanding Securities at the respective conversion rates or exercise prices applicable at such time including, without limitation, the Debentures and the Warrants, but for greater certainty, excluding any outstanding options to acquire Shares granted pursuant to any stock option plan of the Corporation which, at the relevant time, have not been exercised;

(m) "**Attorney**" has the meaning attributed to such term in section 4.5(b) and 6.1(d), respectively;

(n) "**Board**" means the board of directors of the Corporation from time to time;

(o) "**Business Day**" means any day (other than a day which is a Saturday, Sunday or legal holiday in the Province of Alberta) on which banks are open for business in the City of Edmonton;

(p) "**Carry-Along Offer**" has the meaning attributed to such term in section 4.5(a);

(q) "**Carry-Along Securityholders**" has the meaning attributed to such term in section 4.5(a);

(r) "**Carry-Along Shares**" has the meaning attributed to such term in section 4.5(a);

(s) "**Certificate of Incorporation**" means the amended and restated certificate of incorporation of the Corporation filed with the Secretary of State of the State of Delaware on October 4, 2004, as the same may be further amended from time to time;

(t) "**Class B Shareholders Agreement**" means the agreement dated effective October 11, 2001 among all of the holders of Class B Shares, Wallace and the Corporation, as the same may be amended, supplemented or replaced from time to time;

(u) "**Class C Shares**" means Series I of the Class C Shares;

(v) "**Class E Conversion Price**" means the Conversion Price (as such term is defined in the Class E Share conditions contained in the Certificate of Incorporation);

(w) "**Collateral Benefit**" means any agreement, commitment or understanding with a Securityholder that has the effect of providing to that Securityholder (or anyone acting not at Arm's Length to that Securityholder), directly or indirectly, consideration of greater value than that offered to other Securityholders, excluding consideration paid to a Securityholder (or anyone not at Arm's Length with a Securityholder) for goods and/or services rendered or provided or to be rendered or provided by a Securityholder (or anyone not at Arm's Length with a Securityholder) where the amount of such consideration is not more than that which would be negotiated between Arm's Length parties on market terms, provided, for greater certainty, that any preference upon a Liquidity Event in favour of the holder(s) of the Debentures as contemplated in the Debentures or in favour of the holders of Class D Shares or Class E Shares or any other preferred shares issued by the Corporation as contemplated in the Certificate of Incorporation is deemed not to be a Collateral Benefit;

(x) "**Common Shares**" means the Class A Shares in the capital of the Corporation;

(y) "**Competitive Business**" means (i) any business involved in the development, distribution, market, sale or license of software or hardware systems that automate, collect and/or utilize the management of operational data (such as that relating to or arising from labour, equipment, and material consumption, as well as the outputs produced by such resources), or (ii) any business that provides an application service provider, out source or similar service in relation to or using software or hardware systems that automate, collect and/or utilize the management of such operational data anywhere in the United States of America or Canada;

(z) "**Confidential Information**" means all confidential or proprietary information, intellectual property (including trade secrets) and confidential facts relating to the business and affairs of the Corporation;

(aa) "**Control**" means, when applied to the relationship between a Person or group of Persons and a corporation, the beneficial ownership by such Person(s) at the relevant time of shares of such corporation carrying more than the greater of (i) 50% of the voting rights ordinarily exercisable at meetings of shareholders of such corporation; and (ii) the percentage of voting rights ordinarily exercisable at meetings of shareholders of such corporation that are sufficient to elect a majority of the directors of such corporation, and the words "Controlled by", "Controlling" and similar words have corresponding meanings; provided that a Person or group of Persons who Control a corporation shall be deemed to Control a corporation which is Controlled by such corporation and so on;

(bb) "**Core Business of the Corporation**" means the development, distribution, market, sale and license of software and hardware systems that automate, collect and/or utilize the management of operational data (including but not limited to that relating to or arising from labour, equipment, and material consumption, as well as the outputs produced by such resources);

(cc) "**Corporation**" includes any successor to the Corporation resulting from any merger, arrangement or other reorganization of or including the Corporation or any continuance under the laws of another jurisdiction;

(dd) "**Debenture Liquidation Preference Amount**" means, in respect of each Debenture, the principal amount then outstanding under such Debenture;

(ee) **"Debentureholders' Priorities Agreement"** has the meaning attributed to such term in the Subscription Agreement;

(ff) **"Debentures"** means, collectively, the Original Debentures and the New Debentures which are outstanding at the relevant time;

(gg) "**Deemed Liquidation**" has the meaning given to such term in the share conditions attaching to the Class D Shares and Class E Shares set out in the Certificate of Incorporation;

(hh) "**Defaulting Securityholder**" has the meaning attributed to such term in section 7.1;

(ii) "**Deficiency Proportion**" has the meaning attributed to such term in section 5.3(a)(iii);

(jj) "**Dilutive Issuance**" has the meaning attributed to such term in section 5.3(a);

(kk) **"Equivalent Security"** has the meaning attributed to such term in the Debentures;

(ll) "**Fair Value**" has the meaning attributed to such term in section 7.1;

(mm) "**First Refusal Notice**" has the meaning attributed to such term in section 4.1(a);

(nn) "**Forced Sale Event**" has the meaning attributed to such term in Section 6.1;

(oo) **"General Security Agreements"** has the meaning attributed to such term in the Subscription Agreement;

(pp) "**Governmental Approval**" means the consent of any Governmental Authority which may be required at any time and from time to time to ensure that the purchase by a Securityholder of all or any part of the Shares of another Securityholder is not in contravention of any law, regulation or published policy of, or administered by, such Governmental Authority or which may be required in order to ensure that, notwithstanding the purchase by a Securityholder of all or any part of the Shares of another Securityholder, the holding or continued holding by the Corporation of any franchise, license, permit or other permission or authority required to carry on its business is unaffected;

(qq) "**Governmental Authority**" means the collective reference to any court, tribunal, government or governmental or administrative agency, authority or instrumentality, federal, state or local, domestic or foreign;

(rr) **"Initial Public Offering"** means the initial public offering of Shares in the capital of the Corporation or the securities in the capital of another Person formed for the purpose of taking the Core Business of the Corporation public or another transaction, as a result of which (in either case) the Shares (or the securities in the capital of another Person issued in exchange for all outstanding Shares and/or issued as consideration for the sale or transfer by the Corporation of all or substantially all of its assets) are listed and posted for trading, traded or quoted on one or more recognized stock exchanges or markets;

(ss) "**Investors**" means EdgeStone and Mosaic, collectively, and "Investor" means either one of them;

(tt) "**Liquidity Event**" means any of the following:

(i) the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary; or

(ii) any Deemed Liquidation;

(uu) "**Management Agreement**" means the management agreement dated July 13, 2001 between the Corporation and the Manager;

(vv) "**Manager**" means A-Live Holdings II Inc.;

(ww) "**Marketable Securities**" means equity securities of an issuer with a market capitalization of at least $100 million which are listed on an established nationally recognized exchange in Canada, the United States, France, the United Kingdom, Germany, Israel, Hong Kong, or Japan which (i) do not represent in excess of 10% of the relevant issuer's outstanding securities of the same class or a class into which such securities are immediately convertible or exchangeable without cost to the holder, (ii) have a Public Float of at least $70 million, (iii) have had trading volumes for the 10 trading days prior to distribution of at least $500,000, and (iv) are not subject to any statutory, regulatory, contractual or other hold period or resale restriction other than a restriction requiring the filing of a notice only (without requiring any approval);

(xx) **"New Debentures"** means the convertible debentures, each in the principal amount of $250,000, acquired by the Investors on the date hereof and, subject to certain terms and conditions, which may in the future be acquired by each of EdgeStone and Mosaic pursuant to the terms of the Subscription Agreement;

(yy) **"Non-Participating Holder"** has the meaning attributed to such term in section 5.3(a);

(zz) **"Non-Participating Investor"** has the meaning attributed to such term in Section 2.1(o);

(aaa) "**Optioned Shares**" has the meaning attributed to such term in section 4.1;

(bbb) **"Original Debentures"** means the convertible debentures, each in the principal amount of $1,125,000, issued by the Corporation to each of EdgeStone and Mosaic, respectively, pursuant to and in accordance with the provisions of the Original Subscription Agreement;

(ccc) **"Original Subscription Agreement"** means the subscription agreement dated as of May 26, 2004 between the Corporation, EdgeStone and Mosaic pursuant to which each of EdgeStone and Mosaic acquired the Original Debentures and the Warrants;

(ddd) "**Other Securityholders**" has the meaning attributed to such term in sections 4.1(a) or 7.1, as applicable;

(eee) **"Participating Investor"** has the meaning attributed to such term in Section 2.1(o);

(fff) "**Party**", subject to section 10.3(c), means, at any particular time, a party then bound by this Agreement;

(ggg) "**Permitted Transferee**" means in respect of any particular Securityholder (the "Original Securityholder"):

(i) a corporation of which the Original Securityholder is the sole registered and beneficial shareholder, but only if the Original Securityholder Controls such corporation;

(ii) a trust of which the Original Securityholder, the Original Securityholder's spouse and/or the Original Securityholder's children is/are the only beneficiary(ies), but only if the Original Securityholder is the sole trustee of such trust;

(iii) if the Original Securityholder is a corporation, any Person who is the sole registered and beneficial shareholder of the Original Securityholder;

(iv) in the case of A-Live II, any Affiliate of A-Live II or any shareholder of A-Live II or such Affiliate;

(v) in the case of A-Live Manager, any Affiliate of A-Live Manager or any shareholder of A-Live Manager or such Affiliate;

(vi) in the case of Mosaic, (i) Mosaic Venture Partners Inc. and Affiliates of Mosaic Venture Partners Inc. (collectively, "**Mosaic Entities**"), (ii) any shareholder, director, officer or employee of any Mosaic Entity or (iii) any partner of Mosaic; and

(vii) in the case of EdgeStone, (A) EdgeStone Capital Venture Partners, Inc. and any Affiliate of EdgeStone Capital Venture Partners, Inc.; (B) any other Person, provided that EdgeStone or any Affiliate thereof has the exclusive right to exercise all rights of EdgeStone Transferred hereunder on behalf of such Person, or any Person whose funds are managed by EdgeStone Capital Venture Partners, Inc., EdgeStone Capital Partners, L.P. or an Affiliate; (C) any Person who agrees to invest on a parallel or co-investment basis (and the respective partners thereof, if any) with EdgeStone Capital Venture Fund, L.P. in the manner contemplated in any constating documents of EdgeStone Capital Venture Fund, L.P.; and (D) upon the termination or dissolution of any limited partnership or other entity that is a Person referred to in clause (B) above, (x) the beneficial holders of interests in such Person; and (y) any other Person referred to in clause (B) above, whether or not, in either case, an Affiliate described in clause (A) has the exclusive right to exercise the rights of EdgeStone transferred hereunder on behalf of such beneficial holder or Persons;

(hhh) "**Person**" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity;

(iii) "**Piggy-Back Offer**" has the meaning attributed to such term in section 4.4;

(jjj) "**Piggy-Back Rightholders**" has the meaning attributed to such term in section 4.4;

(kkk) "**Piggy-Back Shares**" has the meaning attributed to such term in section 4.4;

(lll) "**Pre-Emptive Rightholders**" has the meaning attributed to such term in section 5.1;

(mmm) "**Proportionate Entitlement**" means, at any particular time, with respect to a particular Other Securityholder, the proportion that the total number of Shares then held by such Other Securityholder, calculated on an as-if converted to Class A Shares basis, bears to the total number of Shares then issued and outstanding, calculated on an as-if converted to Class A Shares basis, expressed as a percentage;

(nnn) "**Public Float**" means, in respect of a class of securities, the market value of the securities of such class, excluding securities that are beneficially owned, directly or indirectly, or over which control or direction is exercised by persons or companies that alone or together with their respective Affiliates, beneficially own or exercise control or direction over more than 10% of the issued and outstanding securities of such class, provided that securities that would be excluded because a portfolio manager of a pension fund, mutual fund or non-redeemable investment fund exercises control or direction over them need only be excluded if the portfolio manager is an Affiliate of the issuer of those securities;

(ooo) "**Qualifying IPO**" has the meaning given to such term in the share conditions attaching to the Class D Shares and Class E Shares;

(ppp) **"Registration Rights Agreement"** means the registration rights agreement dated as of January 27, 2003 among the Investors, Nickerson, Clegg and the Corporation;

(qqq) "**Related Party**" means, with respect to any Securityholder, any Person not dealing at Arm's Length with such Securityholder;

(rrr) **"Required Proportion"** means, in respect of each holder of Class E Shares, the quotient equal to the number of Class A Shares, calculated on an as if converted to Class A Shares basis, held by such holder of Class E Shares, divided by the sum of the number of all outstanding Shares, calculated on an as if converted to Class A Shares basis, plus the number of Class B Shares outstanding;

(sss) "**Secretary's Notice**" has the meaning attributed to such term in section 7.2(b);

(ttt) "**Secretary**" means the Secretary of the Corporation from time to time;

(uuu) "**Securities**" means any equity securities (other than Shares), debentures, bonds, partnership units, subscription rights or options, warrants, convertible securities, promises, programs, plans and other rights of any nature whatsoever or howsoever arising to, directly or indirectly, participate in the capital or equity of the Corporation or any Subsidiaries including, without limitation, the Debentures and the Warrants;

(vvv) "**Selling Securityholder**" has the meaning attributed to such term in section 4.1;

(www) **"Share Purchase and Release Agreement"** means the share purchase and release agreement among the Corporation, A-Live II, Mosaic and Chris Wallace made as of October 24, 2002;

(xxx) "**Securityholder**" means any Person who is a registered holder of Class A Shares, Class C Shares, Class D Shares and Class E Shares or of a Debenture or Warrant from time to time;

(yyy) "**Shares**" means collectively all of the issued and outstanding Class A Shares, Class C Shares (if any), Class D Shares and Class E Shares;

(zzz) **"Special Mandatory Conversion"** has the meaning attributed to such term in section 5.3(a)(C) and 5.4(a)(C), as applicable;

(aaaa) "**Subsidiary**" has the meaning attributed to such term in section 1.4;

(bbbb) **"Subscription Agreement"** means the subscription agreement made as of the date hereof among the Investors and the Corporation pursuant to which the Investors have acquired convertible debentures in the principal amount of $250,000 each and pursuant to which each of the Investors may, subject to certain terms and conditions, acquire any one or more Additional Tranche Debentures;

(cccc) **"Subsequent Financing"** has the meaning attributed to such term in Section 2.1(o);

(dddd) **"Subsequent Financing Security"** has the meaning attributed to such term in the New Debentures;

(eeee) "**Termination Event**" has the meaning attributed to such term in section 7.2(e);

(ffff) "**Third Party Offer**" has the meaning attributed to such term in section 4.1(e);

(gggg) "**Third Party**" has the meaning attributed to such term in section 4.1(e);

(hhhh) "**Transfer**" includes any sale, exchange, assignment, gift, bequest, disposition, mortgage, charge, pledge, encumbrance, grant of security interest or any arrangement by which possession, legal title or beneficial ownership passes from one Person to another, or to the same Person in a different capacity, whether or not voluntary and whether or not for value, and any agreement to effect any of the foregoing;

(iiii) "**Transaction Documents**" has the meaning attributed to such term in section 1.6;

(jjjj) "**Transferor**" has the meaning attributed to such term in section 3.2;

(kkkk) "**Triggering Event**" has the meaning attributed to such term in section 7.1;

(llll) "**Triggering Event Acceptance Notice**" has the meaning attributed to such term in section 7.2(c);

(mmmm) "**Triggered Shares**" has the meaning attributed to such term in section 7.2(a); and

(nnnn) "**Warrants**" means the warrants to purchase 400,000 Class A Shares (subject to adjustment as contemplated therein) issued by the Corporation on May 26, 2004 to each of EdgeStone and Mosaic, respectively, pursuant to the terms of the Original Subscription Agreement.

1.2 Construction of Agreement

In this Agreement:

(a) unless the context otherwise requires, words denoting the singular include the plural and *vice versa* and words denoting any gender include all genders;

(b) the words "including", "includes" and "included" shall mean "including (or includes or included) without limitation";

(c) all dollar amounts are expressed in Canadian currency unless otherwise expressly provided; and

(d) the division of this Agreement into separate Articles, sections and schedules, the provision of a table of contents and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 Meaning of "Affiliate"

For purposes of this Agreement:

(a) one corporation shall be affiliated with another corporation (each an "**Affiliate**") if one of them is the Subsidiary of the other or both are Subsidiaries of the same corporation or each of them is Controlled by the same Person or group of Persons; and

(b) a corporation shall be affiliated (also an "**Affiliate**") with the Person or group of Persons Controlling the corporation.

1.4 Meaning of "Subsidiary"

For purposes of this Agreement, a corporation shall be a subsidiary (a "**Subsidiary**") of another corporation if:

(a) it is Controlled by (i) that other, (ii) that other and one or more corporations each of which is Controlled by that other, or (iii) two or more corporations each of which is Controlled by that other; or

(b) it is a Subsidiary of a corporation that is that other's Subsidiary.

1.5 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable law, the Parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The Parties shall engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

1.6 Entire Agreement

(a) This Agreement, the Subscription Agreement, the Original Subscription Agreement, the amended and restated subscription agreement dated as of January 27, 2003 between the Corporation and EdgeStone pursuant to which EdgeStone acquired Class E Shares, the Registration Rights Agreement, the General Security Agreements, the Warrants and the Debentureholders' Priorities Agreement (collectively, the **"Transaction Documents"**) constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement. There are no warranties, conditions or representations (including any that may be implied by statute) and there are no agreements in connection with such subject matter except as specifically set forth or referred to in the Transaction Documents. No reliance is placed on any warranty, representation, opinion, advice or assertion of fact made either prior to, contemporaneous with, or after entering into this Agreement, or any amendment or supplement thereto, by any Party or its directors, officers and agents, to any other Party or its directors, officers and agents, except to the extent that the same has been reduced to writing and included as a term of this Agreement or any of the other Transaction Documents, and none of the Parties has been induced to enter into this Agreement or any amendment or supplement by reason of any such warranty, representation, opinion, advice or assertion of fact. Accordingly, there shall be no liability, either in tort or in contract, assessed in relation to any such warranty, representation, opinion, advice or assertion of fact, except to the extent contemplated above.

(b) For greater certainty and without limiting the generality of section 1.6(a), the Parties agree that any previous shareholders agreements, including the Previous Shareholders Agreement, are hereby terminated and superseded by this Agreement, however, this section shall not terminate the Class B Shareholders Agreement.

1.7 **Scope of the Agreement**

The Securityholders and the Corporation hereby agree that in the event of any inconsistency between the provisions of this Agreement and any provision of any agreement, offer, promise or other understanding entered into by the parties hereto or some of them, the terms of this Agreement shall be paramount. Accordingly, the Securityholders and the Corporation hereby waive, for all purposes, their right to enforce and/or require compliance by any other Securityholder or the Corporation in respect of any provision of any agreement, offer, promise or other understanding entered into by the parties hereto or some of them that are inconsistent with the provisions of this Agreement. Further, it is acknowledged and agreed that it is the intent of the Securityholders and the Corporation that the Certificate of Incorporation, by-laws and resolutions of the Corporation be consistent with the terms of this Agreement. In this regard, the Securityholders and the Corporation agree to use their respective best efforts to ensure that the constating documents of the Corporation reflect the terms of this Agreement and are not amended to include provisions that are or could be inconsistent with the provisions hereof and the Securityholders shall vote the Shares held by them so as to cause the constating documents to be amended to resolve any conflict in favour of the terms of this Agreement, provided it is acknowledged and agreed that the liquidation preferences in favour of the Class D Shares and Class E Shares as set out in the Certificate of Incorporation and the right of the holders of the Debentures to receive the Debenture Liquidation Preference Amount in priority to and in preference to the holders of any Shares or other Securities as contemplated in the Debentures, is not inconsistent with the provisions of this Agreement and will apply to any Liquidity Event, whether or not such event is instigated by the holders of the Class D Shares, Class E Shares or the Debentures pursuant to any provisions hereof.

1.8 **Liquidation Preferences**

Each of the Securityholders and the Corporation hereby acknowledge and agree that as contemplated in the Debentures, upon the occurrence of a Liquidity Event, the holders of the Debentures shall be entitled to receive, prior and in preference to any distribution of any proceeds (whether in cash or in respect of any of the assets of the Corporation) to any holders of any class of Shares or other Securities, an amount equal to the Debenture Liquidation Preference

Amount. Upon completion of such distribution of the Debenture Liquidation Preference Amount to the holders of the Debentures, the remaining proceeds of such Liquidity Event available for distribution to stockholders shall be distributed in accordance with the provisions of the Certificate of Incorporation including, without limitation, the liquidation preferences in favour of the holders of the Class D Shares and the Class E Shares as set out in the Certificate of Incorporation.

1.9 **Waiver, Amendment**

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by the Party to be bound thereby. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

1.10 **Submission to Jurisdiction**

Each of the Parties agrees that any suit, action or proceeding against it or any of its assets out of or relating to this Agreement may be brought in a competent court of the Province of Ontario, if within the court's jurisdiction), and each Party hereby irrevocably and unconditionally attorns and submits to the non-exclusive jurisdiction of such courts over the subject matter of any such suit, action or proceeding.

1.11 **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

1.12 **Calculation of Time Periods**

In this Agreement, except as otherwise expressly provided, when calculating the period of time within which or following which any act is to be done or step taken, the date which is the reference date in calculating the period shall be excluded and if the last day of the period is not a Business Day, the period in question shall end on the next Business Day.

1.13 **Accounting Terms**

All accounting terms not specifically defined in this Agreement are to be construed in accordance with Canadian generally accepted accounting principles.

1.14 **Previous Shareholders Agreement**

Effective as of the date hereof, the Previous Shareholders Agreement is amended and restated in accordance with the provisions of this Agreement and this Agreement replaces and supersedes the Previous Shareholders Agreement.

ARTICLE 2 - BUSINESS AND AFFAIRS OF THE CORPORATION

2.1 Business and Affairs of the Corporation

The Securityholders shall cause such meetings to be held, votes to be cast, resolutions to be passed, by-laws to be made and confirmed, documents to be executed and all other things and acts to be done to ensure that, at all times, the following provisions are in effect or are complied with:

(a) Board of Directors. The Board shall manage or supervise the management of the business and affairs of the Corporation and shall consist of six directors, of whom two shall be nominated by EdgeStone (so long as it holds greater than 10% of the outstanding Shares on an as-if converted to Class A Shares basis), two shall be nominated by Mosaic (so long as it holds greater than 10% of the outstanding Shares on an as-if converted to Class A Shares basis), one shall be the chief executive officer of the Corporation and one shall be an independent nominee nominated by EdgeStone, Mosaic and A-Live. At any time after the date hereof, at the option of both of the Investors, the Board may be increased such that the Board shall consist of up to seven directors, and the additional nominee shall be nominated by the Investors. If a Securityholder entitled to designate a nominee pursuant to this Section 2.1(a) ceases to be so entitled, the number of directors on the Board shall be reduced by one or two, as applicable, in each such case and, in the case in which EdgeStone, Mosaic and A-Live cannot agree upon an independent nominee or in the case in which the Investors cannot agree upon a nominee to which they are entitled, in either case within 10 Business Days after the date upon which such nominee is to be appointed (either initially or any replacement thereof), the number of directors on the Board shall be reduced by one until such independent nominee has been approved by EdgeStone, Mosaic and A-Live or such nominee is agreed upon by the Investors, as applicable.

Each nominee for the position of director of the Corporation shall be an individual who is not disqualified under applicable corporate law from acting as a director. If a director ceases to be a director for any reason (a "**retiring director**"), the Securityholders shall fill the vacancy thereby created by electing as soon as reasonably possible an individual nominated by the Securityholder who nominated the retiring director. In the event of the proposed removal of any director, each Securityholder agrees to vote for such removal if, and against such removal unless, it has been proposed or approved by the Securityholder who nominated such director. Each applicable Person shall be entitled to change its nominee(s) on the Board upon notice to that effect to the other Securityholders and the Corporation, in which case the other Securityholders shall pass such resolutions or execute all resolutions or instruments as may be required by law to give effect thereto as soon as reasonably possible (and in any event no later than 10 Business Days) after receipt of such notice.

(b) Observers. In addition to the Board nominees referred to in Section 2.1(a), each of EdgeStone, Mosaic and A-Live shall have the right to appoint an observer who may attend meetings of the Board and who shall receive notice of all meetings of directors and copies of all materials provided to members of the Board (in the same manner as members of the Board), provided that such observer shall, in the case of Mosaic, be an officer of Mosaic Venture Partners Management Inc., in the case of EdgeStone, be an officer of EdgeStone Capital Venture Partners, Inc. or an Affiliate, and in the case of A-Live, shall be an officer of the Manager. No such observer shall have the right to vote at such meeting of the Board or be counted towards determining whether there is a quorum for such meeting, but shall be entitled to participate in discussions and consult with, and the chairman of the meeting shall recognize the non-voting observer and permit him or her to make proposals and furnish advice to, the Board, without voting; provided, however, that the Corporation shall not be under any obligation to take any action with respect to any proposal made or advice furnished by such non-voting observer. The minutes of any meeting at which a non-voting observer is present shall record that the observer is but an observer and not a director.

(c) Meetings of Directors. The Board shall meet at least once in each fiscal quarter of the Corporation in such place as the directors may unanimously agree from time to time and otherwise at the registered office of the Corporation. Directors may be paid fees as determined by the Board from time to time. The Corporation shall provide directors with appropriate indemnities and shall use its best efforts to obtain directors and officers insurance in an amount to be determined by the Board from time to time. Materials in respect of each meeting of the Board shall be distributed to each member of the Board as early as practicable (and in any event not less than 2 days prior to the date scheduled for the applicable meeting of the Board). Meetings of the Board or any committee thereof may be called by the Chief Executive Officer, the Chairman of the Board or by any two directors upon not less than four days' notice, or, in the event of an urgent matter/any action is desired to be taken by the Board by any Person entitled to call a Board meeting on an expedited basis, 48 hours notice, in which case each director hereby waives minimum notice in accordance with the Act. Notice shall be in writing and shall contain a statement as to the nature of the business proposed to be transacted at such meeting. Notice shall be mailed and sent by electronic transmission (telecopier and e-mail) to each director at the address listed in Schedule B (or at such other telecopier number, e-mail address and/or other mailing address as such director may provide notice of to the Corporation from time to time), and such notice shall be accompanied by all relevant documentation or information required for directors to make an informed decision regarding the business to be transacted. The Corporation shall reimburse all directors and observers for all reasonable out-of-pocket expenses incurred in attending meetings of the Board or of any committee of the Board. A director may waive his right to receive notice of any meeting of the Board, both prospectively and retrospectively. The attendance by a director at a meeting shall constitute a waiver of notice of such meeting except where such director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully called or convened.

(d) Quorum. A quorum for a meeting of the Board shall be at least a majority of the directors, including at least one nominee of each of EdgeStone and Mosaic, to be present in person or by means of conference telephone or other communications equipment whereby all persons participating in the meeting can hear each other. If at any meeting of directors (the "**first meeting**") a quorum shall not be present within 30 minutes after the time fixed for holding such meeting, then, notwithstanding anything herein contained, the directors present at such meeting may call a supplementary meeting of the Board on not less than seven Business Days' notice or, in the event that the first meeting was called in respect of an urgent matter, 48 hours' notice to each director, to transact all of the business to be transacted at the first meeting. The directors attending the supplementary meeting shall be deemed to constitute a quorum for the transaction of that business.

(e) Decisions of Directors. In order to be effective, a decision of the Board or of any committee thereof must be approved either by a resolution passed by the affirmative vote of not less than a majority of the directors present and constituting a quorum at a meeting of the Board or committee duly called or by an instrument signed by all the members of the Board or of the applicable committee.

(f) Committees. The Corporation shall have such committees of the Board as the Investors shall determine from time to time. Each such committee shall be comprised of such members as the Board may designate from time to time, provided that no officer (other than any non-executive chairman or vice-chairman) shall be designated as a member of any committee of the Board. One of EdgeStone's nominees to the Board and one of Mosaic's nominees to the Board shall be a member of each such committee. None of the committees of the Board shall have any decision making authority, but shall only have authority to consider matters that come within their mandate and make recommendation on such matters to the Board.

(g) Casting Vote. The Chairman of any meeting of the directors shall not have a second or casting vote.

(h) Chairman. The Chairman of the Board shall be determined by the Board from time to time.

(i) Officers. Subject to the provisions of Section 2.1(n)(xiv) and Section 2.1(p), the officers of the Corporation shall be those individuals designated by the Board from time to time.

(j) Banker and Bank Signing Authorities. The banker(s) of the Corporation shall be determined by the Board from time to time. The signing authorities of the Corporation shall be determined by the Board from time to time.

(k) Auditors. Subject to the provisions of Section 2.1(n)(xiii), the auditors of the Corporation shall be determined by the Board from time to time. The Securityholders may dispense with the need for audited financial statements by written resolution of all of the Securityholders.

(l) Fiscal Year. The fiscal year of the Corporation shall be determined by the Board from time to time.

(m) Business of the Corporation. Subject to the provisions of Section 2.1(n)(vi), the Corporation's sole business shall be the Core Business of the Corporation and any business which is incidental and ancillary to such business.

(n) Certain Matters Requiring Investors' Approval. Subject to the provisions of Section 2.1(o), without the prior written consent of each of the Investors, the Corporation shall not:

(i) amend its Certificate of Incorporation or other charter documents or make, amend or repeal any by-law;

(ii) issue, or enter into any agreement to issue, any Shares or Securities of any class or series or any Securities convertible into Shares of any class or grant any option or other right to purchase any such Shares or Securities convertible into any such Shares, provided that this section 2.1(n)(ii) shall not apply to (A) the issuance of non-voting securities or options to employees, directors or consultants under any share option or share purchase plan approved by a majority of the Board, which approval must include at least one nominee director of each of Mosaic and EdgeStone and approved in accordance with the provisions of Section 2.1(n)(xvi), (B) the issuance of Class E Shares, Equivalent Securities or any Subsequent Financing Securities, as applicable, upon the conversion of any Debenture, (C) the issuance of Class A Shares upon the conversion of any Class D Shares, (D) the issuance of Class A Shares upon the conversion of any Class E Shares (including, without limitation, any Class E Shares issued upon conversion of any Debenture), (E) the issuance of Class A Shares upon exercise of any Warrants, (F) the issuance of any Additional Tranche Debentures pursuant to and in accordance with the terms of the Subscription Agreement, and (G) the issuance of Shares or Securities to financial institutions or lessors in connection with commercial credit arrangements, equipment financings, commercial property lease transactions or similar transactions approved by a majority of the Board, which approval must include at least one nominee director of each of Mosaic and EdgeStone and approved by the Investors if required pursuant to the provisions of this Section 2.1(n);

(iii) change any of the rights or terms of any class of shares of the Corporation;

(iv) pay any dividend or distribution on or redeem, purchase for cancellation or otherwise retire or pay off any of its outstanding Shares or Securities of any class;

(v) make any capital expenditure in excess of 15% of the amount approved by the Board in any budget;

(vi) enter into any contract, agreement or commitment or participate in any transaction out of the ordinary course of Business of the Corporation other than as contemplated in the Transaction Documents or acquire or establish any additional business or make any material change in, or terminate or suspend any material part of, the Core Business;

(vii) enter into any agreement or transaction with any Related Party of the Corporation or any Securityholder or any Affiliate thereof other than as contemplated in the Transaction Documents;

(viii) take, hold, subscribe for or agree to purchase or acquire shares of any corporation or take or have any interest in any alliance, joint venture, partnership or similar undertaking;

(ix) sell or otherwise dispose of, by conveyance, transfer, lease or otherwise, its assets or undertaking as an entirety or substantially as an entirety or merge with or into any other corporation or apply to be continued as a corporation under the laws of any jurisdiction other than in accordance with the provisions of Section 4.5(d) or Section 6.1;

(x) grant an exclusive licence in respect of any material part of the Corporation's intellectual property;

(xi) take or institute any proceedings for the winding-up, reorganization or dissolution of the Corporation other than in accordance with the provisions of Section 6.1;

(xii) enter into or incur any financial obligation (including, without limitation, the borrowing of money, entering into any guarantee or indemnity and purchasing premises or capital equipment) exceeding US$250,000;

(xiii) change the Corporation's auditors or accountants or legal counsel;

(xiv) subject to the provisions of Section 2.1(p), remove or replace the chief executive officer, chief financial officer or chief technology officer of the Corporation or make any change to their compensation;

(xv) amend or alter in any way the terms of the Management Agreement or any of the Transaction Documents;

(xvi) adopt, approve, amend, alter, vary or rescind the terms of any employee stock option plan;

(xvii) adopt or submit for approval any annual budget as required pursuant to section 2.2(d) below nor amend, alter or vary any annual budget subsequent to its approval pursuant to section 2.2(d) below;

(xviii) amend, alter or vary the name of the Corporation;

(xix) cause the appointment of any committee of the Board or the delegation of any authority of the Board to any such committee or to any Person;

(xx) cause any change in fiscal year end;

(xxi) institute or settle any legal proceedings for an amount in excess of $10,000;

(xxii) file any registration statement, prospectus or analogous document with any securities regulatory authority relating to a public offering of the securities of the Corporation (including the Initial Public Offering) other than pursuant to the terms of this Agreement;

(xxiii) retain or hire any consultants or advisors whose total compensation is $50,000 or more in any one fiscal year;

(xxiv) make any arrangements, directly or indirectly, with any Person whereby the Corporation or any of its Subsidiaries sells or transfers any property, whether now owned or hereafter acquired, used or useful in its Business, in the nature of a sale and lease-back arrangement or analogous arrangement; or

(xxv) repay any debt or retire any obligation other than (A) in the ordinary course or (B) the repayment of amounts owing under the Debentures; or

(xxvi) create any new Subsidiary or permit any Subsidiary of the Corporation to do any of the matters contemplated by this section 2.1(n).

(o) Subsequent Financings. Notwithstanding the provisions of Section 2.1(n), if, at any time or from time to time the Board determines that the Corporation requires further financing (in addition to the subscription for Additional Tranche Debentures as contemplated in the Subscription Agreement), either or both of the Investors may provide such financing to the Corporation by way of debt or equity (including, without limitation, by way of one or more secured convertible debentures), without the consent of the other Investor (a **"Subsequent Financing"**). In the event that at any time after May 26, 2004, one of the Investors (the **"Participating Investor"**) has invested at least $1,000,000, by way of debt or equity (which, for greater certainty, includes such Investor's investment in the Corporation on the date hereof and may or may not include a purchase of an Additional Tranche Debenture pursuant to the Subscription Agreement), and at such time the other Investor (the **"Non-Participating Investor"**) has not invested at least $500,000 (which amount includes such Investor's investment in the Corporation on the date hereof, and does not include any Additional Tranche Debentures that have not then been purchased by such Investor but includes any Additional Tranche Debenture which has at such time been purchased by such Investor), then the Corporation may at any time thereafter, subject to the approval of the Board (if required by law), and subject to the approval of the Participating Investor only, effect any of the matters referred to in Section 2.1(n) other than subparagraph 2.1(n)(iii) without the prior consent of the Non-Participating Investor

In addition to the foregoing, the parties hereto acknowledge and agree that the Corporation shall not issue any Equivalent Securities or Subsequent Financing Securities without first having obtained the approval of the Investors, acting reasonably, with respect to the Conversion Price (as defined in the Debentures) in respect of the Equivalent Securities or Subsequent Financing Securities as same relates to the conversion of the New Debentures in accordance with the terms thereof.

(p) Approval of Holders of Class E Shares. Without the prior written consent of the holders of two-thirds of the outstanding Class E Shares (on an as if converted to Class A Shares basis), the Corporation shall not create, issue or enter into any agreement to issue any Shares of a class, or any Securities convertible into Shares of a class, with rights superior to the Class E Shares or grant any option or other right to purchase any such Shares or Securities convertible into any such Shares, provided that if, at any time, there is a Non-Participating Investor, the requirement to obtain the consent of the holders of two-thirds of the outstanding Class E Shares shall no longer be required and the consent of the Participating Investor shall only be required.

(q) Removal of Officer. At any time after the date hereof, the Investors shall be entitled to require the Board to remove any officer of the Corporation and to appoint a replacement officer as selected by the Investors.

2.2 **Financial Reporting**

(a) Interim Financial Statements. The Corporation shall, within 60 days after the end of each of the first three quarters of each fiscal year, deliver to each of the Securityholders the interim unaudited consolidated financial statements of the Corporation consisting of a balance sheet, statement of income, statement of cash flow, statement of shareholders' equity and management's discussion and analysis (including a discussion of the Corporation's working capital and supporting detail), in reasonable detail and stating in comparative form the information for the same period in the prior fiscal year and the budget figures for the same date and period.

(b) Annual Financial Statements. The Corporation shall, within 90 days after the end of each fiscal year, deliver to each of the Securityholders the annual audited consolidated financial statements of the Corporation.

(c) Monthly Reporting. Within 30 days after the end of each month, the Corporation shall deliver to each of the Securityholders a monthly operating report in respect of the operations of the Corporation and the Subsidiaries for such month, in a form to be mutually agreed upon between the Investors and the Corporation, acting reasonably.

(d) Annual Budgets. As soon as practicable and in any event no later than 30 days prior to the end of each fiscal year, the Corporation shall, subject to the approval required under section 2.1(n)(xvii) above, provide the Board with an annual budget for approval for the immediately following fiscal year. Such budget shall include a forecast of capital expenditures and financial projections in respect of the Corporation on a consolidated basis. It is acknowledged and agreed by the Parties that in respect of any fiscal year of the Corporation, until the delivery and approval (as contemplated herein) of the annual budget for that particular fiscal year of the Corporation, the annual budget most recently approved will govern.

(e) Analysis. The Corporation shall deliver to each of the Securityholders comparison (and variance analysis) of the year-end and quarterly actual financial results of the Corporation (to be delivered together with each year-end and quarterly report referred to above) to the annual budget approved in accordance with Section 2.1(n)(xvii) and the Board then in effect, and a comparison to the same period in the prior fiscal year.

(f) Compliance Certificate. The Corporation shall provide to each director and to each of the Investors, within 60 days of the end of each fiscal quarter of the Corporation, a compliance certificate in substantially the form attached as Schedule C or in such other form as may be approved by the Board, provided that, each of the Shareholders acknowledges and agrees that notwithstanding the provisions of the Previous Shareholders Agreement, the first compliance certificate which the Corporation is required to deliver to each director and to the Investors pursuant to the provisions of this Agreement and the Previous Shareholders Agreement shall be delivered by the Corporation within 60 days of the fiscal quarter ending September 30, 2004.

2.3 **Representations and Warranties**

(a) The Corporation represents and warrants that: (i) the information regarding the capitalization of the Corporation described in Recitals A and B and in Schedule A hereto is true and accurate on the date hereof; and (ii) there are no other securities of the Corporation outstanding on the date hereof other than as disclosed under the Subscription Agreement.

(b) Each Securityholder, except EdgeStone, represents and warrants, with respect to itself only, that the Share and Security ownership (if applicable) represented in Schedule A hereto is true and accurate as of the date hereof and that it holds such Shares or Securities, as applicable, free and clear of any encumbrance of whatsoever nature or kind and it has not granted to any Person any option or interest in such Shares or Securities other than as contemplated in this Agreement and/or the Certificate of Incorporation.

(c) EdgeStone represents and warrants that it is entering into this agreement on behalf of itself and for and on behalf of EdgeStone Capital Venture Fund, LP ("EdgeStone Fund") and its parallel investors, and that the registered ownership and beneficial ownership of the Shares and Securities reflected in Schedule A hereto is true and accurate as of the date hereof and that such Shares and Securities are held free and clear of any encumbrance of whatsoever nature or kind and that no option or interest in such Shares or Securities has been granted to any Person other than as contemplated in this Agreement and/or the Certificate of Incorporation.

ARTICLE 3 - GENERAL MATTERS RELATING TO THE HOLDING OF SHARES AND SECURITIES AND PERMITTED TRANSFERS

3.1 General Prohibition on Transfer

During the continuance of this Agreement, none of the Securityholders shall deal with any Shares or Securities or any interest therein or Transfer any Shares or Securities now or hereafter held by such Securityholder except in accordance with this Agreement and in accordance with any applicable laws. A purported Transfer of any Shares or Securities in violation of this Agreement shall not be valid and the Corporation shall not register, nor permit any transfer agent to register, any such Shares or Securities on the securities register of the Corporation, nor shall any voting rights attaching to or relating to such Shares or Securities be exercised, nor shall any purported exercise of such voting rights be valid or effective, nor shall any dividend or distribution be paid or made on such Shares or Securities. Each Securityholder who purports to make a Transfer of any Shares or Securities in violation of this Agreement agrees to donate and hereby donates to the Corporation all dividends and distributions paid or made on such Shares or Securities during the period of such prohibited Transfer. The provisions of the immediately preceding sentence are in addition to, and not in lieu of, any other remedies to enforce the provisions of this Agreement.

3.2 Transfers by Securityholder to a Permitted Transferee

A Securityholder (a "**Transferor**") may at any time and from time to time Transfer all or any of the Shares or Securities held by such Securityholder to a Permitted Transferee without having to comply with Sections 4.1 and 4.4 and without the consent of any other Party, provided that:

(a) the Securityholder shall have executed and delivered an instrument, in form and substance satisfactory to the Board acting reasonably, which contains a representation and warranty by the Securityholder that sets out particulars as to the manner in which the Permitted Transferee qualifies as such; and

(b) subject to the provisions of Subsection 3.2(c) below, the Permitted Transferee shall have executed and delivered an instrument, in form and substance satisfactory to the Board acting reasonably, in which the Permitted Transferee agrees to be bound by all the terms of this Agreement, as if the Permitted Transferee were an original signatory hereto and agrees to remain a Permitted Transferee of the Transferor as long as such Permitted Transferee is the registered or beneficial owner of any Shares or Securities. The Transferor shall at all times after the transfer of Shares or Securities to the Permitted Transferee be jointly and severally liable with such Permitted Transferee for the observance and performance of the covenants and obligations of the Permitted Transferee under this Agreement, shall cause the Permitted Transferee to remain a Permitted Transferee of the Transferor so long as the Permitted Transferee shall have any registered or beneficial interest in Shares or Securities and the Transferor shall indemnify the other Parties hereto against any loss, damage or expense incurred as a result of the failure by the Permitted Transferee to comply with the provisions of this Agreement.

(c) In the case of a Transfer of Shares by EdgeStone to any of the Persons referred to in clause (D) of paragraph (vii) of the definition of "Permitted Transferee", such Permitted Transferees shall not be required to comply with the provisions of subparagraph (b) above in connection with such Transfer, provided that EdgeStone shall first have used commercially reasonable efforts to attempt to find an appropriate mechanism to deal with the provisions of this Agreement as the same may relate to the holdings of Shares and/or the Debentures by those Persons referred to in clause (D) of paragraph (vii) of the definition of "Permitted Transferee".

3.3 **Transfers Between Investors**

Notwithstanding any other provision of this Agreement, each of the Investors shall be entitled to Transfer any or all of its Shares and/or Securities to the other Investor without having to comply with Sections 4.1 and 4.4 and without the consent of any other Party.

3.4 **No Transfers to Competitors**

Subject to the provisions of Section 4.5 but notwithstanding any other provision of this Agreement, no Securityholder shall Transfer any Shares or Securities to a Person carrying on a Competitive Business without the prior written consent of the Securityholders holding or representing by valid proxy not less than 66 2/3% of the outstanding Shares on an as if converted to Class A Shares basis; except that EdgeStone, subject to complying with section 3.2 hereof, may Transfer any Shares or Securities to a Permitted Transferee described in clause (D) of paragraph (vii) of the definition of "Permitted Transferee" who is a Person or Persons carrying on or involved in a Competitive Business, where EdgeStone is required to make such Transfer pursuant to the terms of any limited partnership agreement or co-investment agreement with such Permitted Transferee. For greater certainty, the provisions of this Section 3.4 shall not apply to any Transfers pursuant to Section 4.5.

3.5 **Prohibition on Pledge of Shares and Securities**

A Securityholder may not mortgage, hypothecate, pledge or grant a security interest in its Shares or Securities.

3.6 **No Registration of Transfer Unless Transferee is Bound**

If, pursuant to any provision of this Agreement, a Securityholder purports to Transfer any or all of such Securityholder's Shares or Securities to any other Person, no Transfer of such Shares or Securities shall be made nor shall be effective and no application shall be made to the Corporation or to the Corporation's transfer agent to register the Transfer, and the Corporation shall not register any such Transfer, on the securities register of the Corporation until:

(a) in the case of a Transfer contemplated by section 3.2, the documentation referred to in those sections has been delivered; and

(b) in the case of any other Transfer, the proposed transferee shall have executed and delivered an instrument, in form and substance satisfactory to the Board acting reasonably, in which such transferee agrees to be bound by all the terms of this Agreement, as if such transferee were an original signatory hereto. The foregoing does not apply to a Transfer of Shares or Securities by a Securityholder to another existing Securityholder pursuant to Articles 4 or 6.

3.7 **Notation on Share Certificates**

All share or other certificates representing Shares or Securities shall have the following statement conspicuously noted thereon: "There are restrictions on the right to transfer the shares or securities represented by this certificate. In addition, such shares or securities are subject to a Securityholders Agreement among Time Industrial, Inc. and holders of its securities, as the same may be amended from time to time, and may not be pledged, sold or otherwise transferred except in accordance with the provisions thereof." All certificates representing Securities issued by the Corporation which are convertible into Shares or evidencing a right to acquire Shares shall contain a statement substantially to the same effect.

3.8 **Securityholders to Facilitate Permitted Transfers**

Each of the Securityholders agrees that it shall give and execute all necessary consents and approvals to the Transfer of Shares or Securities pursuant to this Article 3 as soon as the relevant provisions of this Agreement relating to the Transfer have been complied with

3.9 **Share Purchase and Release Agreement**

Each of the Corporation, A-Live II and Mosaic agree that should Chris Wallace fail to comply with the Share Purchase and Release Agreement including, without limitation, section 5.2 thereunder, they shall take all reasonable steps to compel his compliance and to enforce their rights arising as a result of his failure to comply.

3.10 **Class B Shareholders Agreement**

Each of the holders of Class A Shares or Class D Shares agrees that if, at any time, the 75% threshold required under section 4.5(a) hereof is achieved, they will vote, give and execute all necessary consents and approvals in favour of a Carry-Along Offer as defined under the Class B Shareholders Agreement in order to trigger the obligations of Chris Wallace and the holders of Class B Shares thereunder.

ARTICLE 4 - MATTERS RELATING TO THE DISPOSITION AND ACQUISITION OF SHARES AND SECURITIES

4.1 Rights of First Refusal

Subject to Sections 4.2 and 4.3, at any time a Securityholder (a "**Selling Securityholder**") may sell any or all of the Shares or Securities held by such Selling Securityholder (the "**Optioned Shares**") pursuant to this section 4.1, but only if:

(a) Selling Securityholder to Give First Refusal Notice. The Selling Securityholder shall give notice thereof (the "**First Refusal Notice**") to the other Securityholders (the "**Other Securityholders**"). The First Refusal Notice shall state that the Selling Securityholder wishes to sell the Optioned Shares (which shall include the number of Optioned Shares), shall state the price (which shall be payable in cash and/or Marketable Securities) which the Selling Securityholder is willing to accept for the Optioned Shares and shall state that any Other Securityholder who wishes to purchase a number of Optioned Shares less than or more than its Proportionate Entitlement shall, in its notice of acceptance under section 4.1(b), indicate how many Optioned Shares less than or more than its Proportionate Entitlement such Other Securityholder wishes to purchase. A First Refusal Notice shall also contain a representation and warranty by the Selling Securityholder that no event of the kind referred to in section 4.3 has occurred with respect to such Selling Securityholder and, if at that time the Selling Securityholder has received an offer to purchase the Optioned Shares from a Third Party which the Selling Securityholder is willing to accept, a copy of such offer shall accompany such First Refusal Notice and if the consideration in respect of the offer includes consideration other than cash, the First Refusal Notice shall also include a valuation prepared in accordance with Section 4.8. The offer constituted by the First Refusal Notice shall be irrevocable and shall remain open for acceptance by the Other Securityholders for a period of 30 days after receipt by the Other Securityholders.

(b) Rights of the Other Securityholders Upon Receipt of First Refusal Notice. Each of the Other Securityholders shall have the right, exercisable by notice ("**Acceptance Notice**") given to the Selling Securityholder within 30 days (the "**Acceptance Period**") after receipt of the First Refusal Notice by the Other Securityholders, to agree that it will purchase its Proportionate Entitlement of the Optioned Shares or, if it wishes to purchase less than or more than its Proportionate Entitlement, to indicate how many Optioned Shares less than or more than its Proportionate Entitlement it wishes to purchase. If no notice is given by an Other Securityholder to the Selling Securityholder under this section 4.1(b) within the Acceptance Period, such Other Securityholder shall be deemed to have rejected the offer made available to it to purchase Optioned Shares.

(c) Distribution of Unclaimed Shares. If any of the Other Securityholders does not claim their respective Proportionate Entitlement, the unclaimed Optioned Shares will be used for satisfying the claims of the Other Securityholders for Optioned

Shares in excess of their Proportionate Entitlement. If such excess claims are more than sufficient to exhaust the unclaimed Shares, the unclaimed Shares will be divided *pro rata* among the Other Securityholders who indicated a desire to purchase Optioned Shares in excess of their Proportionate Entitlement. The unclaimed Shares shall be distributed to such Other Securityholders in proportion to the number of Shares held by them respectively at the date of the First Refusal Notice. However, no Other Securityholder will be obligated to purchase any Optioned Shares in excess of the number or amount indicated in such Other Securityholders' Acceptance Notice under section 4.1(b). If the Optioned Shares are not capable, without division into fractions of Shares, of being offered to or divided among the Other Securityholders as nearly as may be in the proportions mentioned above, then any balance will be offered to or divided among the parties or some of them in a manner as may be determined by the Board.

(d) Other Securityholders May Agree on Manner of Purchase. If they all agree in writing, the Other Securityholders may purchase the Optioned Shares in proportions otherwise than as provided in sections 4.1(b) or 4.1(c), provided that the Other Securityholders may not purchase less than all of the Optioned Shares.

(e) Sale to Third Party if All Optioned Shares Not Purchased. If all of the Optioned Shares have not been accepted for purchase by one or more of the Other Securityholders within the Acceptance Period, the Other Securityholders shall be deemed to have rejected the offer made available to them to purchase the Optioned Shares and the Selling Securityholder shall be entitled, within the period of 90 days after the expiry of the Acceptance Period, to sell the Optioned Shares to a Person who is at Arm's Length with respect to the Selling Securityholder (a "Third Party") on terms and conditions no more favourable in any respect to the Third Party than those contained in the First Refusal Notice, provided that, prior to the completion of such sale, such Third Party and any Person Controlling such Third Party become subject to all of the obligations of the Selling Securityholder under this Agreement and agrees to be bound by all of the provisions hereof as contemplated in section 3.5(b), in which case such Third Party shall become entitled to exercise all the rights of the Selling Securityholder under this Agreement. If the Selling Securityholder enters into an agreement of purchase and sale of the Optioned Shares with a Third Party (the "**Third Party Offer**"), the Selling Securityholder shall send to the Other Securityholders forthwith (i) a copy of the Third Party Offer, and of any related or collateral agreements, (ii) details as to the identity and business of the Third Party and of any Person who Controls the Third Party, and (iii) if applicable, a copy of the Piggy-Back Offer. If no such sale is completed within such 90 day period, the provisions of this section 4.1 shall apply again to any proposed sale of the Optioned Shares and so on from time to time.

(f) Completion of Purchase and Sale. If one or more of the Other Securityholders exercise the right to purchase the Optioned Shares pursuant to section 4.1(b), the purchase of the Optioned Shares by each of the Other Securityholders who has agreed to purchase the same shall be completed concurrently and as part of the same closing at the price set out in the First Refusal Notice and in accordance with the terms of the First Refusal Notice, provided that the purchase and sale of the Optioned Shares shall be completed within a period of 20 Business Days after the Acceptance Period.

(g) Not Applicable to a Permitted Transfer and Carry-Along Offer. For greater certainty, no rights shall arise under this Section 4.1 in respect of any transactions pursuant to the exercise of rights under Sections 4.5 or 6.1. In addition, the provisions of this Section 4.1 will not apply to a Transfer to a Permitted Transferee in accordance with Section 3.2 or a Transfer in accordance with Section 3.3.

4.2 **Rights of the Selling Securityholder on Default**

If an Other Securityholder who has agreed to purchase any Optioned Shares defaults in payment of the purchase price for such Optioned Shares required to be purchased by it on the date scheduled for completion of the purchase and sale (the "**Completion Date**"), the Selling Securityholder shall not be required to sell any Optioned Shares to any of the Other Securityholders unless some or all of the non-defaulting Other Securityholders purchase all of the Optioned Shares to which the default relates on the Completion Date. If the Other Securityholders do not do so, the Selling Securityholder shall be entitled, within the 90 day period after the Completion Date, to obtain a Third Party Offer and sell the Optioned Shares to the Third Party on the terms and conditions contained in the Third Party Offer; provided that, prior to the completion of such sale, such Third Party agrees to be bound by this Agreement as contemplated in section 3.5. If the sale is not completed within such 90 day period, the provisions of sections 4.1 and 4.2 shall apply again to any proposed sale of the Optioned Shares and so on from time to time.

4.3 **Restriction on Exercise of First Refusal**

A Securityholder shall not be entitled to deliver a First Refusal Notice during the period from the date on which a Triggering Event with respect to such Securityholder has occurred or an event has occurred which, with notice or lapse of time or both, would constitute such a Triggering Event, in each case to the date which is 180 days thereafter. After the expiry of such period, such Securityholder shall be entitled to invoke section 4.1 so long as the provisions of Article 7 have been complied with and the Shares are not being purchased pursuant to that Article. In addition, no Securityholder shall be entitled to deliver a First Refusal Notice if (i) a Third Party Offer has been delivered in accordance with the provisions of Section 4.5 until such time as the transaction of purchase and sale pursuant to such Third Party Offer has been completed or abandoned; or (ii) a Requesting Investor has delivered notice to the Corporation of its intention to exercise its rights under Section 6.1.

4.4 **Piggy-Back Rights**

If at any time a Selling Securityholder receives a Third Party Offer to purchase all or any of its Shares, which offer the Selling Securityholder is willing, able and entitled to accept after complying with section 4.1, then the Selling Securityholder shall be entitled to sell such Shares to the Third Party only if the Third Party Offer contains, or is accompanied by, an offer (the "**Piggy-Back Offer**") by the Third Party to each of the Securityholders other than the Selling Securityholder (the "**Piggy-Back Rightholders**") to purchase the same percentage of the Shares held by the Piggy-Back Rightholders as the percentage of the Shares held by the Selling Securityholder which the Third Party is purporting to purchase from the Selling Securityholder (calculated on an as if converted to Class A Shares basis) (the "**Piggy-Back Shares**"). The Piggy-Back Offer shall contain terms and conditions identical to those contained in the Third Party Offer, except that (i) the price per Class D Share shall be calculated based upon the number of Class A Shares into which such Class D Shares could be converted at such time; (ii) the price per Class E Share shall be calculated based upon the number of Class A Shares into which such Class E Shares could be converted at such time; (iii) the provisions of Section 4.7 shall apply if such Transfer would constitute a Liquidity Event; and (iv) the obligations of the Third Party under the Piggy-Back Offer may be conditional upon completion of the transaction contemplated by the Third Party Offer. The Piggy-Back Offer shall be irrevocable and shall be open for acceptance by the Piggy-Back Rightholders for 15 days after receipt of the Piggy-Back Offer. If no notice of acceptance is given by a Piggy-Back Rightholder within such 30 day period, such Piggy-Back Rightholder shall be deemed to have rejected the Piggy-Back Offer made available to it to purchase its Shares.

The Piggy-Back Offer shall:

(i) contain only several (not joint and several) representations, warranties and covenants from any holder of the Class D Shares and Class E Shares that accepts it with recourse limited to that Securityholder's pro rata share of the aggregate purchase price to all Securityholders;

(ii) not require the holders of the Class D Shares and Class E Shares that accept it to provide representations or warranties or covenants related to the Corporation except typical title and authority to sell representations; and

(iii) not provide a Collateral Benefit to any Securityholder or any Affiliate, Related Party or principal thereof (other than, in the case of the Investors, as contemplated in Section 4.7, if applicable).

The provisions of Section 4.4 shall not apply to a Transfer to a Permitted Transferee pursuant to the provisions of Section 3.2 or a Transfer in accordance with Section 3.3.

4.5 **Carry-Along Rights**

(a) Carry-Along Shares. If at any time one or more Selling Securityholders receive an offer (a "**Third Party Offer**") from a Third Party to purchase all of the outstanding Shares and Securities of the Corporation, and if such Third Party Offer is acceptable to Securityholders who hold at least 75% of the outstanding Shares (on an as if converted to Class A Shares basis) (the "**Initial Selling Securityholders**"), then the Initial Selling Securityholders may obtain from the Third Party a bona fide offer (the "Carry-Along Offer") addressed to each of the other Securityholders (the "**Carry-Along Securityholders**") to purchase from the Carry-Along Securityholders all of the Shares and Securities (the "**Carry-Along**

Shares") held by the Carry-Along Securityholders on the same terms and conditions as those contained in, the Third Party Offer. Subject to Section 1.8 and 4.7, the Carry-Along Offer shall provide that (i) if any of the Carry-Along Securityholders hold Class D Shares, the price per Class D Share shall be calculated based upon the number of Class A Shares into which such Class D Shares could be converted at such time, (ii) if any of the Carry-Along Securityholders hold Class E Shares, the price per Class E Share shall be calculated based upon the number of Class A Shares into which such Class E Shares could be converted at such time; (iii) if any of the Carry-Along Securityholders hold Debentures at the time of closing of the transaction of purchase and sale pursuant to the Carry-Along Offer, the price for the Debentures shall be equal to the greater of (1) the principal amount then outstanding under such Debentures plus any accrued but unpaid interest; and (2) the price offered in the Third Party Offer for the Class E Shares (on an as if converted to Class A Shares basis); and (iv) if any of the Carry-Along Securityholders hold Warrants at the time of closing of the transaction of purchase and sale pursuant to the Carry-Along Offer, the price for the Warrants shall be, unless a greater price is set out in the Carry-Along Offer, equal to the amount by which the purchase price for Class A Shares under the Carry-Along Offer exceeds the exercise price of the Warrants. The Carry-Along Securityholders shall be obliged to accept the Carry-Along Offer for the purchase and sale of all the Carry-Along Shares.

The Carry-Along Offer shall:

(i) be *bona fide* and from a party acting at Arm's Length to the Securityholders;

(ii) not provide a Collateral Benefit to any Securityholder or any Affiliate, Related Party or principal thereof (other than, in the case of the Investors, the payment of amounts in preference as contemplated in Section 4.7);

(iii) require each Carry-Along Securityholder to provide representations, warranties and indemnities as are reasonably requested by the Third Party; and

(iv) notwithstanding subparagraph (iii) above, not require the holders of the Class D Shares and the Class E Shares that accept it to provide representations or warranties or covenants related to the Corporation except for typical title and authority to sell representations.

(b) Selling Securityholders Appointed Attorney to Accept. If the Carry-Along Securityholders do not accept the Carry-Along Offer by notice to the Third Party and the Secretary as agent for and on behalf of the Initial Selling Securityholders within 10 days after the receipt by the Carry-Along Securityholders of the Carry-Along Offer referred to in section 4.5(a), the Initial Selling Securityholders shall be entitled to accept the Carry-Along Offer on behalf of the Carry-Along Securityholders and to deliver the same to the Third Party and, for such purpose, the Carry-Along Securityholders hereby appoint a Person to be selected by the

Initial Selling Securityholders (for purposes of this Section 4.5, the "**Attorney**") as their attorney, with full power of substitution, in the name of the Carry-Along Securityholders to accept the Carry-Along Offer and to execute and deliver all documents and instruments to give effect to such acceptance and to establish a binding contract of purchase and sale between the Carry-Along Securityholders and the Third Party with respect to all the Carry-Along Shares. Such appointment, being coupled with an interest, is irrevocable by the Carry-Along Securityholders and shall not be revoked by the insolvency, bankruptcy, death, incapacity, dissolution, liquidation or other termination of the existence of the Carry-Along Securityholders. The Carry-Along Securityholders agree that they shall perform the agreement resulting from acceptance of the Carry-Along Offer in accordance with its terms and shall ratify and confirm all that the Attorney may do or cause to be done pursuant to the foregoing. The power of attorney granted in this Section 4.5(b) is not intended to be a continuing power of attorney within the meaning of and governed by the Substitute Decisions Act (Ontario), or any similar power of attorney under equivalent legislation in any of the provinces or territories of Canada (a "CPOA"). The execution of this agreement shall not terminate any CPOA granted by a Securityholder previously and this power of attorney shall not be terminated by the execution by a Securityholder in the future of a CPOA, and each Securityholder hereby agrees not to take any action that results in the termination of this power of attorney.

(c) Completion of Purchase and Sale. The purchase and sale of the Carry-Along Shares between the Carry-Along Securityholders and the Third Party shall be completed in accordance with the provisions of the Carry-Along Offer and at the same time as the completion of the purchase and sale between the Third Party and the Initial Selling Securityholders in respect of the Shares and Securities held by the Initial Selling Securityholders and as part of the same closing.

(d) Rights Regarding Sale of Assets. If, at any time, any one or more Selling Securityholders receive from a Third Party an offer to purchase all or substantially all of the assets of the Corporation which offer is acceptable to Selling Securityholders holding at least 75% of the outstanding Shares (on an as if converted to Class A Shares basis), and such transaction is approved in accordance with section 2.1(l)(ix), the other Securityholders hereby agree to cast such votes, sign such resolutions and other instruments and do all such other acts and things as may be necessary or desirable to be obtained from them, in their capacity as Securityholders of the Corporation, in order to evidence their approval of and to permit such transaction(s) of purchase and sale. For greater certainty, each of the Securityholders shall execute and deliver any tax elections, filings or other such forms as may be appropriate so as to result in available tax efficiencies, all as the Selling Securityholders may reasonably request (any such request being deemed to be reasonable in respect of a Securityholder unless it would result in a materially adverse tax consequence to such Securityholder). If any of the Securityholders do not comply with the requirements set out in this section 4.5(d) within ten Business Days of being requested to do so by the Selling Securityholders, the Selling Securityholders shall be entitled to execute and deliver such documentation and cast any such votes on behalf of such Securityholders and, for such purpose, each of the Securityholders (other than the Selling Securityholders) hereto appoints a Person (to be selected by the Selling Securityholders) as its attorney, with full power of substitution, in the name of the Securityholder, to execute and deliver instruments and cast votes, all as aforesaid. Such appointment, being coupled with an interest, is irrevocable by the Securityholders and shall not be revoked by the insolvency, bankruptcy, death or disability of any of the Securityholders. Each of the Securityholders agrees that it will ratify and confirm any act or instrument which such attorney may do or execute pursuant to this section 4.5(d). The power of attorney granted in this Section 4.5(d) is not intended to be a CPOA. The execution of this agreement shall not terminate any CPOA granted by a Securityholder previously and this power of attorney shall not be terminated by the execution by a Securityholder in the future of a CPOA, and each Securityholder hereby agrees not to take any action that results in the termination of this power of attorney.

The provisions of subparagraphs (i) to (iv) of the last paragraph of Subsection 4.5(a) shall apply to this section, *mutatis mutandis*.

4.6 **Governmental Approvals**

If any Governmental Approval is required by a purchaser of Shares (a "**Purchasing Securityholder**") under any provision of this Agreement, then, notwithstanding anything contained in this Agreement, the time period specified in this Agreement for acceptance of the offer by the Purchasing Securityholder shall be extended for up to an additional 90 days to permit the Purchasing Securityholder to obtain the necessary Governmental Approval. Any such application for Governmental Approval shall be the sole responsibility of the Purchasing Securityholder who shall also be responsible for all costs and expenses incurred in connection therewith. The other Securityholders and the Corporation shall use reasonable efforts to co-operate with the Purchasing Securityholder in any application for Governmental Approval.

4.7 **Deemed Liquidation**

Where any Transfer of Shares of the Corporation or any other transaction contemplated by Article 4 or Article 6 hereof constitutes a Liquidity Event, the liquidation preferences set out in the Certificate of Incorporation in favour of the holders of Class D Shares and Class E Shares (including in the case of any Deemed Liquidation) shall apply and the liquidation preferences set out in the Debentures in favour of the Investors shall apply.

4.8 **Valuation**

Any valuation of Marketable Securities consideration included in a Third Party Offer will be calculated based on the weighted average trading price of those securities on a significant national North American exchange for the twenty trading days ended at the close of business on the day prior to delivery of the applicable notice. Any valuation of consideration other than cash or Marketable Securities shall be determined by the members of the Board acting as a tribunal and not as a board of directors of a corporation. Such determination shall be made by a vote of the majority of the members of the Board and the provisions of Section 2.1(c) shall apply to all meetings of such tribunal *mutatis mutandis*.

ARTICLE 5 - PRE-EMPTIVE RIGHT

5.1 Pre-Emptive Right

Except as expressly provided in this Article, no securities shall be issued by the Corporation and no option or other right for the purchase of or subscription for any securities shall be granted by the Corporation at any time after the date hereof except upon compliance with the following provisions:

(a) Prior to the Initial Public Offering, if the Corporation proposes to issue any securities of the Corporation (the "**Affected Securities**"), the Corporation shall first offer the Affected Securities for subscription by each of the holders of Class D Shares and the holders of Class E Shares (the "**Pre-Emptive Rightholders** ") in proportion to the number of Shares (on an as if converted to Class A Shares basis) held by them respectively at the date of the offer. Such offer shall be made in writing by the Secretary and shall be made to each Pre-Emptive Rightholders. The offer shall contain a description of the terms and conditions relating to the Affected Securities and shall state the price at which the Affected Securities are offered and the date on which the purchase of Affected Securities by Pre-Emptive Rightholders is to be completed and shall state that any Class D Securityholder or Class E Securityholder who wishes to subscribe for Affected Securities may do so only by giving notice of the exercise of the subscription right to the Secretary within 20 days after the date of receipt of the offer. The offer shall also state that any Pre-Emptive Rightholders who desires to subscribe for Affected Securities less than or in excess of their respective proportion shall, in their subscription, specify the number of Affected Securities less than or in excess of such proportion that it desires to purchase. If all the Pre-Emptive Rightholders do not subscribe for their respective proportions, the unsubscribed Affected Securities shall be used to satisfy the subscriptions of Pre-Emptive Rightholders for Affected Securities in excess of their respective proportions and, if the subscriptions in the aggregate are more than sufficient to exhaust such unsubscribed Affected Securities, the unsubscribed Affected Securities shall be divided *pro rata* among the Pre-Emptive Rightholders desiring Affected Securities in excess of their respective proportions in proportion to the number of Affected Securities held by them at the date of such Offer (on an as-if-converted to Class A basis), but no Pre-Emptive Rightholders shall be bound to take any Affected Securities in excess of the number indicated in its subscription. If the Affected Securities of any issue shall not be capable, without division into fractions of Affected Securities, of being offered to or being divided among the Pre-Emptive Rightholders in such proportions, they shall be offered to or divided among the Pre-Emptive Rightholders as nearly as may be in such proportions and any balance shall be offered to or divided among the Securityholders or some of them in such manner as may be determined by the Board of Directors.

(b) If any of the Affected Securities of any issue are not subscribed for within the period of 20 days after they are offered to the Pre-Emptive Rightholders, the Corporation may offer such unsubscribed Affected Securities within the period of 150 days after the expiration of such 20 day period to any Person, but the price at which such Affected Securities may be issued shall not be less than the subscription price offered to the Securityholders and the terms of payment for such Affected Securities shall not be more favourable to such Person than the terms of payment offered to the Pre-Emptive Rightholders. Any purchaser of Affected Securities, if not already bound by the terms of this Agreement, shall first agree, in writing, to become a party to and be bound by the terms of this Agreement.

(c) If the Corporation proposes to grant an option or other right for the purchase of or subscription for Affected Securities, such option or other right shall also be made available to Pre-Emptive Rightholders as nearly as may be possible in accordance with the foregoing.

5.2 **Non-Applicability of Pre-Emptive Right**

The provisions of section 5.1 shall not apply to the following:

(a) Class A Shares issued pursuant to stock dividends, stock splits or similar transactions;

(b) Class B Shares issuable or issued to employees, consultants or directors of the Corporation directly or pursuant to a stock option plan approved by the Board and, to the extent required under this Agreement, by the Investor(s) pursuant to Section 2.1(n)(xvi);

(c) capital stock, or options or warrants to purchase capital stock, issued to financial institutions or lessors in connection with commercial credit arrangements, equipment financings, commercial property lease transactions or similar transactions approved by the Board and, to the extent required under this Agreement by the Investor(s) pursuant to Section 2.1(n);

(d) capital stock or warrants or options to purchase capital stock issued in connection with *bona fide* acquisitions, mergers or similar transactions, the terms of which are approved by the Board and, to the extent required under this Agreement by the Investor(s) pursuant to Section 2.1(n);

(e) the issuance of Class E Shares or Subsequent Financing Securities upon conversion of any of the Debentures;

(f) Class A Shares issued or issuable upon conversion of the Class E Shares, Class D Shares or the Class C Shares (if any), including upon conversion of any Class E Shares issuable upon conversion of either of the Debentures, and Common Shares issued or issuable in a Qualifying IPO;

(g) Class A Shares issuable upon exercise of any of the Warrants;

(h) securities issued to a Non-Participating Holder pursuant to a Special Mandatory Conversion under section 5.3 below.

5.3 **Class E Shares – Special Mandatory Conversion**

(a) If i) the Corporation issues Additional Stock without consideration or for consideration per share less than the Class E Conversion Price in effect immediately prior to such issuance (a "Dilutive Issuance"); ii) a holder of Class E Shares has the right under this Article 5 to purchase a proportion of such Dilutive Issuance; and iii) such holder of Class E Shares does not purchase its full Required Proportion of such Additional Stock (a "Non-Participating Holder"), then:

(i) no later than 20 days following the closing of such Dilutive Issuance, the Corporation will create an additional series of Class E Shares, to be called "Series E-X Preferred Shares", which will consist of such number of shares as is equal to the number of shares of Class E Shares then being converted pursuant to the terms of this Section 5.3 and will have the same terms as those of the Class E Shares except that the "Series E-X Conversion Price" will be fixed at the Class E Conversion Price in effect immediately prior to the closing of such Dilutive Issuance and thereafter, there shall be no further adjustment to the Series E-X Conversion Price other than in respect of a stock split, stock dividend, consolidation or other recapitalization affecting the Common Shares of the Corporation;

(ii) no Non-Participating Holder may convert any Class E Shares into Common Shares until the filing of the certificate of amendment to the Certificate of Incorporation creating the Series E-X Preferred Shares; and

(iii) effective upon the filing by the Corporation of such certificate of amendment, the number of Class E Shares held by the Non-Participating Holder equal to the product obtained by multiplying the Deficiency Proportion (defined below) by the total number of Class E Shares held by such Non-Participating Holder, will automatically be converted into an equal number of shares of Series E-X Preferred Shares (such conversion will be referred to herein as a "Special Mandatory Conversion"). For purposes of this section 5.3, "Deficiency Proportion" shall mean the difference between the Required Proportion and the actual proportion of Additional Stock (if any) purchased by the Non-Participating Holder in connection with such Dilutive Issuance.

(b) All Non-Participating Holders will be given written notice of the Special Mandatory Conversion and the place designated for such mandatory conversion pursuant to this Section 5.3. Such notice will be sent by first class or registered mail, postage prepaid, to each Non-Participating Holder, at such holder's address last shown on the records of the Corporation. Upon receipt of such notice, each

Non-Participating Holder will surrender its certificate or certificates for all Class E Shares subject to mandatory conversion pursuant to this section 5.3, to the Corporation at the place designated in such notice and will thereafter receive certificates for the number of shares of Series E-X Preferred Shares to which such holder is entitled pursuant to this section 5.3. On the effective date of the Special Mandatory Conversion, all rights with respect to the Class E Shares subject to mandatory conversion pursuant to this section 5.3 will terminate, except for the rights of the holders thereof, upon surrender of their certificate or certificates therefor, to receive certificates for the number of Series E-X Preferred Shares into which such Class E Shares have been converted; provided that the right of any Non-Participating Holder to receive any declared but unpaid dividends on their Class E Shares, from the date such shares were first issued, will accrue to the benefit of the Series E-X Preferred Shares issued upon conversion of such Class E Shares. If so required by the Corporation, certificates surrendered for conversion will be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by its attorney duly authorized in writing. As soon as practicable after the effective date of the Special Mandatory Conversion and the surrender of the certificate or certificates for Class E Shares, the Corporation will cause to be issued and delivered to such holder, or on its written order, a certificate or certificates for the number of full Series E-X Preferred Shares issuable on such conversion in accordance with the provisions hereof. All certificates evidencing Class E Shares which are required to be surrendered for conversion in accordance with the provisions hereof will, from and after the effective date of the Special Mandatory Conversion, be deemed to have been retired and cancelled and the Class E Shares represented thereby converted into Series E-X Preferred Shares for all purposes, notwithstanding the failure of the holder or holders thereof to surrender such certificates on or prior to such date.

(c) If, after the occurrence of a Special Mandatory Conversion, the Corporation effects an additional Dilutive Issuance and there are Non-Participating Holders with respect to such Dilutive Issuance, then the provisions of section 5.3 will apply to such Dilutive Issuance, except that the series of Class E Shares created by the Corporation will be Series E-X2 Preferred Shares (or, for subsequent Dilutive Issuances, Series E-X3 Preferred Shares, Series E-X4 Preferred Shares and so on), and, for purposes of such Dilutive Issuance, all references in section 5.3 will be deemed to refer to Series E-X2 Preferred Shares (or, for subsequent Dilutive Issuances, Series E-X3 Preferred Shares, Series E-X4 Preferred Shares and so on).

(d) Notwithstanding the foregoing, the provisions of this section 5.3 shall not apply to a Dilutive Issuance in respect of any Non-Participating Holder which waived the pre-emptive rights in section 5.1 at the written request of the Corporation, or if the Corporation otherwise fails to comply with its obligations under section 5.1.

(e) Each of the Securityholders consents to and approves the creation and issuance of any Series E-X Preferred Shares in accordance with the provisions of this section

5.3 and hereby agrees to cast such votes and sign such resolutions and other instruments as may be necessary or desirable to be obtained from them, in their capacity as Securityholders of the Corporation, in order to evidence their approval of and permit any such creation and issuance. If any Securityholder does not comply with the requirements set out in this section 5.3(e) within 5 Business Days of being requested to do so by the Corporation, any officer of the Corporation shall be entitled to execute and deliver such documentation and cast any such votes on behalf of such Securityholder and, for such purpose, each of the Securityholders hereto appoints an officer of the Corporation (to be selected by the Corporation) as its attorney, with full power of substitution, in the name of the Securityholder, to execute and deliver instruments and cast votes, all as aforesaid. Such appointment, being coupled with an interest, is irrevocable by the Securityholders and shall not be revoked by the insolvency, bankruptcy, death or disability of any of the Securityholders. Each of the Securityholders agrees that it will ratify and confirm any act or instrument which such attorney may do or execute pursuant to this section 5.3(e).

ARTICLE 6 - FORCED LIQUIDITY EVENTS

6.1 Forced Sale Provisions

(a) If at any time Investor(s) holding greater than 50% of the aggregate outstanding principal amounts and accrued but unpaid interest under the Debentures then outstanding (the **"Requesting Investor(s)"**) shall, by written notice to the Corporation and the other Securityholders, be entitled and shall have full power and authority, upon reaching an agreement among themselves to do so (if there is more than one Requesting Investor), to compel the Corporation and the other Securityholders to effect and participate in a Forced Sale Event in such manner and on such terms as the Requesting Investor(s) may determine, in their sole and absolute discretion, to be appropriate, including but not limited to a public offering of Class A Shares, a sale of all or any portion of the issued and outstanding Shares, a sale of the Requesting Investor(s) Shares and/or Securities or a sale of any or substantially all of the Corporation's assets or any merger, amalgamation, arrangement or similar transaction with any other Person (a **"Forced Sale Event"**).

(b) For the purpose of exercising their rights under this section 6.1(b), the Requesting Investor(s) shall be entitled and shall have full power and authority to do any or all of the following:

(i) solicit offers for the assets of the Corporation or for any or all of the outstanding Shares or Securities (including, without limitation, only the Shares or the Securities held by the Requesting Investor(s)), by any commercially reasonable means, including by way of tender, auction or otherwise;

(ii) require each Securityholder to sell its Shares at the same time and in the same manner as the Requesting Investor(s) propose to sell their Shares and Securities and otherwise on the same terms (including covenants, representations, warranties and indemnities) and conditions, *mutatis mutandis* other than, in the case of the Investors, the right of each Investor to receive a preferential amount for its Shares and Securities in an amount not exceeding the Debenture Liquidation Preference Amount (in respect of the Debenture then held by each Investor) and any amounts in respect of the liquidation preferences set out in the Certificate of Incorporation in respect of the Class D Shares and Class E Shares then held by the Investors;

(iii) require the other Securityholders to enter into any agreement, instrument or other document required to effect a Forced Sale Event on such terms as the Requesting Investor(s) may determine;

(iv) retain brokers, dealers, financial advisors, valuators and counsel, for and on behalf of and for the account of the Corporation and the Securityholders, to assist and advise them with respect to any proposed Forced Sale Event (provided that the fees of any such brokers, dealers, financial advisors, valuators or counsel shall be paid by the Securityholders in proportion to the number of Shares held by such Securityholder);

(v) deliver to prospective purchasers such information relating to the Corporation and the Business as is necessary or desirable to solicit effectively such potential purchasers and to complete a transaction; and

(vi) do all such other acts and things as they may deem necessary or desirable in connection with the exercise of their rights under this section 6.1(b).

(c) Upon any determination by the Requesting Investor(s) as to the manner in which they wish to effect a Forced Sale Event pursuant to this section 6.1, the Requesting Investor(s) shall deliver a written description of the material terms of such Forced Sale Event to the Corporation and the other Securityholders. Each of the other Securityholders shall vote their Shares and otherwise exercise their influence as holders of Securities of the Corporation to cause all such meetings of the Board and the Securityholders to be held, votes cast, resolutions passed, by-laws enacted, documents executed and all other things and acts done to ensure that the Forced Sale Event is effected in the manner proposed by the Requesting Investor(s) and that the Corporation and the Securityholders do all such acts and things as are necessary in order to complete the contemplated transactions, including the provision by the Corporation and the Securityholders of such covenants, agreements, indemnities, representations and warranties as may be necessary or customary in connection with such Forced Sale Event. The Securityholders shall deliver to the Requesting Investor(s) the certificates representing their Shares, duly endorsed in blank for transfer, and shall execute and deliver all such other documents and do all such things as may be necessary to complete any Forced Sale Event proposed by the Requesting Investor(s) pursuant to this section 6.1 including, in the case of an offer to purchase all or substantially all of the assets of the Corporation which offer is acceptable to the Requesting Investor(s), casting such votes and signing such resolutions and other instruments as may be necessary or desirable to be obtained from them, in their capacity as shareholders of the Corporation, in order to evidence their approval of and to permit such transaction(s) of purchase and sale. For greater certainty, each of the Securityholders shall execute and deliver any tax elections, filings or other such forms as may be appropriate so as to result in available tax efficiencies, all as the Requesting Investor(s) may reasonably request (any such request being deemed to be reasonable in respect of a Securityholder unless it would result in a materially adverse tax consequence to such Securityholder).

(d) Each Securityholder irrevocably constitutes and appoints a Person to be selected by the Requesting Investor(s) (for purposes of this Section 6.1, the "**Attorney**") as its attorney, with full power of substitution, in the name of such Securityholder to execute, for and in the name of and on behalf of such Securityholder, all such assignments, transfers, instruments and other documents and to do all such other things as may be necessary to vote the Shares held or controlled by such Securityholder and to sell, exchange, or otherwise dispose of the securities of the Corporation beneficially owned by it or the assets of the Corporation or to otherwise effect any Forced Sale Event proposed by the Investors pursuant to this section 6.1. Such appointment, being coupled with an interest, is irrevocable by each Securityholder and shall not be revoked by the insolvency, bankruptcy, death, incapacity, dissolution, liquidation or other termination of the existence of any Securityholder. Each Securityholder agrees that it shall perform the agreement resulting from any action taken by the Attorney in accordance with the terms hereof and shall ratify and confirm all that the Attorney may do or cause to be done pursuant to the foregoing. The power of attorney granted in this Section 6.1(d) is not intended to be a CPOA. The execution of this agreement shall not terminate any CPOA granted by a Securityholder previously and this power of attorney shall not be terminated by the execution by a Securityholder in the future of a CPOA, and each Securityholder hereby agrees not to take any action that results in the termination of this power of attorney.

(e) Upon any request by the Requesting Investor(s), the Corporation shall provide to any prospective purchaser or other participant in a proposed Forced Sale Event all such information, including confidential information pertaining to the Corporation, and allow such third party to conduct such investigations and inquiries of the Corporation and the Subsidiaries of the Corporation as may be reasonably required by such party in order to complete the proposed Forced Sale Event.

(f) The parties confirm their agreement and understanding that this section 6.1 is intended to provide the Requesting Investor(s) with the opportunity to liquidate their investments in the Corporation and, accordingly, nothing contained in this section 6.1 shall entitle any other Securityholder to participate in any Forced Sale

Event effected by the Requseting Investor(s) and the Corporation except to the extent the Requesting Investor(s) determine (in their sole and absolute discretion) that such participation is necessary or desirable. Furthermore, the rights of Requesting Investor(s) under this section 6.1 shall continue indefinitely until a Forced Sale Event is completed and nothing contained in this Agreement shall be construed so as to in any way limit, as to time or otherwise, the rights of the Requesting Investor(s) under this Section 6.1.

(g) The Corporation and each of the Securityholders shall facilitate any proposed sale of the Corporation pursuant hereto on a timely basis, including, subject to the provisions of Section 9.3(a)(v), promptly setting up and maintaining a comprehensive data room, providing access to such employees, customers and suppliers as any potential purchaser, underwriter or agent may reasonably request, preparing and amending comprehensive and appropriate disclosure documents on a timely basis, providing any necessary consents and approvals, executing and delivering a purchase and sale agreement, transition services agreement and other documentation required by the intending purchaser on a commercially reasonable basis, including typical representations, warranties and covenants in the context, to vote all Shares held, or which that party is entitled to vote, in favour of the offer proposed by the Requesting Investor(s).

ARTICLE 7 - DEFAULT

7.1 Triggering Events

The occurrence of any one of the following events with respect to a Securityholder (or any Permitted Transferee of such Securityholder) (the "**Defaulting Securityholder**") constitutes a "Triggering Event":

(a) the Securityholder fails to perform or is otherwise in breach of its obligations under this Agreement, or under any instrument or document delivered pursuant to this Agreement at any time hereafter, and the failure or breach is not corrected within 30 days after receipt by such Securityholder of notice of the failure or breach from any other Securityholder or the Corporation;

(b) an Act of Insolvency occurs;

(c) a resolution is passed for, or a judgment or order is issued by any court of competent jurisdiction ordering, the winding-up or other liquidation or dissolution of the Securityholder;

(d) any receiver, manager, receiver-manager, liquidator or trustee of the property, assets or undertaking of the Securityholder of is appointed pursuant to the terms of a debenture or similar instrument and such appointment is not revoked or withdrawn within 30 days of the appointment;

(e) the Securityholder permits its Shares to be liable to seizure;

(f) if a Securityholder becomes subject to an application or proceeding brought under a family law statute or equivalent legislation of the applicable jurisdiction where possession, legal title or beneficial ownership of the Shares held or beneficially owned by such Securityholder is an issue in such application or proceeding;

(g) the death of a Securityholder; or

(h) the Securityholder causes or is subject to any event with respect to it which, under the applicable laws of another jurisdiction, has an analogous effect to any of the events specified in sections 7.1(a) to 7.1(e), inclusive.

A Defaulting Securityholder shall give notice to the other Securityholders (the "**Other Securityholders**") and the Corporation that an event has occurred with respect to such Defaulting Securityholder which constitutes a Triggering Event or which would, if such event is not corrected or remedied or otherwise resolved to the satisfaction of the Other Securityholders as contemplated above, constitute such a Triggering Event. Such notice shall be given forthwith after the occurrence of the particular event.

For the purposes of this Agreement, a Triggering Event referred to in sections 7.1(a), 7.1(b) and 7.1(d) shall be deemed to have occurred on the expiry of the 30 day period referred to in those sections; and all other Triggering Events shall be deemed to have occurred on the date the Defaulting Securityholder first gives notice to the Other Securityholders and the Corporation of the occurrence of the particular Triggering Event, or on the date an Other Securityholder or the Corporation first becomes aware of the occurrence of such Triggering Event, whichever is earlier. In addition, where a Triggering Event has occurred with respect to any Defaulting Securityholder, a Triggering Event shall be deemed to have occurred with respect to any Securityholder that is a Permitted Transferee of such Defaulting Securityholder and, if the Defaulting Securityholder is itself a Permitted Transferee, a Triggering Event shall be deemed to have occurred with respect to the Original Securityholder of the Shares held by such Permitted Transferee and the term "**Defaulting Securityholder**" shall be construed to include any Securityholder with respect to which a Triggering Event has been deemed to have occurred hereunder.

7.2 Obligation of a Securityholder to Offer to Sell Shares

(a) <u>Secretary as Agent for the Defaulting Securityholder</u>. Upon the occurrence of any Triggering Event, the Secretary shall be constituted the agent for the Defaulting Securityholder to offer to sell all (but not less than all) of the Shares and Securities held by the Defaulting Securityholder (the "**Triggered Shares**") to the Other Securityholders in the manner provided herein. The purchase price for any of the Triggered Shares shall be the Fair Value thereof and shall be payable in cash.

(b) <u>Secretary's Notice to be Given to Other Securityholders</u>. Within 10 days after the occurrence of any Triggering Event, the Secretary shall give notice (the "**Secretary's Notice**") to each of the Other Securityholders. The Secretary's Notice:

(i) shall offer for sale to the Other Securityholders all (but not less than all) the Triggered Shares; subject to the right of each Other Securityholder to participate as to its *pro rata* share of such Triggering Shares (determined on an as converted to Class A Shares basis and based upon the Shares held by all the Other Securityholders willing to participate) unless agreed otherwise between the Other Securityholders; and

(ii) shall state that the purchase price for any Triggered Shares shall be the Fair Value thereof and shall be payable in cash. The offer constituted by the Secretary's Notice shall remain open for acceptance by the Other Securityholders for 20 Business Days.

(c) Completion of Purchase and Sale. If one or more of the Other Securityholders accept the offer constituted by the Secretary's Notice by notice (the "**Triggering Event Acceptance Notice**") received by the Secretary while such offer remains open for acceptance, the purchase and sale of the Triggered Shares shall be completed on the 20th Business Day after the Acceptance Notice is received by the Secretary; provided that if the Fair Value of the Triggered Shares has not been determined by such day, the completion shall take place on the 10th Business Day after the date on which the Fair Value has been conclusively determined pursuant to section 8.1.

(d) Cancellation of Non-Purchased Shares. The Corporation may, at its option, purchase for cancellation any Triggered Shares not purchased by other Securityholders following the close of the offer to purchase the Triggered Shares and for 90 days thereafter.

ARTICLE 8 - VALUATION AND CLOSING PROCEDURES

8.1 Determination of Fair Value

For the purposes of this Agreement, the "**Fair Value**" of the Shares and Securities at any time shall be:

(a) the fair value of the Shares and Securities as determined by agreement between all the Securityholders; or

(b) if there is a dispute among the Securityholders over the fair value, the fair value of the Shares or the Securities shall be determined as soon as possible by the auditors of the Corporation as of the end of the fiscal quarter of the Corporation immediately preceding the fiscal quarter in which the Acceptance Notice is received by the Secretary under section 7.2(c), on a going concern basis, assuming a willing purchaser and a willing buyer, and, for greater certainty, there shall be no expropriation premium, no premium for a controlling interest and no discount for a minority interest. For the purpose of determining such fair value, the auditors may appoint, at the expense of the Corporation, an independent appraiser to assist the auditors in such valuation.

8.2 Closing Procedures

If a purchase and sale of Shares and/or the Securities is made pursuant to this Agreement, the following shall apply, subject to any express provisions to the contrary:

(a) Payment of Purchase Price and Delivery of Certificates. The purchase price shall be paid as agreed between the vendor (the "**Vendor**") and the purchaser(s) (the "**Purchaser**") against receipt by the purchaser(s) of the share certificate(s) representing the Shares and/or Securities being purchased, duly endorsed for transfer in blank.

(b) Date and Time of Closing. If the date for completion of any transaction of purchase and sale falls on a day which is not a Business Day, the transaction shall be completed on the first Business Day following such date. Closing shall take place at 11:00 a.m. (Edmonton time) on the date for completion at the head office of the Corporation.

(c) Title. The acceptance by the Vendor of payment for the Shares and/or Securities being purchased and sold shall constitute a representation and warranty by the Vendor that the Vendor has good and marketable title to such Shares and/or Securities free and clear of any lien, charge, pledge, encumbrance, security interest or adverse claim, except the terms of this Agreement. Notwithstanding the foregoing, the Vendor shall deliver to the Purchaser(s) all such documents, instruments and releases and shall do all such acts and things as the Purchaser(s) may reasonably request, whether before or after completion of the transaction, to vest such title in the Purchaser(s).

(d) Vendor Indebted to Corporation. If, at the time of sale, the Vendor is indebted to the Corporation, the Purchaser(s) shall have the right to satisfy such indebtedness out of the purchase price payable for the Shares and Securities.

(e) Extended Meaning of "Vendor". For the purposes of this section 8.2, any reference to the Vendor shall mean the registered holder or holders of the Shares and/or Securities being sold.

(f) Taxes. At the time of the sale, the Vendor shall provide to the Purchaser either:

(i) a statutory declaration that the Vendor is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada); or

(ii) a certificate from Canada Customs and Revenue Agency under section 116 of the *Income Tax Act* (Canada) certifying that all taxes payable in connection with the transaction having been paid or that no taxes are payable in respect of the transaction;

provided that if the Vendor delivers no declaration or certificate, the Purchaser shall be entitled to deduct from the purchase price payable to the Vendor an amount equal to the amount of tax for which the Purchaser may be liable (as determined sole by the Purchaser) under the *Income Tax Act* (Canada) (or any applicable comparable legislation).

(g) Deliveries on Closing. If, after completion of the transaction of purchase and sale, the Vendor will not own any Shares or Securities, the Vendor shall deliver or cause its nominees to deliver, at the time of completion of the sale, a written resignation from all positions on the Board of Directors and/or from any offices of employment with the Corporation (if any), as reasonably requested by the Corporation.

8.3 Governmental Approvals

If any Governmental Approval is required by a purchaser of Shares or Securities (a "purchasing Securityholder") under any provision of this Agreement, then, notwithstanding anything contained in this Agreement, the time period specified in this Agreement for acceptance of the offer by the purchasing Securityholder shall be extended for an additional 90 days to permit the purchasing Securityholder to obtain the necessary Governmental Approval. Any such application for Governmental Approval shall be the sole responsibility of the purchasing Securityholder who shall also be responsible for all costs and expenses incurred in connection therewith. The other Securityholders and the Corporation shall use reasonable efforts to co-operate with the purchasing Securityholder in any application for Governmental Approval.

8.4 Failure to Complete Sale

If, at the time of closing, the Vendor of the Shares and/or Securities does not complete the Transfer for any reason, the Purchaser or Purchasers will have the right to deposit the purchase price for the Shares and/or Securities to be purchased and sold for the account of the Vendor in an account with the bankers of the Corporation and the deposit will constitute valid and effective payment of the purchase price to the Vendor. The Purchaser or Purchasers will then have the right to execute and deliver any deeds, stock transfers, assignments, resignations, releases and other documents as may, in the reasonable opinion of the Purchaser or Purchasers, be necessary or desirable in order to complete the transaction. If payment of the purchase price is so deposited, then from and after the date of deposit, notwithstanding that certificates or instruments evidencing the Shares and/or Securities may not have been delivered to the Purchaser or Purchasers, the purchase of the Shares and/or Securities will be deemed to have been fully completed and the records of the Corporation will be amended accordingly and all right, title, benefit and interest, both at law and in equity, in and to the Shares and/or Securities will be conclusively deemed to have been transferred and assigned to and become vested in the Purchaser or Purchasers and all right, title, benefit and interest of the Vendor and of any other Person (other than the Purchaser or Purchasers) having any interest the shares, legal or equitable, in any capacity whatsoever will cease.

8.5 Purchaser Appointed as Attorney

Each of the Securityholders hereby appoints, in the event that the Securityholder is a Vendor of Shares and/or Securities, each Person who may from time to time be a Purchaser of Shares and/or Securities as the Vendor's attorney, with full power of substitution, in the name of the Vendor but on behalf of and at the expense of the Purchaser, to execute and deliver all deeds, transfers, assignments and assurances necessary to effectively transfer the interest being sold to the Purchaser or its nominees. This appointment, being coupled with an interest, is irrevocable by each of the Securityholders and will not be revoked by the insolvency, bankruptcy, death, incapacity, dissolution, liquidation or other termination of the existence of the Securityholder and each of the Securityholders agrees to ratify and confirm all that a Purchaser may do or cause to be done pursuant to this section 8.5. Each of the Securityholders consents to any Transfer of Shares and/or Securities made in accordance with this section 8.5. The power of attorney granted in this section is not intended to be a CPOA. The execution of this Agreement will not terminate any such CPOA granted by any individual Securityholder previously and will not be terminated by the execution by any individual Securityholder in the future of a CPOA, and each of the Securityholders hereby agrees not to take any action in the future which results in the termination of this power of attorney.

ARTICLE 9 - NON-COMPETITION AND CONFIDENTIALITY

9.1 Non-Competition

For so long as A-Live Manager or any Permitted Transferee of A-Live Manager (collectively, the "**Subject Party**") holds any Shares or Securities and for a period of one year from the date on which the Subject Party ceases to hold any Shares or Securities, such Subject Party shall not, and shall cause its Affiliates (including any partnership or joint venture that would qualify as an "Affiliate" if it were a corporation) not to, directly or indirectly, in any manner whatsoever, including either individually, or in partnership, jointly or in conjunction with any other Person, or as employee, principal, agent, director or shareholder:

(a) be engaged in any undertaking that functions as a Competitive Business;

(b) have any financial or other interest (including an interest by way of royalty or other compensation arrangements) in or in respect of any Competitive Business; or

(c) advise, lend money to or guarantee the debts or obligations of any Competitive Business.

Nothing in this section shall prevent a Subject Party or its Affiliates from owning not more than 5% of the issued shares of any corporation that is a Competitive Business, the shares of which are listed on a recognized stock exchange or traded in the over the counter market.

9.2 Covenant as to Employees

For so long as a Subject Party, Nickerson, Clegg, Mosaic or EdgeStone (collectively, the "**Non-Solicit Parties**") holds any Shares and for a period of one year from the date on which such Non-Solicit Party ceases to hold any Shares, such Non-Solicit Party shall not hire any employees of the Corporation or induce or attempt to induce any such employee to leave his employment.

9.3 **Confidentiality**

(a) Each Securityholder shall not use or disclose to any Person, directly or indirectly, any Confidential Information at any time hereafter; provided, however, that nothing in this section 9.3 shall preclude a Securityholder from disclosing or using Confidential Information if:

(i) disclosure is to its or its Affiliates' directors, officers, employees, investment committee, nominees and agents (including accountants, legal advisors and other advisors), provided that the Persons to whom such disclosure is made shall be informed of the confidential nature of such Confidential Information and instructed to keep such Confidential Information confidential;

(ii) the Confidential Information is available to the public or in the public domain at the time of such disclosure or use, without breach of this Agreement;

(iii) disclosure is required to be made by any law, regulation, governmental body or authority or by court order;

(iv) disclosure is made to a court which is determining the rights of the Parties under this Agreement; or

(v) disclosure is made to a Third Party in connection with a proposed sale of Shares or Securities to a Third Party after complying with the applicable requirements of Article 4, provided that such Third Party signs a confidentiality agreement in form and substance acceptable to the Board, acting reasonably. Each Securityholder acknowledges and agrees that its obligations under this section 9.3(a) shall remain in effect in perpetuity.

Notwithstanding the foregoing, the obligations of EdgeStone as set out in this section 9.3 shall be subject to the following:

(vi) the right of EdgeStone to disclose (by whatever means) Confidential Information to any of the entities listed in the definition of Permitted Transferee of EdgeStone set out in section 1.1 provided such entity is bound to keep such information confidential pursuant to the terms of any limited partnership agreement or co-investment agreement with EdgeStone; and

(vii) the right of EdgeStone to publish, report or otherwise announce, Confidential Information for marketing purposes, including, without limitation, on its website, in promotional material, and offering documents, provided that such Confidential Information shall be limited to the existence and the value of its interest in the Corporation, the percentage of its interest relative to the total issued and outstanding Shares and Securities, the nature of the business of the Corporation and its

Subsidiaries, its size based on various criteria such as sales or the number of employees, and any liquidation rights or board representation rights to which EdgeStone is entitled in its capacity as a Securityholder, in each case subject to the requirement of EdgeStone to act in a commercially reasonable manner taking into account EdgeStone's obligations to the Corporation but subject to EdgeStone's reporting obligations to the Persons defined in clause (vii) of the definition of "Permitted Transferee".

Notwithstanding the foregoing, the obligations of each of the Investors as set out in this Section 9.3 shall be subject to the right of each of the Investors or its respective Affiliates, in connection with its rights to sell Shares or Securities in accordance with the provisions of this agreement or otherwise effect a transaction contemplated herein, to disclose Confidential Information to the potential purchaser in respect of such proposed sale or transaction, provided confidentiality arrangements acceptable to the Board, acting reasonably, are implemented.

9.4 **Obligations Not Exhaustive**

Each Securityholder acknowledges that the obligations contained in this Article 9 are not in substitution for any obligations which such Securityholder may now or hereafter owe to the Corporation or any Securityholder and which exist apart from this Article 9 and do not replace any rights of the Corporation or any Securityholder with respect to any such obligation.

9.5 **Remedies**

Each Securityholder acknowledges that a breach or threatened breach by such Securityholder of any provision of this Article 9 will result in the Corporation and the other Securityholders suffering irreparable harm which cannot be calculated or fully or adequately compensated by recovery of damages alone. Accordingly, each Securityholder agrees that the Corporation and any other Securityholder shall be entitled to interim and permanent injunctive relief, specific performance and other equitable remedies, in addition to any other relief to which the Corporation or any other Securityholder may become entitled.

ARTICLE 10 - GENERAL PROVISIONS

10.1 **All Shares and Securities**

Subject to this Agreement each of the Securityholders agrees that it shall be bound by the terms of this Agreement with respect to all Shares and Securities held by it from time to time.

10.2 **Lock-up Arrangements**

As part of any Initial Public Offering, each of the Securityholders shall accept any reasonable voluntary resale restrictions as may be required by the underwriters of such offering.

10.3 **Term**

(a) This Agreement shall come into force and effect as of the date hereof and, except as provided below, shall continue in force until the earlier of:

(i) the date on which this Agreement is terminated by written agreement of all the Securityholders;

(ii) the date on which all the Shares and Securities are sold to a Third Party; or

(iii) the date on which the Corporation completes an Initial Public Offering approved in accordance with the provisions of 2.1(n).

(b) Notwithstanding this section 10.3, after the termination of this Agreement, sections 9,1, 9.2 and 9.3 (coincidentally with sections 9.4 and 9.5) shall continue in force in accordance with their respective terms.

(c) Subject to Section 3.2(b) and Section 10.4, this Agreement shall terminate with respect to any Securityholder on the date on which it ceases to be the registered holder of any Shares or Securities (at which time it shall cease to qualify as a Party). Notwithstanding such termination, the provisions of Article 9 shall continue in force in accordance with their terms as regards such prior Securityholder.

10.4 **Termination Not to Affect Rights or Obligations**

A termination of this Agreement shall not affect or prejudice any rights or obligations which have accrued or arisen under this Agreement prior to the time of termination and such rights and obligations shall survive the termination of this Agreement.

10.5 **Notices**

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by facsimile or other means of electronic communication or by delivery as hereafter provided. Any such notice or other communication, if sent by facsimile or other means of electronic communication, shall be deemed to have been given and received on the Business Day following the sending, or if delivered by hand shall be deemed to have been given and received at the time it is delivered to the applicable address noted below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address shall also be governed by this section. Notices and other communications shall be addressed as follows:

(a) if to A-Live II:

A-Live Holdings II (Time & Materials Technologies) LLC
433-8th Street
Brooklyn, New York 112115
U.S.A.

Attention: Norman Gretzinger
Fax number: (212) 622-2241

with a copy to:

Torys LLP
Maritime Life Tower
Suite 3000
P.O. Box 270, TD Centre
Toronto, Ontario M5K 1N2

Attention: Wendy Del Mul
Fax number: (416) 865-7380

(b) if to A-Live Manager:

Suite 1180
10180 – 101 Street
Edmonton, Alberta

Attention: Evan Chrapko
Fax number: (780) 425-4514

(c) if to Mosaic:

The Flat Iron Building
49 Wellington Street East
3rd Floor
Toronto, Ontario M5E 1C9

Attention: Vernon Lobo
Fax Number: (416) 367-8146

(d) if to Nickerson:

c/o iBinary
14845-6 Yonge Street
Suite 385
Aurora, Ontario
L4G 6H8

Attention: Ken Nickerson
Fax number: (416) 893-3071

(e) if to Clegg:

c/o Microsoft Canada Co.
320 Matheson Blvd. West
Mississauga, Ontario
L5R 3R1

Attention: Frank Clegg
Fax number: (905) 507-9940

(f) if to EdgeStone:

130 King Street West
Suite 600
Toronto, Ontario
M5X 1A6

Attention: Bryan Kerdman
Fax Number: (416) 860-9838

(g) if to the Corporation:

Time Industrial, Inc.
10259-105 Street
Edmonton, Alberta T5J 1E3

Attention: Chief Executive Officer
Fax number: (780) 413-0474

with a copy to: Fulbright & Jaworski L.L.P.

1301 McKinney, Suite 5100
Houston, Texas 77010

Attention: Martin F. Doublesin
Fax Number: (713) 651-5246

and to: Fraser Milner Casgrain LLP

2900 Manulife Place
10180-101 Street
Edmonton, Alberta
T5J 3V5

Attention: Colleen Cebuliak
Fax Number: (780) 423-7276

10.6 **Time of Essence**

Time is of the essence of this Agreement.

10.7 Further Assurances

Each of the Securityholders shall vote and act at all times as a Securityholder of the Corporation and in all other respects use reasonable efforts to take all such steps, execute all such documents and do all such acts and things as may be reasonably within its power to implement to their full extent the provisions of this Agreement and to cause the Corporation to act in the manner contemplated by this Agreement.

10.8 Counterparts

This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument and delivery of such counterparts may be effected by means of a facsimile or telecopied transmission.

10.9 Enurement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and legal personal representatives.

IN WITNESS WHEREOF the Parties have executed this ~~Third~~ Fourth Amended and Restated Securityholders' Agreement.

A-LIVE HOLDINGS II (TIME & MATERIALS TECHNOLOGIES) LLC

by: ______________________
Name Norman Gretzinger
Title Manager

by: ______________________
Name
Title

A-LIVE HOLDINGS II INC.

by: ______________________
Name
Title

10.7 Further Assurances

Each of the Securityholders shall vote and act at all times as a Securityholder of the Corporation and in all other respects use reasonable efforts to take all such steps, execute all such documents and do all such acts and things as may be reasonably within its power to implement to their full extent the provisions of this Agreement and to cause the Corporation to act in the manner contemplated by this Agreement.

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A-LIVE HOLDINGS II (TIME & MATERIALS TECHNOLOGIES) LLC

by: ______________________________
Name
Title

by: ______________________________
Name
Title

A-LIVE HOLDINGS II INC.

by: Evan Chrapko
Name
Title

MOSAIC VENTURE PARTNERS II LIMITED PARTNERSHIP, by its general partner, 1369904 Ontario Inc.

by: ______________________
Name VERNON LOBO
Title MANAGING DIRECTOR

by: ______________________
Name
Title

EDGESTONE CAPITAL VENTURE FUND NOMINEE, INC., for and on behalf of **EDGESTONE CAPITAL VENTURE FUND, L.P. and its parallel investors**

by: ______________________
Name
Title

TIME INDUSTRIAL, INC.

by: ______________________
Name
Title

SIGNED, SEALED AND DELIVERED)
in the presence of)

Witness	)	Ken Nickerson
Witness	)	Frank Clegg

MOSAIC VENTURE PARTNERS II LIMITED PARTNERSHIP, by its general partner, 1369904 Ontario Inc.

by: ____________________________
Name
Title

by: ____________________________
Name
Title

EDGESTONE CAPITAL VENTURE FUND NOMINEE, INC., for and on behalf of **EDGESTONE CAPITAL VENTURE FUND, L.P. and its parallel investors**

by: ____________________________
Name BRYAN KERDMAN
Title PARTNER

TIME INDUSTRIAL, INC.

by: ____________________________
Name
Title

SIGNED, SEALED AND DELIVERED in the presence of	)	
____________________ Witness	)	____________________ Ken Nickerson
____________________ Witness	)	____________________ Frank Clegg

MOSAIC VENTURE PARTNERS II LIMITED PARTNERSHIP, by its general partner, 1369904 Ontario Inc.

by: ______________________________
Name
Title

by: ______________________________
Name
Title

EDGESTONE CAPITAL VENTURE FUND NOMINEE, INC., for and on behalf of **EDGESTONE CAPITAL VENTURE FUND, L.P. and its parallel investors**

by: ______________________________
Name
Title

TIME INDUSTRIAL, INC.

by: ______________________________
Name GARRY BLEAU
Title PRESIDENT & CEO

SIGNED, SEALED AND DELIVERED)
in the presence of)

______________________________	)	______________________________
Witness	)	Ken Nickerson
______________________________	)	______________________________
Witness	)	Frank Clegg

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MOSAIC VENTURE PARTNERS II LIMITED PARTNERSHIP, by its general partner, 1369904 Ontario Inc.

by: ______________________________
Name
Title

by: ______________________________
Name
Title

EDGESTONE CAPITAL VENTURE FUND NOMINEE, INC., for and on behalf of **EDGESTONE CAPITAL VENTURE FUND, L.P. and its parallel investors**

by: ______________________________
Name
Title

TIME INDUSTRIAL, INC.

by: ______________________________
Name
Title

SIGNED, SEALED AND DELIVERED)
in the presence of)

______________________________) ______________________________
Witness) Ken Nickerson

______________________________) ______________________________
Witness) Frank Clegg

MOSAIC VENTURE PARTNERS II LIMITED PARTNERSHIP, by its general partner, 1369904 Ontario Inc.

by: ______________________________
Name
Title

by: ______________________________
Name
Title

EDGESTONE CAPITAL VENTURE FUND NOMINEE, INC., for and on behalf of **EDGESTONE CAPITAL VENTURE FUND, L.P. and its parallel investors**

by: ______________________________
Name
Title

TIME INDUSTRIAL, INC.

by: ______________________________
Name
Title

SIGNED, SEALED AND DELIVERED)
in the presence of)

______________________________) ______________________________
Witness) Ken Nickerson

______________________________) ______________________________
Witness) Frank Clegg

SCHEDULE A

Share Ownership of Parties to the Fourth Amended and Restated Securityholders Agreement

Securityholder	**Class of Shares of Corporation**	**Number of Shares**
A-Live Manager	A	1,421,874
A-Live II	A	9,412,795
Mosaic	D	4,446,535
Mosaic	E	8,366,900; Convertible Debenture in principal amount of $1,125,000; Warrant to purchase 400,000 Class A Shares; and Convertible Debenture in principal amount of $250,000 (with right to acquire two additional convertible debentures in the principal amount of $250,000 each pursuant to the terms of the Subscription Agreement)
Nickerson	E	522,931
Clegg	E	522,931
EdgeStone	E	12,550,348; Convertible Debenture in principal amount of $1,125,000; Warrant to purchase 400,000 Class A Shares; and Convertible Debenture in principal amount of $250,000 (with right to acquire two additional convertible debentures in the principal amount of $250,000 each pursuant to the terms of the Subscription Agreement)

* Ownership of the 12,550,348 Class E Shares, the Convertible Debentures and the Warrant registered in the name of EdgeStone Capital Venture Fund Nominee, Inc. on behalf of EdgeStone Capital Venture Fund, L.P. and its parallel investors.

SCHEDULE B

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SCHEDULE C

CONFIRMATION OF STATUTORY OBLIGATIONS AND DEBT OBLIGATIONS

For the Three Month Period Ended _________

	OBLIGATION TO BE FULFILLED	CONFIRMED OR STATUS
1.	Income Tax Act (Canada); Provincial Tax Acts and United States federal corporation income tax and applicable United States state income taxes • Remit tax installments (Capital and Income Tax)	
2.	Income Tax Act (Canada) and United States federal withholding tax legislation • Deduct, withhold, submit in respect of salaries, and commissions	
3.	Income Tax Act (Canada) • Deduct, withhold, submit in respect of Retirement Allowances (Severance Payments)	
4.	Excise Tax Act (Canada) GST and applicable United States state sales tax • Report and remit required net goods and services tax	
5.	Employment Insurance Act (Canada) and United States federal unemployment tax and applicable United States state unemployment taxes • Deduct, withhold, submit employer's and employee's premiums	
6.	Canada Pension Act (Canada) and United States federal unemployment tax and applicable United States state unemployment taxes • Deduct, withhold, submit employer's and employee's contributions	

7.	Workers' Compensation Act (Alberta); any applicable workers' compensation legislation in any other province in which the Corporation carries on business; and applicable United States state workers' compensation statutes • Deduct, withhold, submit employer's and employee's contributions, as applicable	
8.	Alberta Health Care Insurance Act and/or any applicable employer health tax legislation in any other province in which the Corporation carries on business • Report and remit EHT	
9.	Employment Standards Code (Alberta); any applicable employment standards legislation in any other province in which the Corporation carries on business and applicable United States federal and state legislation relating to wages and hours • Pay employee's wages and vacation pay	
10.	Occupational Health and Safety legislation (federal and provincial, as applicable) and United States federal occupation safety and health standards • In compliance	
11.	Compliance with all covenants in outstanding Convertible Debentures and other debt financing agreements	

Signed by:

______________________________ ______________________________

Name: Date:
Title:

______________________________ ______________________________

Name: Date:
Title: