



ARRANGEMENT INVOLVING

POSERA LTD.

and

PAYFACTO PAYMENTS INC.

NOTICE AND MANAGEMENT INFORMATION CIRCULAR FOR THE

SPECIAL MEETING OF

SHAREHOLDERS OF POSERA LTD. TO BE HELD ON

JANUARY 22, 2020

December 17, 2019

The Board unanimously recommends that Shareholders vote
FOR
the Arrangement Resolution

These materials are important and require your immediate attention. They require shareholders of Posera Ltd. to make important decisions. If you are in doubt as to how to make your decisions, please contact your financial, legal, tax or other professional advisors. If you have any questions or require more information with regard to the procedures for voting or completing your proxy or have questions regarding the transactions described in the enclosed Notice of Special Meeting and Management Information Circular, please contact Kevin Mills, Chief Financial Officer of Posera Ltd. at (519) 750-2325.

TABLE OF CONTENTS

MANAGEMENT INFORMATION CIRCULAR	1
Solicitation of Proxies	1
Appointment of Proxy Holders	1
Validity of Proxies	1
Revocation of Proxies	1
Voting by Non-Registered Shareholders	1
Voting Securities	2
Manner of Voting and Tabulating Proxies	2
Principal Holders of Voting Shares	2
Information Contained in this Circular	3
Information Concerning the Company	3
Information Concerning the Purchaser	3
Information for U.S. Shareholders	4
Forward-Looking Statements	4
Reference to Financial Information and Additional Information	5
GLOSSARY OF TERMS	6
SUMMARY OF THE ARRANGEMENT	11
THE ARRANGEMENT	18
Background to the Arrangement	18
Recommendation of the Board	21
Reasons for the Arrangement	21
Fairness Opinion	23
Independent Fairness Opinion	24
Voting Support Agreements	24
Plan of Arrangement	25
Effect of the Arrangement	28
Effective Date of the Arrangement	28
Source of Funds for the Arrangement	28
Letter of Transmittal for Common Shares	28
Delivery of Cash Payable Under the Arrangement	29
Lost Certificates or DRS Advices	30
Extinction of Rights	30
Procedure for Transfer of Company Options	30
Interests of Informed Persons in Material Transactions	30
Interests of Certain Persons in the Arrangement	30
Shareholder Approval of the Arrangement	33
Court Approval of the Arrangement	33

Dissenting Holders' Rights	34
MI 61-101	36
Stock Exchange Delisting and Reporting Issuer Status	37
THE ARRANGEMENT AGREEMENT.....	39
Conditions to Closing	39
Mutual Covenants	39
Covenants of the Company	39
Covenants of the Purchaser	40
Non-Solicitation and Right to Match.....	40
Termination of Arrangement Agreement.....	40
Amendments.....	40
Expenses	40
Escrow Agreement and Loan Administration Agreement.....	41
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	41
Holders Resident in Canada.....	42
Holders Not Resident in Canada.....	43
AUDITORS	44
Additional Information	44
Approval of Directors	45
 APPENDIX "A" ARRANGEMENT RESOLUTION	
APPENDIX "B" PLAN OF ARRANGEMENT	
APPENDIX "C" ARRANGEMENT AGREEMENT	
APPENDIX "D" INTERIM ORDER	
APPENDIX "E" NOTICE OF APPLICATION	
APPENDIX "F" RISK FACTORS	
APPENDIX "G" FAIRNESS OPINION	
APPENDIX "H" INDEPENDENT FAIRNESS OPINION	
APPENDIX "I" FORM OF VOTING SUPPORT AGREEMENT	
APPENDIX "J" BUSINESS CORPORATIONS ACT (ONTARIO) SECTION 185	
APPENDIX "K" CONSENT OF BDO CANADA LLP	
APPENDIX "L" CONSENT OF GRANT THORNTON LLP	



December 17, 2019

Dear Shareholders:

The board of directors (the “**Board**”) of Posera Ltd. (the “**Company**”) invites you to attend the special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares of the Company (the “**Common Shares**”) to be held at 11:00 a.m. on January 22, 2020, at the offices of Fasken Martineau DuMoulin LLP located at 333 Bay Street, Suite 2400, Toronto, Ontario M5H 2T6.

On November 25, 2019, the Company entered into an arrangement agreement (the “**Arrangement Agreement**”) with PayFacto Payments Inc. (the “**Purchaser**”), which was subsequently amended on December 13, 2019. Pursuant to the Arrangement Agreement, the Purchaser agreed to acquire all the Common Shares of the Company for cash consideration of \$14.5 million on a cash free, debt free basis, in an all cash transaction, of which \$1 million will be placed in escrow for a period of 2 years following the effective date of the Arrangement (as defined below). In addition, Shareholders shall be entitled to receive a pro rata portion of the net proceeds, if any, from the collection of a \$2.2 million interest bearing loan made by the Company to an affiliate of DLT Global Ltd. (the “**DLT Loan**”), which the parties shall endeavor to collect for a period of 24 months following the completion of the Arrangement.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, pass a special resolution (the “**Arrangement Resolution**”) approving a statutory plan of arrangement (the “**Plan of Arrangement**”) under section 182 of the *Business Corporations Act* (Ontario) (“**OBCA**”) whereby the Purchaser will, among other things, acquire all of the issued and outstanding Common Shares for:

- (i) initial cash consideration of \$0.1126907498 per Common Share;
- (ii) any amounts available to be distributed to Shareholders following the 24 month period after the completion of the Arrangement pursuant to an escrow agreement to be entered into among the Company, TSX Trust Company and the Purchaser in accordance with the terms of the Arrangement Agreement, being an amount up to \$0.0083474629 per Common Share;
- (iii) the per Common Share cash value of any cash balance remaining with the Company as at the Effective Time (currently estimated to be an amount approximately between \$0.0005083779 and \$0.0086271204 per Common Share); and
- (iv) any amounts available to be distributed to Shareholders within 24 months of the completion of the Arrangement resulting from the collection of the DLT Loan pursuant to a loan administration agreement to be entered into among the Company, the Purchaser and TSX Trust Company in accordance with the terms of the Arrangement Agreement, being an amount up to \$0.0200786282 per Common Share (collectively, the “**Consideration**”).

The initial \$0.1126907498 in cash per Common Share to be received by Shareholders under (i) above upon the completion of the Arrangement represents a 87.8% premium to the closing price of the Common Shares on the Toronto Stock Exchange (“**TSX**”) on November 22, 2019, being the last trading day prior to the announcement of the Arrangement, and a 100.7% premium to the volume weighted average price of the Common Shares over the 30 trading days prior to and including November 22, 2019.

Full details of the arrangement under Section 182 of the OBCA on the terms and subject to the conditions set out in this Plan of Arrangement (the “**Arrangement**”) are set out in the accompanying Notice of Special Meeting of

Shareholders and Management Information Circular of the Company dated the date hereof (the “**Circular**”). The Circular describes the Arrangement and includes certain additional information to assist you in considering how to vote on the proposed Arrangement Resolution, including certain risk factors relating to the completion of the Arrangement. You should carefully review and consider all of the information in the Circular. If you require assistance, consult your financial, legal, tax or other professional advisor.

For additional details about the Arrangement, see “*The Arrangement*” and “*The Arrangement Agreement*” in the Circular that accompanies this letter.

The Arrangement is subject to customary closing conditions for a transaction of this nature, including Shareholder approval, TSX approval, court approval and regulatory approvals, if applicable. The Arrangement will not proceed if such approvals are not obtained.

The Board, after consultation with its financial and legal advisors and after careful consideration of, among other factors, the fairness opinion of BDO Canada LLP, and the independent fairness opinion of Grant Thornton LLP, has unanimously determined that the Arrangement is in the best interests of the Company, that the terms and conditions of the Arrangement are procedurally and substantively fair and reasonable to the Shareholders, and that the consideration being offered to Shareholders is fair, from a financial point of view, and has unanimously approved the Arrangement and recommends that the Shareholders vote **FOR** the Arrangement. In making their recommendations, the Board considered a number of factors as described in the Circular under the heading “*The Arrangement—Reasons for the Arrangement*”.

Each of the directors and senior officers of the Company have entered into a voting support agreement with the Purchaser pursuant to which they have agreed to vote or cause to be voted all of the securities of the Company held or controlled by them in favour of the Arrangement Resolution (the “**Voting Support Agreement**”). The directors and senior officers of the Company holding approximately 8.98% of the outstanding Common Shares have entered into Voting Support Agreements with the Purchaser.

To be effective, the Arrangement Resolution must be approved by an affirmative vote of at least (i) two-thirds ($66\frac{2}{3}\%$) of the votes cast on such resolution by Shareholders present in person or represented by proxy at the Meeting; and (ii) a majority of the votes cast by Shareholders other than votes attached to Common Shares required to be excluded pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions.

If the Shareholders approve the Arrangement, it is currently anticipated that the Arrangement will be completed in late January 2020, subject to obtaining court approval and certain regulatory approvals, as well as the satisfaction or waiver of other conditions contained in Arrangement Agreement.

YOUR VOTE IS IMPORTANT REGARDLESS OF THE NUMBER OF SHARES YOU OWN.

Shareholders who are unable or do not wish to attend the Meeting in person are requested to complete, date, sign and return the enclosed proxy form. Please see the proxy form for further details and instructions.

The close of business (Toronto Time) on December 16, 2019 is the record date (“**Record Date**”) for the determination of Shareholders that will be entitled to receive notice of and vote at the Meeting, and any adjournment or postponement of the Meeting. Registered Shareholders who are unable to or who do not wish to attend the Meeting in person are requested to date and sign the enclosed proxy form promptly and return it in the self-addressed envelope enclosed for that purpose or by any of the other methods indicated in the proxy form. Pursuant to the Interim Order, proxies, to be used at the Meeting, must be received by TSX Trust Company, either (1) by mail using the envelope provided or by personal delivery to 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1, or (2) by facsimile to (416) 595-9593, in each case to be received no later than 11:00 a.m. (Toronto time) on January 20, 2020, or if the Meeting is adjourned or postponed, by the time of such adjourned or postponed meeting on the second last business day prior to the date on which the Meeting is reconvened. Notwithstanding the foregoing, the Chair of the Meeting has the discretion to accept proxies received after such deadline and the time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting, in each case, in his or her discretion without notice. If a registered Shareholder receives more than one proxy form because such Shareholder owns securities of the Company registered in different names or addresses, each proxy form needs to be completed and returned.

If the Common Shares are not registered in a Shareholder's name but are held through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary, please complete and return the request for voting instructions in accordance with the instructions provided to you by your broker or such other intermediary. In such instance, the Shareholder will receive (i) \$0.1126907498 per Common Share in cash, (ii) plus any available to be distributed to Shareholders under the Escrow Agreement, up to \$0.0083474629 per Common Share, (iii) plus the per Common Share cash value of any cash balance remaining with the Company as at the Effective Time (currently estimated to be an amount approximately between \$0.0005083779 and \$0.0086271204 per Common Share), plus any amounts available to be distributed to Shareholders from the collection of the DLT Loan under the Loan Administration Agreement, up to \$0.0200786282 per Common Share, through the intermediary.

If you are a registered Shareholder, please complete the accompanying letter of transmittal for registered Shareholders (the "**Letter of Transmittal**") in accordance with the instructions included therein, sign, date and return it to the depositary, TSX Trust Company, in the envelope provided, together with the certificates, the direct registration system advices ("**DRS Advices**") or documents representing your Common Shares and any other required documents. The Letter of Transmittal contains complete instructions on how to exchange your Common Shares for the Consideration. You will not receive your Consideration until after the Arrangement is completed and you have returned your properly completed documents, including each applicable Letter of Transmittal, and the certificate(s), DRS Advice(s) or documents representing your Common Shares to the depositary.

If you have any questions or need additional information, you should consult your financial, legal, tax or other professional advisor.

On behalf of the Company, I thank all Shareholders for their continued support and we look forward to receiving your endorsement for this transaction at the Meeting.

Yours very truly,

"Dan Poirier"

Dan Poirier, Chief Executive Officer

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

The special meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of Posera Ltd. (the “**Company**” or “**Posera**”) will be held at the offices of Fasken Martineau DuMoulin LLP located at 333 Bay Street, Suite 2400, Toronto, Ontario M5H 2T6, on January 22, 2020, at 11:00 a.m. (Toronto Time) for the following purposes:

1. in accordance with the interim order of the Ontario Superior Court of Justice dated December 17, 2019 (the “**Interim Order**”), for Shareholders to consider and, if deemed advisable, to pass, with or without variation, a special resolution (the “**Arrangement Resolution**”) approving a statutory plan of arrangement (the “**Plan of Arrangement**”) under Section 182 of the *Business Corporations Act* (Ontario) (“**OBCA**”) whereby PayFacto Payments Inc. (the “**Purchaser**”, or “**Payfacto**”) will, among other things, acquire all of the issued and outstanding Common Shares for (i) initial cash consideration of \$0.1126907498 per Common Share, (ii) any amounts available to be distributed to Shareholders following the 24 month period after the completion of the transactions contemplated by the Plan of Arrangement pursuant to an escrow agreement to be entered into among the Company, TSX Trust Company and the Purchaser, being an amount up to \$0.0083474629 per Common Share; (iii) the per Common Share cash value of any cash balance remaining with the Company as at the Effective Time (currently estimated to be an amount approximately between \$0.0005083779 and \$0.0086271204 per Common Share), and (iv) any amounts available to be distributed to Shareholders within 24 months of the completion of the transactions contemplated by the Plan of Arrangement resulting from the collection of a \$2.2 million interest bearing loan made by the Company to an affiliate of DLT Global Ltd. pursuant to a loan administration agreement to be entered into among the Company, the Purchaser and TSX Trust Company, being an amount up to \$0.0200786282 per Common Share; and
2. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

The board of directors of the Company unanimously recommends that the Shareholders vote FOR the Arrangement Resolution.

A description of the matters to be submitted to the Meeting is contained in the management information circular (the “**Circular**”) accompanying this notice of the Meeting (the “**Notice of Meeting**”). The Circular and a form of proxy accompany this Notice of Special Meeting.

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting is December 16, 2019. Shareholders of the Company whose names have been entered in the register of Shareholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting.

Each Common Share entitled to be voted at the Meeting will entitle the holder to one vote at the Meeting. In order to become effective, the Arrangement Resolution must be approved by at least (i) 66²/₃% of the votes cast by Shareholders present in person or represented by proxy at the Meeting, and (ii) a majority of the votes cast by Shareholders other than votes attached to Common Shares required to be excluded pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

Registered Shareholders who are unable or who do not wish to attend the Meeting in person are requested to date and sign the enclosed proxy form promptly, as applicable, and return it in the self-addressed envelope enclosed for that purpose or by any of the other methods indicated in the proxy form. Proxies to be used at the Meeting must be received by TSX Trust Company, either (1) by mail using the envelope provided or by personal delivery to 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1, or (2) by facsimile to (416) 595-9593, in each case to be received no later than 11:00 a.m. (Toronto time), January 20, 2020, or if the Meeting is adjourned or postponed, by the time of such adjourned or postponed Meeting on the second last business day prior to the date on which the Meeting is reconvened. Notwithstanding the foregoing, the Chair of the Meeting has the discretion to accept proxies received after such deadline and the time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting, in each case, in his or her discretion without notice. If a registered Shareholder receives more than one

proxy form because such Shareholder owns securities of the Company registered in different names or addresses, each proxy form needs to be completed and returned.

Beneficial holders of Common Shares that are registered in the name of a broker, custodian, nominee or other intermediary should complete and return the voting instruction form or other authorization provided to them in accordance with the instructions provided therein. Failure to do so may result in such securities not being voted at the Meeting.

Registered holders of Common Shares who validly dissent from the Arrangement will be entitled to be paid the fair value of their Common Shares, subject to strict compliance with Section 185 of the OBCA, as modified by the provisions of the Interim Order and the Plan of Arrangement. Failure to comply strictly with the requirements set forth in Section 185 of the OBCA, as modified by the provisions of the Interim Order and the Plan of Arrangement, may result in the loss or unavailability of any right of dissent.

The Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice of Meeting. Any adjourned or postponed meeting resulting from an adjournment or postponement of the Meeting will be held at a time and place to be specified either by the Company before the Meeting or by the Chair at the Meeting.

DATED at Toronto, Ontario this 17th day of December 2019.

By order of the Board of Directors,

“Tom McCole”

Tom McCole
Chairman of the Board of Directors

“Michael Brown”

Michael Brown
Director and Chair of the
Audit Committee

To be valid, the enclosed proxy form must be received by the Company, or its transfer agent, TSX Trust Company, either (1) by mail using the envelope provided or by personal delivery to 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1, or (2) by facsimile to (416) 595-9593, in each case to be received no later than 11:00 a.m. (Toronto time), January 20, 2020.

POSERA LTD.

MANAGEMENT INFORMATION CIRCULAR

Solicitation of Proxies

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of Posera Ltd. (the “Company” or “Posera”) for use at the special meeting (the “Meeting”) of the shareholders of the Company to be held at 11:00 a.m. Toronto time, on January 22, 2020, or any adjournment or postponement thereof. The cost of solicitation will be borne by the Company. It is expected that the solicitation in each case will be primarily by mail, but proxies may also be solicited personally or by telephone by regular employees of the Company.

Appointment of Proxy Holders

The persons named in the enclosed proxy form are members of management of the Company who have been designated by management to represent Shareholders at the Meeting or any adjournment or postponement thereof. **A Shareholder has the right to appoint some other person (who need not be a Shareholder) to represent the Shareholder at the Meeting or any adjournment thereof. To exercise this right, the Shareholder may strike out the printed names and insert the name of the Shareholder’s chosen proxy in the blank space provided in the proxy form for that purpose or complete another form of proxy.**

Validity of Proxies

To be valid, the enclosed proxy form must be received by the Company, or its transfer agent, TSX Trust Company, either (1) by mail using the envelope provided or by personal delivery to 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1, or (2) by facsimile to (416) 595-9593, in each case to be received no later than 11:00 a.m. (Toronto time), January 20, 2020 or if the Meeting is adjourned or postponed, by the time of such adjourned or postponed Meeting on the second last business day prior to the date on which the Meeting is reconvened.

Revocation of Proxies

Any Shareholder who has returned a proxy may revoke it by depositing an instrument in writing executed by the Shareholder, or by the Shareholder’s attorney authorized by the Shareholder in writing to do so, with the Secretary of the Company, at 341 Talbot Street, London, Ontario N6A 2R5 to be received before 11:00 a.m., Toronto time, on the second last business day preceding the date of the Meeting or any adjournment thereof or, as to any matter upon which a vote has not already been cast pursuant to the authority conferred by such proxy, with the chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

Voting by Non-Registered Shareholders

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares owned by a person (a “**non-registered shareholder**” or a “**beneficial owner**”) are registered either (a) in the name of an intermediary (an “**Intermediary**”) that the non-registered shareholder deals with in respect of the shares. Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-directed retirement plans and similar plans); or (b) in the name of a clearing agency (such as Canadian Depository for Securities Limited) of which the Intermediary is a participant.

Canadian securities Laws permit reporting companies, such as the Company, and other persons and companies to send materials related to the affairs of the reporting company directly to beneficial owners of the reporting company’s securities if the beneficial owner does not object (“**non-objecting beneficial owner**” or “**NOBO**”) to having beneficial ownership information, consisting of name, address, electronic mail address, securities holdings and preferred language of communication disclosed to the reporting company or other persons and companies, unless the Shareholder has waived the right to receive proxy materials.

The Company has appointed its registrar and transfer agent, TSX Trust Company to send proxy materials to, and seek voting instructions from, NOBOs of the Common Shares.

If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary who holds your shares on your behalf.

If a NOBO wishes to vote at the Meeting in person, the NOBO should appoint him/herself as a proxyholder by striking out the printed name in the proxy and inserting his/her own name in the space provided, and otherwise following TSX Trust Company instructions. NOBOs should carefully follow TSX Trust Company instructions regarding when and where the proxy is to be delivered.

Intermediaries will send proxy materials to and seek voting instructions from beneficial owners who object (“**objecting beneficial owner**” or “**OBO**”) to having beneficial ownership information, consisting of name, address, electronic mail address, securities holdings and preferred language of communication disclosed to the reporting company or other persons and companies, unless the Shareholder has waived the right to receive proxy materials. The cost of solicitation to OBOs will be borne by the Company. The Company will not use notice-and-access in connection with such solicitation.

Each Intermediary has its own procedures that must be carefully followed. If an OBO wishes to vote at the Meeting by proxy, the OBO must follow the instructions of the Intermediary, including those regarding when and where the voting instructions or proxy form is to be delivered. If an OBO wishes to vote at the Meeting in person, the OBO should appoint him/herself as a proxyholder by striking out the printed name in the request for voting instructions or proxy form and inserting his/her own name in the space provided, and otherwise following the instruction of the Intermediary. OBOs should carefully follow the instructions of their Intermediary including those regarding when and where the voting instruction or proxy form is to be delivered.

Voting Securities

A record date of December 16, 2019 (the “**Record Date**”) has been set as the record date for determining the Shareholders entitled to receive notice of and to vote at the Meeting. Only holders of common shares of the Company (the “**Common Shares**”) of record at the close of business on December 16, 2019 shall be entitled to vote at the Meeting or any adjournment or postponement thereof. At the Record Date, 119,796,879 Common Shares were issued and outstanding, each of which entitles the holder to one vote at the Meeting.

Under the Company’s by-laws, quorum for the transaction of business at the Meeting will be two persons present in person holding or representing by proxy not less than 20% of the Common Shares entitled to be voted at the Meeting.

Manner of Voting and Tabulating Proxies

The persons named in the enclosed proxy form must vote in accordance with any instructions made on the proxy form. **In the absence of any instructions, the persons named in the enclosed proxy form, if named as proxy, will vote FOR all matters to be acted upon at the Meeting as set out in the Notice of Meeting.**

Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. **However, if other matters which are not now known to management should properly come before the Meeting or if amendments or variations to the matters referred to in the Notice of Meeting are presented for action at the Meeting, the persons named in the enclosed proxy form have discretionary authority to vote on such matters in accordance with their best judgment.** Proxies will be counted and tabulated by TSX Trust Company in such a manner as to preserve the confidentiality of individual Shareholder votes, except that the Company will have access to proxies as necessary to meet applicable legal requirements in the event of a proxy contest, or when those proxies contain written comments or questions from Shareholders which are clearly intended to be drawn to the attention of management and/or the directors.

Principal Holders of Voting Shares

To the knowledge of the directors and officers of the Company, as at December 17, 2019, no person, beneficially owned, directly or indirectly, or exercised control or direction over Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares.

Information Contained in this Circular

The information contained in this Circular is given as at December 17, 2019, except where otherwise noted. This Circular does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Information contained in this Circular should not be construed as legal, tax or financial advice and Shareholders are urged to consult their own professional advisors in connection therewith.

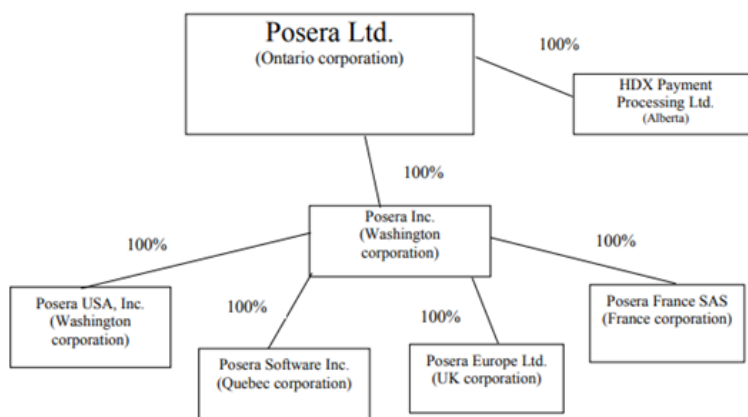
Except where otherwise expressly provided, all amounts in this Circular are stated and will be paid in Canadian currency.

THIS CIRCULAR AND THE TRANSACTIONS CONTEMPLATED BY THE ARRANGEMENT AGREEMENT AND THE PLAN OF ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY SECURITIES REGULATORY AUTHORITY NOR HAS ANY SECURITIES REGULATORY AUTHORITY PASSED UPON THE FAIRNESS OR MERITS OF SUCH TRANSACTIONS OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

Information Concerning the Company

The Company was incorporated under the OBCA with the name 2293962 Ontario Limited. Pursuant to articles of arrangement dated October 7, 2011, the Company changed its name to “Posera-HDX Limited” and acquired the ongoing business of its predecessor Posera-HDX Inc. On January 1, 2015, the Company amalgamated with its wholly-owned subsidiary, Terminal Management Concepts Ltd. and changed its name to “Posera-HDX Ltd.”. On January 1, 2016, the Company amalgamated with its wholly owned subsidiaries, Century Cash Register Inc. and Posera-HDX Scheduler Inc., and changed its name to “Posera Ltd.” On January 1, 2017, the Company amalgamated with its wholly-owned subsidiary, A&A Point of Sale Solutions Inc., and retained its name, “Posera Ltd.”

Current Organizational Chart - By Legal Entity



The Company’s head and registered office address is 341 Talbot Street, London, Ontario, N6A 2R5, its telephone number is 1 (800) 465 2400, and its website address is www.posera.com.

Common Shares are listed on the TSX under the symbol “PAY”. Information regarding the Company including risk factors before and after the Arrangement is contained in Appendix F to this Circular.

Information Concerning the Purchaser

The information concerning the Purchaser and its affiliates contained in this Circular has been provided by the Purchaser for inclusion in this Circular. Although the Company has no knowledge that any statements contained

herein taken from or based on such information provided by the Purchaser are untrue or incomplete, the Company assumes no responsibility for the accuracy of such information, or for any failure by the Purchaser or any of its affiliates or any of their respective representatives to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to the Company.

The Purchaser, a leader in the field of payment solutions, is established in Canada and the United States. Supported by a team of more than 75 payment professionals, specialized in card-present and card-not present transaction processing and payment acquiring, the Purchaser develops and manages its own proprietary payment terminal applications and payment switch. As a shareholder and direct connect member of Interac, the Purchaser's proprietary technology enables Canadian debit transaction in addition to Visa, MasterCard, Amex, Discover and JCB.

The Purchaser is a corporation existing under the laws of Québec, with its head office being located at 402-1 Place du Commerce, Verdun, Québec, H3E 1A2. Additional information about the Purchaser can be found at www.payfacto.com.

Information for U.S. Shareholders

The Company is a corporation existing under the laws of the Province of Ontario, Canada. The solicitation of proxies and the transactions contemplated in this Circular are not subject to the proxy rules under the U.S. Exchange Act, and therefore this solicitation is not being effected in accordance with U.S. Securities Laws. Accordingly, the solicitation and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities Laws, and this Circular has been prepared in accordance with disclosure requirements applicable in Canada. Shareholders in the United States should be aware that disclosure requirements under Canadian laws are different from those of the United States applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act. Shareholders in the United States should also be aware that other requirements under Canadian laws may differ from those required under United States corporate laws and U.S. Securities Laws. The enforcement by Shareholders of rights, claims and civil liabilities under U.S. Securities Laws may be affected adversely by the fact that the Company is organized under the laws of a jurisdiction other than the United States, that a majority of its officers and directors are residents of countries other than the United States and that all or substantial portions of the assets of the Company and such other Persons are, or will be, located outside the United States. You may not be able to sue a Canadian company or its officers or directors in a Canadian court for violations of U.S. Securities Laws. In addition, the courts of Canada may not enforce judgments of United States courts obtained in actions against such Persons predicated upon civil liabilities under the U.S. Securities Laws and all rules, regulations and orders promulgated thereunder.

The Arrangement has not been approved or disapproved by the United States Securities and Exchange Commission or any other securities regulatory authority, nor has any securities regulatory authority passed upon the fairness or the merits of this transaction or upon the accuracy or adequacy of the information contained in this Circular.

Shareholders in the United States should be aware that the disposition by them of their Common Shares and, if applicable, Company Options as described herein, may have tax consequences both in the United States and in Canada. Such consequences for Shareholders may not be described fully herein. For a general discussion of certain Canadian federal income tax considerations, see "*Certain Canadian Federal Income Tax Considerations*". Shareholders in the United States are advised to consult their independent tax advisors regarding the relevant federal, state, local and foreign tax consequences to them of participating in the Arrangement.

Shareholders in the United States should be aware that the financial statements and financial information of the Company are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and are subject to Canadian auditing and auditor independence standards, each of which differ in certain material respects from United States generally accepted accounting principles and auditing and auditor independence standards and thus may not be comparable in all respects to financial statements and information of United States companies.

Forward-Looking Statements

This Circular contains forward-looking statements and forward-looking information within the meaning of applicable securities laws and which are based on the currently available competitive, financial and economic data

and operating plans of management of the Company as of the date hereof unless otherwise stated. Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" or the negative of such terms and similar expressions are intended to identify forward-looking statements or information. More particularly and without limitation, this Circular contains forward-looking statements and information concerning: the anticipated benefits of the Arrangement to the Parties and their respective Shareholders; the timing and anticipated receipt of Required Shareholder Approval and required regulatory and Court approvals for the Arrangement; and the ability of the Company and the Purchaser to satisfy the other conditions to, and to complete, the Arrangement.

In respect of the forward-looking statements and information concerning the anticipated benefits of the Arrangement and the anticipated timing for completion of the Arrangement, the Company has provided such in reliance on certain assumptions that it believes are reasonable at this time, including assumptions as to the ability of the Parties to receive, in a timely manner and on satisfactory terms, the necessary regulatory, Court, Shareholder and other third party approvals; the ability of the Parties to satisfy, in a timely manner, the other conditions to the closing of the Arrangement; and other expectations and assumptions concerning the Arrangement. The anticipated dates provided may change for a number of reasons, including unforeseen delays in preparing materials for the Meeting, the inability to secure the necessary regulatory, Court, Shareholder or other third party approvals in the time assumed or the need for additional time to satisfy the other conditions to the completion of the Arrangement. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this Circular.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Risks and uncertainties inherent in the nature of the Arrangement include the failure of the Company and the Purchaser to obtain the necessary regulatory, Court, Shareholder and other third party approvals, including those noted above, or to otherwise satisfy the conditions to the completion of the Arrangement, in a timely manner, or at all. Failure to obtain such approvals, or the failure of the Parties to otherwise satisfy the conditions to or complete the Arrangement, may result in the Arrangement not being completed on the proposed terms, or at all. In addition, if the Arrangement is not completed, and the Company continues as an independent entity, there are risks that the announcement of the Arrangement and the dedication of substantial resources of the Company to the completion of Arrangement could have an impact on the Company's current business relationships and could have a material adverse effect on the current and future operations, financial condition and prospects of the Company. Furthermore, the failure of the Company to comply with the terms of the Arrangement Agreement may, in certain circumstances, result in the Company being required to pay the Posera Termination Fee (as defined below) to the Purchaser, the result of which could have a material adverse effect on the Company's financial position and results of operations and its ability to fund growth prospects and current operations.

Shareholders are cautioned that the foregoing list of factors is not exhaustive. Additional information on other factors that could affect the operations or financial results of the Parties is included in reports filed by the Company with the securities commissions or similar authorities in Canada (which are available under the Company's SEDAR profile at www.sedar.com).

The forward-looking statements and information contained in this Circular are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless required by applicable Securities Laws and readers should also carefully consider the matters discussed under Appendix F "*Risk Factors*".

Reference to Financial Information and Additional Information

Financial information provided in the Company's comparative annual financial statements and MD&A for the year ended December 31, 2018 and in the Company's comparative quarterly financial statements and MD&A for the quarter ended September 30, 2019 is available on SEDAR at www.sedar.com. You can obtain additional documents related to the Company without charge on SEDAR at www.sedar.com. You can also obtain documents related to the Company without charge by visiting the Company's website at www.posera.com.

GLOSSARY OF TERMS

In this Circular, unless otherwise indicated, capitalized terms used but not defined shall have the meanings specified in the Arrangement Agreement and the following capitalized words and terms shall have the following meanings:

“2002 Stock Option Plan” means the stock option plan in place for Company’s and/or its Subsidiaries’ directors, officers and employees established in 2002.

“2005 Share Purchase Plan” means the share purchase plan in place for Company’s and/or its Subsidiaries’ directors, officers, employees and other eligible participants effective June 30, 2005.

“2011 Stock Option Plan” means the stock option plan in place for Company’s and/or its Subsidiaries’ directors, officers and employees established in 2011, as amended on in 2016 and re-approved on June 29, 2019.

“affiliate” has the meaning ascribed thereto in National Instrument 45-106 Prospectus Exemptions.

“Arrangement” means the arrangement under Section 182 of the OBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations made in accordance with the terms of the Arrangement Agreement or the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

“Arrangement Agreement” means the arrangement agreement dated as of November 25, 2019 between the Purchaser and the Company (including the Schedules thereto) as amended by an amending agreement between the Company and the Purchaser dated as of December 13, 2019, as it may be amended, modified or supplemented from time to time in accordance with its terms.

“Arrangement Resolution” means the special resolution substantially in the form attached hereto as Appendix A approving the Plan of Arrangement to be considered at the Company Meeting by the Shareholders.

“Articles of Arrangement” means the articles of arrangement of the Company in respect of the Arrangement required by the OBCA to be sent to the Director after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in a form and content satisfactory to the Company and the Purchaser, each acting reasonably.

“BDO” means BDO Canada LLP.

“Board” means the board of directors of the Company.

“Business Day” means a day, other than a Saturday, Sunday or statutory holiday in Toronto, Ontario, or any other day on which major banks are closed for business in Toronto, Ontario.

“Certificate of Arrangement” means the certificate of arrangement to be issued by the Director pursuant to subsection 183(2) of the OBCA in respect of the Articles of Arrangement.

“Common Share” means a common share in the capital of the Company.

“Company” or **“Posera”** means Posera Ltd., a corporation existing under the laws of the Province of Ontario.

“Company Options” means the outstanding options to purchase Common Shares issued pursuant to the 2011 Stock Option Plan.

“Company Option Consideration” means an amount equal to the product obtained by multiplying (a) the amount by which the Consideration exceeds the exercise price per Common Share of such Company Option by (b) the number of unexercised Common Shares underlying such Company Option.

“Consideration” means, with respect to each Common Share, \$0.1126907498 to be initially paid in cash, plus, if any amounts are available to be distributed to Shareholders under the Escrow Agreement, being an amount up to \$0.0083474629 to be paid in cash following the expiry of the Escrow Period, pursuant to the Plan of Arrangement, plus the per Common Share cash value of any cash balance remaining with the Company as at the Effective Time (currently estimated to be an amount approximately between \$0.0005083779 and \$0.0086271204 per Common Share), plus, if any amounts are available to be distributed to Shareholders from the collection of the DLT Loan under the Loan Administration Agreement, being an amount up to \$0.0200786282 to be paid in cash within 24 months of the completion of the Arrangement, pursuant to the Plan of Arrangement.

“Court” means the Ontario Superior Court of Justice (Commercial List), or other court as applicable.

“Director” means the Director appointed pursuant to Section 278 of the OBCA.

“Dissent Rights” has the meaning ascribed thereto in the Plan of Arrangement.

“Dissenting Holder” means a registered Shareholder who has validly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Common Shares in respect of which Dissent Rights are validly exercised by such registered Shareholder.

“Depository” means such Person as the Company may appoint to act as depository in relation to the Arrangement, with the approval of the Purchaser, acting reasonably.

“DLT Loan” means the interest-bearing secured loan in the aggregate principal amount of \$2.2 million made by the Company to an affiliate of DLT Global Ltd.

“DRS Advices” means the direct registration system advices provided by registered Shareholders in connection with the transmittal of Common Shares, as applicable.

“Effective Date” means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

“Effective Time” means 12:01 a.m. on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

“Escrow Agent” means the escrow agent to be retained in connection with the Arrangement by the Purchaser and the Company.

“Escrow Agreement” means the escrow agreement to be entered into among the Purchaser, the Company and the Escrow Agent pursuant to which the Purchaser deposited \$1 million in cash into an escrow account for the Escrow Period, substantially on the terms and conditions set out in the Arrangement Agreement.

“Escrow Period” means a period of up to 24 months following the Effective Date.

“Fairness Opinion” means the fairness opinion of BDO issued on December 10, 2019 in connection with the Arrangement.

“Final Order” means the order of the Court approving the Arrangement, as such order may be amended by the Court (with the consent of each of the Parties, acting reasonably) at any time prior to the Effective Date or as such order may be affirmed or amended on appeal (provided that any such amendment is satisfactory to each of the Parties, acting reasonably).

“Governmental Authority” means any (a) domestic or foreign legislative, executive, judicial or administrative body or Person having or purporting to have jurisdiction in the relevant circumstances, including, but not limited to, any subdivision, agent, commission, board, authority or official of any of the foregoing, (b) any governmental, quasi-governmental or private body exercising any regulatory, legislative, expropriation or taxing authority under, or for the account of, any of the foregoing, including a recognized stock exchange, and (c) any arbitration panel or arbitrator deciding or resolving contractual disputes or interpreting any provisions of a Contract.

“Grant Thornton” means Grant Thornton LLP.

“Independent Fairness Opinion” means the fairness opinion of Grant Thornton issued on December 10, 2019 in connection with the Arrangement.

“Interim Order” means the interim order of the Court providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended by the Court with the consent of the Company and the Purchaser, each acting reasonably.

“Law” means, any (a) domestic or foreign laws, including statutes, subordinate legislation or treaties, and (b) guidelines, directives, rules, standards, requirements, policies, orders, judgments, injunctions, awards or decrees of a Governmental Authority whether or not having the force of law.

“Letter of Transmittal” means the letter of transmittal sent to holders of Common Shares for use in connection with the Arrangement.

“Lien”, in relation to any property or asset, means any encumbrance or title defect of any nature or kind whatever, regardless of form, whether or not recorded or registered or consensual or statutory or arising by operation of Law, including any mortgage, charge, pledge, hypothec, security interest, security agreement, assignment, lien, privilege, easement, servitude, right of way, lease, option, pre-emptive right or right of first refusal, ownership or title retention agreement, restrictive covenant, conditional sale agreement, sub-lease, encroachment, work-order or adverse Claim, community or other marital property interest and any other arrangement or condition which, in substance, secures payment or performance of an obligation.

“Loan Administration Agreement” means the loan administration agreement to be entered into among the Purchaser, the Company and the Loan Administrator, pursuant to which Shareholders shall be entitled to receive any proceeds received from the repayment of the principal, interest or other costs associated with the DLT Loan that are received by the Purchaser or the Company prior to the date that is 24 months following the Effective Date, less any related costs, fees or other expenses incurred by the Company or the Purchaser following the Effective Date.

“Loan Administrator” means the Depositary, appointed as the Loan Administrator pursuant to the Loan Administration Agreement.

“Locked-up Shareholders” means each director and senior officer of the Company that have entered into Voting Support Agreements with the Purchaser.

“MI 61-101” means Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*.

“Note” means approximately a \$4,783,000 USD (United States Dollars) note issued by Posera USA II evidencing indebtedness to Posera Software.

“OBCA” means the *Business Corporations Act* (Ontario).

“Optionholders” means the holders of Company Options.

“Parties” means the Company and the Purchaser and **“Party”** means any one of them.

“Person” means an individual, partnership, limited partnership, association, joint venture, trustee, trust, corporation, company, unlimited liability company, unincorporated organization or other entity, including any Governmental Authority.

“Plan of Arrangement” means the plan of arrangement proposed under Section 182 of the OBCA, and any amendments or variations made in accordance with the Arrangement Agreement or Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

“Payfacto USA” means Payfacto USA, Inc., a corporation existing under the Laws of the State of Delaware, United States of America and an affiliate of the Purchaser.

“Posera Software” means Posera Software Inc., a corporation existing under the Laws of the Province of Québec and an indirect wholly owned Subsidiary of the Company.

“Posera Software Shares” means the common shares of Posera Software.

“Posera UK” means Posera Europe Ltd., a corporation existing under the Laws of England and Wales and an indirect wholly owned Subsidiary of the Company.

“Posera UK Shares” means the common shares of Posera UK.

“Posera France” means Posera France SAS, a corporation existing under the Laws of France and an indirect wholly owned Subsidiary of the Company.

“Posera France Shares” means the common shares of Posera France.

“Posera USA” means Posera Inc., a corporation existing under the Laws of the State of Washington, United States of America and a wholly owned Subsidiary.

“Posera USA II” means Posera USA, Inc., a corporation existing under the Laws of the State of Washington, United States of America and an indirect wholly owned Subsidiary.

“Posera USA Shares” means the common stock of Posera USA.

“Purchaser” or **“PayFacto”** means PayFacto Payments Inc., a corporation existing under the laws of the Province of Québec.

“Québec Inc.” means 9402-7307 Québec Inc., a corporation existing under the Laws of the Province of Québec and an affiliate of the Purchaser.

“Required Shareholder Approval” means the approval of the Arrangement Resolution by at least: (i) 66 2/3% of the votes cast on such resolution by Shareholders present in person or represented by proxy at the Meeting; and (ii) a majority of the votes cast by Shareholders other than votes attached to Common Shares required to be excluded pursuant to MI 61-101.

“Shareholders” means the registered and/or beneficial holders of Common Shares, as the context requires.

“Tax Act” means the *Income Tax Act* (Canada) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time.

“United States” or **“U.S.”** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“U.S. Exchange Act” means the *United States Securities Exchange Act of 1934*, as amended, and the rules, regulations and orders promulgated thereunder.

“U.S. Securities Act” means the *United States Securities Act of 1933*, as amended, and the rules, regulations and orders promulgated thereunder.

“U.S. Securities Laws” means the federal and state securities legislation of the United States and all rules, regulations and orders promulgated thereunder, as amended from time to time.

“Voting Support Agreement” means the agreement entered between the Purchaser and each of the Locked-Up Shareholders substantially in the form attached hereto at Appendix I.

SUMMARY OF THE ARRANGEMENT

The following information is a summary of the contents of this Circular. This summary is provided for convenience only and the information contained in this summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information and financial data and statements contained elsewhere in this Circular or incorporated by reference herein. Capitalized terms in this summary have the meaning set out in the “*Glossary of Terms*” or as set out herein. The full text of the Arrangement Agreement is available under the Company’s profile on SEDAR (www.sedar.com).

Date, Time and Place of Meeting The Meeting will be held on January 22, 2020 at 11:00 a.m. at the offices of Fasken Martineau DuMoulin LLP located at 333 Bay Street, Suite 2400, Toronto, Ontario M5H 2T6.

The Record Date The Record Date for determining the Shareholders entitled to receive notice of and to vote at the Meeting is as of the close of business (Toronto time) on December 16, 2019.

Purpose of the Meeting At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, the Arrangement Resolution. The approval of the Arrangement Resolution will require the Required Shareholder Approval.

Consideration \$14.5 million on a cash free, debt free basis, in an all cash transaction (of which \$1 million will be placed in escrow pursuant to the Arrangement Agreement), plus the amount of any cash balance remaining with the Company as at the Effective Time, plus, if any amounts are available to be distributed to Shareholders from the collection of the DLT Loan under the Loan Administration Agreement, to be paid in cash within 24 months of the completion of the Arrangement.

The Arrangement The purpose of the Arrangement is to effect the acquisition by the Purchaser of all of the issued and outstanding Common Shares. If the Arrangement Resolution is approved with the Required Shareholder Approval and all other conditions to the closing of the Arrangement are satisfied or waived, the Arrangement will be implemented by way of a court-approved plan of arrangement under the OBCA.

At the Effective Time, the following shall occur and shall be deemed to occur sequentially in the following order without any further authorization, act or formality, in each case, unless stated otherwise, effective as at five minute intervals starting at the Effective Time:

- (a) each Posera Software Share outstanding immediately prior to the Effective Time shall, without any further action by Posera USA, be deemed to be assigned and transferred by Posera USA to the Purchaser (free and clear of all Liens) in exchange for \$349,999, and:
 - (i) Posera USA shall cease to be the holder thereof and to have any rights as a holder of such Posera Software Shares other than the right to be paid \$349,999 in accordance with the Plan of Arrangement;
 - (ii) Posera USA’s name shall be removed from the register of the Posera Software Shares maintained by or on behalf of Posera Software; and
 - (iii) the Purchaser shall be deemed to be the transferee of such

Posera Software Shares (free and clear of all Liens) and shall be entered in the register of the Posera Software Shares maintained by or on behalf of Posera Software;

- (b) each Posera France Share outstanding immediately prior to the Effective Time shall, without any further action by Posera USA, be deemed to be assigned and transferred by Posera USA to Québec Inc. (free and clear of all Liens) in exchange for \$1.00, and:
 - (i) Posera USA shall cease to be the holder thereof and to have any rights as a holder of such Posera France Shares other than the right to be paid \$1.00 in accordance with the Plan of Arrangement;
 - (ii) Posera USA's name shall be removed from the register of the Posera France Shares maintained by or on behalf of Posera France; and
 - (iii) Québec Inc. shall be deemed to be the transferee of such Posera France Shares (free and clear of all Liens) and shall be entered in the register of the Posera France Shares maintained by or on behalf of Posera France;
- (c) each Posera UK Share outstanding immediately prior to the Effective Time shall, without any further action by Posera USA, be deemed to be assigned and transferred by Posera USA to Québec Inc. (free and clear of all Liens) in exchange for \$150,000, and:
 - (i) Posera USA shall cease to be the holder thereof and to have any rights as a holder of such Posera UK Shares other than the right to be paid \$150,000 in accordance with the Plan of Arrangement;
 - (ii) Posera USA's name shall be removed from the register of the Posera UK Shares maintained by or on behalf of Posera UK; and
 - (iii) Québec Inc. shall be deemed to be the transferee of such Posera UK Shares (free and clear of all Liens) and shall be entered in the register of the Posera UK Shares maintained by or on behalf of Posera UK;
- (d) each Posera USA Share outstanding immediately prior to the Effective Time shall, without any further action by the Company, be deemed to be assigned and transferred by the Company to the Payfacto USA. (free and clear of all Liens) in exchange for \$7 million, and:
 - (i) the Company shall cease to be the holder thereof and to have any rights as a holder of such Posera USA Shares other than the right to be paid \$7 million in accordance with the Plan of Arrangement;
 - (ii) the Company's name shall be removed from the register of the Posera USA Shares maintained by or on behalf of Posera USA; and

- (iii) Payfacto USA shall be deemed to be the transferee of such Posera USA Shares (free and clear of all Liens) and shall be entered in the register of the Posera USA Shares maintained by or on behalf of Posera USA;
- (e) each of the Common Shares held by Dissenting Holders in respect of which Dissent Rights have been validly exercised shall be deemed to have been transferred without any further act or formality to the Purchaser (free and clear of all Liens) in consideration for a debt claim against the Purchaser, and:
 - (i) such Dissenting Holders shall cease to be the holders of such Common Shares and to have any rights as holders of such Common Shares other than the right to be paid fair value for such Common Shares;
 - (ii) such Dissenting Holders' names shall be removed as the holders of such Common Shares from the registers of Common Shares maintained by or on behalf of the Company; and
 - (iii) the Purchaser shall be deemed to be the transferee of such Common Shares free and clear of all Liens, and shall be entered in the register of Common Shares maintained by or on behalf of the Company;
- (f) each Common Share outstanding immediately prior to the Effective Time, other than Common Shares held by a Dissenting Holder who has validly exercised such holder's Dissent Right in respect of such Common Shares and Common Shares held by the Purchaser or any of its affiliates, shall, without any further action by or on behalf of a holder of Common Shares, be deemed to be assigned and transferred by the holder thereof to the Purchaser (free and clear of all Liens) in exchange for the Consideration, being initially \$0.1126907498 per Common Share and the per Common Share cash value of any cash balance remaining with the Company as at the Effective Time (currently estimated to be an amount approximately between \$0.0005083779 and \$0.0086271204), plus any amounts available to be distributed to Shareholders under the Escrow Agreement following the Escrow Period, being an amount up to \$0.0083474629 per Common Share, plus any amounts available to be distributed to Shareholders from the collection of the DLT Loan under the Loan Administration Agreement within 24 months of the completion of the Arrangement, being an amount up to \$0.0200786282 per Common Share, and:
 - (i) the holders of such Common Shares shall cease to be the holders thereof and to have any rights as holders of such Common Shares other than the right to be paid the Consideration in accordance with the Plan of Arrangement;
 - (ii) such holders' names shall be removed from the register of the Common Shares maintained by or on behalf of the Company; and

- (iii) the Purchaser shall be deemed to be the transferee of such Common Shares (free and clear of all Liens) and shall be entered in the register of the Common Shares maintained by or on behalf of the Company;
- (iv) the Loan Administration Agreement shall become effective and enforceable in accordance with its terms and the appointment of the Loan Administrator thereunder shall become effective; and
- (v) the Escrow Agreement shall become effective and enforceable in accordance with its terms and the appointment of the Escrow Agent thereunder shall become effective.

On completion of the Arrangement, the Company will be a wholly-owned subsidiary of the Purchaser.

See “*The Arrangement*” in this Circular.

Payment for Common Shares and Company Options

Prior to the Effective Time:

- (a) the Purchaser shall deposit, or arrange to be deposited, for the benefit of the Shareholders (other than the Purchaser and its affiliates), cash with the Depositary in the sum of the amounts provided in the summary of the Arrangement, above;
- (b) the Purchaser shall deposit, or arrange to be deposited, for the benefit of the Shareholders (other than the Purchaser and its affiliates), cash with the Escrow Agent in the aggregate amount equal to \$1,000,000; and
- (c) the Company shall pay, or cause to be paid, the amounts, net of applicable withholdings, to holders of Company Options, either (i) pursuant to the normal payroll practices and procedures of the Company, or (ii) by cheque or wire transfer (delivered to such holder of Company Options, as reflected on the register maintained by or on behalf of the Company in respect of the Company Options).

Extinction of Rights

To the extent that a Shareholder following the Effective Date (a “**Former Shareholder**”) shall not have surrendered Common Shares to the Depositary in the manner described in this Circular on or before the date that is six years after the Effective Date (the “**final proscription date**”), then the Consideration that such Former Shareholder was entitled to receive shall be automatically cancelled without any repayment of capital in respect thereof and the certificate or DRS Advice representing such Common Shares, together with the Consideration to which such Former Shareholder was entitled, shall be delivered to the Company or the Purchaser, as applicable, by the Depositary and the share certificate or DRS Advice shall be cancelled by the Company and the interest of the Former Shareholder in such the Consideration to which it was entitled shall be terminated as of such final proscription date and cease to represent a claim or interest of any kind or nature, including any claim to any portion of the Consideration.

Recommendation of the Board

After careful consideration and taking into account, among other things, the Fairness Opinion and the Independent Fairness Opinion, the Board, after consultation with legal and financial advisors, has unanimously determined the

Arrangement is in the best interests of the Company. **Accordingly, the Board unanimously recommends that the Shareholders vote FOR the Arrangement Resolution.** Each director and senior officer of the Company intends to vote all of the director's and senior officer's Common Shares FOR the Arrangement Resolution.

See "*The Arrangement – Background to the Arrangement*" in this Circular.

Reasons for the Arrangement In the course of their evaluation, the Board carefully considered a variety of factors with respect to the Arrangement including, among others, the following:

- **Premium.** The Consideration to be received by Shareholders pursuant to the Arrangement Agreement, being initially \$0.1126907498 per Common Share, plus if any amounts are available to be distributed to Shareholders under the Escrow Agreement following the Escrow Period, being an amount up to \$0.0083474629 per Common Share, plus the per Common Share cash value of any cash balance remaining with the Company as at the Effective Time (currently estimated to be an amount approximately between \$0.0005083779 and \$0.0086271204 per Common Share), plus if any amounts available to be distributed to Shareholders from the collection of the DLT Loan under the Loan Administration Agreement, being an amount up to \$0.0200786282 per Common Share to be paid in cash within 24 months of the completion of the Arrangement. The initial \$0.1126907498 in cash per Common Share to be received by Shareholders at the Effective Time represents a significant premium of 87.8% to the closing price of Common Shares on the Toronto Stock Exchange ("**TSX**") on November 22, 2019, being the last trading day prior to the announcement of the Arrangement, and a 100.7% premium to the volume weighted average price ("**VWAP**") of Common Shares over the last 30 trading days prior to and including November 22, 2019.
- **Process.** The proposed Arrangement with the Purchaser resulted from discussions that began October 9, 2019. Prior to that time, the Company, as part of its strategic review process, canvassed several other potential parties and received other non-binding indicative proposals. The proposed Arrangement is the most attractive of those alternatives.
- **Business and Industry Risks.** The current business, operations, assets, financial performance and condition, operating results and prospects of the Company, including the long-term expectations regarding its growth and development is subject to significant uncertainty including, technology rich products of competitors, access to capital and rapid consolidation of the marketplace. The Board concluded that the Consideration under the Arrangement is more favourable to Shareholders than continuing with the Company's current business plan, in light of these risks and uncertainties.
- **Fairness Opinion.** The Fairness Opinion prepared by BDO, financial advisor to the Company, and the Independent Fairness Opinion prepared by Grant Thornton, each state that, subject to and based on the considerations, assumptions and limitations described, the Consideration offered for each Common Share pursuant to the Arrangement is fair, from a financial point of view, to Shareholders. The Board considered the compensation arrangements of BDO of when considering the advice provided in the Fairness Opinion.

- **Acceptance by Director and Senior Officers.** Pursuant to Voting Support Agreements, the directors and senior officers of the Company have agreed to vote all of their Common Shares, including any Common Shares issuable upon exercise of their options in favour of the Arrangement at the Meeting. As of December 17, 2019, the Locked-up Shareholders hold a total of 10,763,023 Common Shares, representing 8.98% of the outstanding Common Shares.
- **Form of Consideration.** The form of cash consideration payable to Shareholders provides certainty of value, immediate liquidity and the possibility of additional value resulting from the release of funds from the Escrow Agreement and any proceeds realized from the repayment of the DLT Loan under the Loan Administration Agreement. The Arrangement is not subject to a financing condition.
- **Ability to Respond to Unsolicited Superior Proposals.** On and subject to the terms of the Arrangement Agreement, the Board will remain able to respond to any unsolicited *bona fide* written acquisition proposal at any time prior to the Meeting that, having regard for all of its terms and conditions of such proposal, if consummated in accordance with its terms, would lead to a transaction more favourable to shareholders from a financial point of view than the Arrangement and the failure to take such action would be inconsistent with the Board's fiduciary duties under applicable law. The amount of the termination fee payable in certain circumstances pursuant to the provisions of the Arrangement Agreement, being \$1,500,000 (the "**Posera Termination Fee**"), would not, in the view of the Board preclude a third party from potentially making a superior proposal.
- **Negotiated Transaction.** The Arrangement Agreement was a result of a comprehensive negotiation process between the Company and the Purchaser (and their respective advisors) with respect to the key elements of the Arrangement Agreement and Plan of Arrangement, which, in the form to be presented to the Board, includes terms and conditions that are reasonable in the judgment of the Board.
- **Fairness of the Conditions.** The Arrangement Agreement provides for certain conditions to complete the Plan of Arrangement, which conditions are not unduly onerous or outside market practice and could reasonably be expected to be satisfied.

See "*The Arrangement – Reasons for the Arrangement*" in this Circular.

Voting Support Agreements

The Locked-up Shareholders have entered into the Voting Support Agreements with the Purchaser pursuant to which they have agreed to vote in favour of the Arrangement Resolution. As of December 17, 2019, the Locked-up Shareholders hold a total of 10,763,023 Common Shares, representing approximately 8.98% of the outstanding Common Shares.

See "*The Arrangement – Voting Support Agreements*" in this Circular.

Conditions to Completion of the Arrangement

The implementation of the Arrangement is subject to a number of conditions being satisfied or waived by the Company or the Purchaser, as applicable, at or prior to the Effective Date, including the following:

- the approval of the Arrangement Resolution with the Required Shareholder Approval at the Meeting;
- the Interim Order and the Final Order shall have each been obtained on terms consistent with the Arrangement Agreement, and shall have not been set aside or modified in a manner unacceptable to either the Company or the Purchaser, each acting reasonably, on appeal or otherwise;
- compliance in all material respects by the Company and the Purchaser with all covenants required to be performed under the Arrangement Agreement, subject to certain qualifications;
- no Company Material Adverse Effect will have occurred, and the Company will have provided to the Purchaser a certificate of two senior officers of the Company to that effect;
- each of the Key Consents will have been made, given or obtained on terms acceptable to the Purchaser;
- the Escrow Agreement and Loan Administration Agreement will have each been entered into;
- the representations and warranties of the Company and the Purchaser contained in the Arrangement Agreement being true and correct as of the Effective Date, subject to certain qualifications; and
- Dissent Rights not having been exercised in respect of more than 10% of the Common Shares.

See “*The Arrangement Agreement – Conditions to Closing*” in this Circular.

Non-Solicitation

In the Arrangement Agreement, the Company has agreed, subject to certain exceptions, that it will not, directly or indirectly, solicit or participate in any discussions or negotiations regarding a proposal by a third party to acquire the Company or its assets and will give prompt notice to the Purchaser should the Company receive such a proposal or a request for non-public information that it reasonably believes would lead to such a proposal.

Termination of Arrangement Agreement

The Company and the Purchaser may agree in writing to terminate the Arrangement Agreement and abandon the Arrangement at any time prior to the Arrangement becoming effective. In addition, the Company or the Purchaser may terminate the Arrangement Agreement and abandon the Arrangement at any time prior to the Effective Date if certain specific events occur. Depending on the termination event, termination fees or expense reimbursements may be payable by the Company or the Purchaser, as applicable.

See “*The Arrangement Agreement – Termination of Arrangement Agreement*” in this Circular.

Letter of Transmittal

A Letter of Transmittal is enclosed with this Circular for use by registered Shareholders for the purpose of the surrender of Common Shares and certificates, DRS Advices and documents therefor. The details for the surrender

of Common Shares and certificates, DRS Advices and documents therefor to the Depositary and the addresses of the Depositary are set out in the Letter of Transmittal. Provided that a registered Shareholder has delivered and surrendered to the Depositary, within six years of the Effective Date, a Letter of Transmittal properly completed and executed in accordance with the instructions of such Letter of Transmittal, and certificates, DRS Advices and additional documents as the Depositary may reasonably require, the Shareholder will be entitled to receive, and the Purchaser will cause the Depositary to deliver to the Shareholder the amount to which such Shareholder is entitled under the Plan of Arrangement.

Only registered Shareholders are required to submit a Letter of Transmittal. **A Beneficial Shareholder holding Common Shares through an Intermediary should contact that Intermediary for instructions and assistance in depositing their Common Shares and carefully follow any instructions provided by such Intermediary.**

See “*The Arrangement – Letter of Transmittal for Common Shares*” in this Circular.

Rights of Dissent

Registered Shareholders are entitled to dissent from the Arrangement Resolution in the manner provided in Section 185 of the OBCA, as modified by the Interim Order and the Plan of Arrangement. A registered Shareholder who wishes to dissent must ensure that: (a) a Notice of Dissent is received by the Company at least two Business Days prior to the date of the Meeting (or any adjournment or postponement of the Meeting); and (b) the registered Shareholder must have otherwise complied with dissent procedures.

See “*The Arrangement – Dissenting Holders’ Rights*” in this Circular.

Income Tax Considerations

Shareholders should carefully review the tax considerations described in this Circular and are urged to consult their own tax advisors in regard to their particular circumstances. See “*Certain Canadian Federal Income Tax Considerations*” for a discussion of certain Canadian federal income tax considerations.

THE ARRANGEMENT

Background to the Arrangement

The execution and public announcement of the Arrangement Agreement on November 25, 2019 was the culmination of a comprehensive strategic review process by Posera and arm’s length negotiations between representatives of Posera, on the one hand, and representatives of PayFacto, on the other hand, together with each of their respective financial and legal advisors. The following is a brief summary of the material events, meetings, negotiations and discussions in the strategic review process that preceded the execution and public announcement of the Arrangement Agreement.

The Company began to review its overall strategy in late spring of 2017. The Company had noticed several trends that were putting pressure on the Company’s sales and potential growth. The first trend was the emergence of new technologies in the hospitality point-of-sale (“**POS**”) market. The second was the emergence of a several new competitors in the market that had a lighter deployment with less feature-rich products that were cloud-based technologies delivered on mobile devices using software-as-a-service pricing. The third trend was consolidation in the market, with much M&A activity in all parts of the POS ecosystem including with payment companies. Another trend was a convergence play with payment companies acquiring and POS companies and then bundling payment and POS offerings. All of these trends put pressure on the Company and made the marketplace for the Company’s products more competitive, leading to a slowing in organic growth for the Company. The Company realised that it would need to find a strategic partner to ensure its continued competitiveness and survival in the market.

In addition to the business challenges mentioned above, the Company also realised that remaining a public company may not be in the best interest of the Company and, more specifically, the Shareholders. Given the Company has a market capitalization of less than \$15 million, it would be classified as either a microcap or a nano-cap stock. The costs for the Company to remain public are onerous and disproportionate to its size, making it difficult for the Company to achieve consistent profitability and, ultimately, shareholder value.

During this time, as a result of the increased M&A activity in the industry, the Company received several unsolicited offers for acquisition of either all or portions of the Company. One such unsolicited offer was for the acquisition of the Company's FingerPrints business by an affiliate of Sicom Systems, Inc. The FingerPrints business was not profitable for the Company and therefore a strategic decision was made by the Board to divest of the FingerPrints business to SICOM Systems, Inc.. The divestiture was successfully completed in September 2017.

Following the divestment of its FingerPrints business, the Company concentrated on and invested in its Maitre'D and SecureTablePay businesses. The Company invested in improving the product offerings of both businesses, as well as the customer base of both businesses. However the Company also realised that remaining a public company was now even less desirable from a size perspective as the Company had divested approximately half of its business with the sale of the FingerPrints business and so this strengthened the Company's position that it would need to find a strategic partner(s) for its remaining businesses. To that end, the Company considered several of the unsolicited offers and engaged in discussions with a variety of interested parties.

In fall 2018, the Company formed a special committee of independent directors the Board, consisting of Tom McCole, Dave DelChiaro and Michael Brown, to streamline and manage the conversations stemming from the unsolicited offers and also to look at other strategic opportunities.

One of the unsolicited conversations was relatively advanced and resulted in an offer to acquire the entirety of Company. However, the Company was not able to come to a final agreement with the interested party. At this time, it was determined by the Board that it would be in the best interests of the Company to find a strategic partner and to complete a go-private transaction. As a result, the Company engaged BDO to be its exclusive financial advisor and to conduct a robust broad auction process to sell all or substantially all of the Company's assets or its Common Shares. The Company had an existing relationship with BDO, as BDO had been retained earlier to potentially provide a fairness opinion related to earlier discussions that did not materialise in a completed transaction. Hence BDO already understood the Posera business and the ecosystem that Posera operated within.

The Company officially retained BDO as its financial advisor on February 27, 2019 with a mandate to evaluate a sale of the Company, and to engage with the existing unsolicited third party offers for some or all of the Posera business, and to begin a more formal process of looking for other potential interested parties in order to maximise Shareholder value. Following the engagement of BDO to manage its strategic review process, the Board disbanded the special committee that was formed in the fall of 2018 given that BDO was reporting to the entire Board and no conflicts vis-à-vis the proposed transactions existed at the Board level.

After an initial period of review, BDO advised that the manner to most effective manner to maximize Shareholder value is either through a go private transaction, or a sale of the Company or its business/assets. Discussions were had between the Company and its advisors (both legal and financial) regarding a potential go private transaction, and such discussions ultimately did not yield any actionable steps. Primary reasons for not pursuing the go private transaction were the high costs associated with a go private transaction, the Company's consistent cash burn, and the minimal corporate and technical infrastructure that would be left in place to continue supporting and growing a post-privatization enterprise. These factors when considered alongside the robust M&A market activity, multiples paid, and continued interest in the Company's assets led the Board to receive advice from BDO that a divestiture would maximize shareholder value.

The Company then worked with BDO outline a process, with a view to understanding which companies may be interested in Posera as a whole and/or either of its two business units, Maitre'D and SecureTablePay separately. The Company and BDO also discussed the merits of a share sale versus one or more asset sales of the Company's two business lines. The separate asset sales of the two businesses would have left the Company with the corporate shell and the tax loss carry forwards, that the Company would then have had to monetize resulting in the potential of three separate transactions (and the added expense of additional transaction and public company costs during the sale period).

BDO prepared a list of potential interested parties in Posera and in the separate businesses. The Company and BDO met to discuss the list and agreed on a list of parties for BDO to approach regarding interest in Posera and/or its separate business units. The Company and BDO evaluated the potential interested parties against several criteria: potential synergies in technology or services with Posera's core capabilities; complementary customer base; compatible corporate culture; and, above all, the ability to increase value to shareholders and ultimately consummate a transaction. Through management meetings and presentations BDO began a deeper dive into the Posera business and the two separate business units in order to develop market accepted sell-side marketing materials – both a short form teaser and a comprehensive Confidential Information Memorandum.

In March 2019 BDO commenced the process of contacting thirty-eight (38) prospective buyers covering different geographies including, but not limited to, Canada, the United States, United Kingdom and Germany. The prospective buyers were a diverse group including family offices, search funds, strategic players (both on the payments processing side and restaurant/hospitality software side), and financial (private equity type, including industry consolidators) buyers. Moreover, the Company on April 1, 2019 disclosed in its year-ended 2018 press release, management discussion and analysis and analyst call the fact that it had retained a financial advisor to begin a strategic review process. This led to additional interested parties contacting either the Company directly and/or BDO. BDO then engaged with the list of interested parties and shared initial information with those parties after their signing of confidentiality agreements with those parties. After initial conversations, the list of interested parties was whittled down to a handful of parties. Certain of the parties were interested in just the Maitre'D business in an asset sale, some in the SecureTablePay business in an asset sale and others in the entire business via a share sale. Advanced discussions with a smaller subset of interested parties began in earnest in July of 2019, with the sharing of additional information and the beginning of buyer due diligence and/or management meetings with some of them.

One of the parties that BDO was speaking with introduced BDO to PayFacto in late September 2019. Upon learning more, BDO encouraged PayFacto to join the existing M&A process in a more fulsome manner and arranged to have a kick-off teleconference call with PayFacto's senior management team on or about October 4, 2019.

Subsequent to the kick-off call, PayFacto expressed a heightened level of interest in acquiring the Company entirely via a share transaction. Considering currently available alternatives, it was BDO's advice that senior management meet with PayFacto's senior management and, resultantly, an in-person meeting was arranged for October 9, 2019 and held at the BDO Toronto office.

As PayFacto became more involved in the process it was evident that their interest in the entire Company was strong. However, it was BDO's advice that the Company not go exclusive given the Company via BDO was also simultaneously engaged with a number of other prospective acquirers.

Senior management from the Company continued to participate in attending to, as deemed appropriate and necessary by BDO, diligence calls, written diligence responses and management presentations to other prospective acquirers.

Irrespective of tight timelines posed, PayFacto continued to work earnestly with BDO and its own legal advisors to advance their understanding of the Company, the business and related assets. BDO was also taking the opportunity to learn more about the acquirer, PayFacto, by speaking with senior management team members regarding their source of funding, acquisition track record, intended use of the Company's assets etc. At all times, BDO made it readily apparent given the cash burn and diminishing market capitalization that speed of execution would be paramount to any potential transaction. PayFacto was ready, willing, and able to move quickly. Unlike other discussions where enterprise value was largely tied to contingency or earn-out considerations, PayFacto sought to make only a small amount (\$1,000,000) of the enterprise value a holdback.

By late October 2019, PayFacto had emerged as the frontrunner for the Company's shares. At this point the Company's legal and financial advisors were on weekly calls with PayFacto's advisors to address diligence matters and commence legal documentation. PayFacto's primary deal hurdle was deciding whether an asset purchase transaction or a share transaction would be implemented, based on various tax considerations emerging from former operations of the Company, which led to discussions between PayFacto and BDO on valuation, execution, and strength of PayFacto deal proposal when compared to others circling the asset.

By mid-November 2019, BDO, the Company's senior management team and PayFacto had agreed to a tentative deal structure.

The Board convened for a meeting on November 12, 2019 to discuss the tentative PayFacto deal structure and agreed that it would be efficient and strategic to afford them exclusivity as it pertains to an acquisition of the Company and received oral advice on fairness from BDO and agreed to pursue the Arrangement subject to settling the definitive documentation. Prior to granting exclusivity, BDO conveyed to PayFacto that any such exclusivity would be subject to conditions related to price and a share transaction for 100% of the issued and outstanding Common Shares. PayFacto was amenable to the required conditions and agreed to satisfy both.

Between November 13, 2019 and November 25, 2019 BDO, the Company and PayFacto alongside their respective legal advisors worked to finalize and settle the Arrangement Agreement that could be announced to the markets. On November 25, 2019 the Parties announced that PayFacto would be acquiring 100% of the issued and outstanding Common Shares.

Recommendation of the Board

After careful consideration, the Board, after consultation with legal and financial advisors, has unanimously determined the Arrangement is in the best interests of the Company. **Accordingly, the Board unanimously recommends that the Shareholders vote FOR the Arrangement Resolution.** Each director and senior officer of the Company (each being a Locked-Up Shareholder that entered into a Voting Support Agreement), intends to vote any and all of his or her Common Shares FOR the Arrangement Resolution.

In forming its recommendation, the Board considered a number of factors, including, without limitation, the factors listed below under "*Reasons for the Arrangement*". The Board based its recommendation upon the totality of the information presented to and considered by it in light of the knowledge of the Board members of the business, financial condition and prospects of the Company and after taking into account the Fairness Opinion and Independent Fairness Opinion and the advice of the Company's financial, legal and other advisors and the advice and input of management of the Company.

Reasons for the Arrangement

At a meeting of the Board held on November 12, 2019, the Board evaluated the proposed Arrangement in the context of the Company's available strategic alternatives and, based on a thorough review of these alternatives, the Board unanimously:

- determined that the Arrangement Agreement and the transactions contemplated thereby, including the Arrangement, compares favourably to the Company's various alternatives and are in the best interests of the Company, as well as maximizes value for Shareholders; and
- resolved to recommend that Shareholders vote "FOR" the Arrangement Resolution.

The Board consulted with the Company's management as well as the legal, financial and other advisors retained by the Company. The Board carefully considered various alternatives for the Company and a variety of factors with respect to the Arrangement and the Arrangement Agreement, including the factors and alternatives described below:

- the fact that the Arrangement is the result of a strategic review process carried out by the Company. The strategic review process included the use of financial advisors and the opportunity was discussed with numerous parties, including four parties other than the Purchaser who each executed confidentiality agreements;
- the Board's conclusion, after a thorough review of the Company's business, strategy, current and projected financial condition, prospects for development of the Company's projects (including required expenditures) and consideration of various standalone operating scenarios including potential partnerships and remaining as a standalone public company, that the value offered to Shareholders under the Arrangement is more favourable to Shareholders than the potential value that might have resulted from other strategic alternatives reasonably available to the Company, in each case, taking into consideration the potential

rewards, risks and uncertainties associated with the other strategic alternatives reasonably available to the Company;

- the fact that the Arrangement is the result of arm's-length negotiations between the Company and the Purchaser and the Board believes that the Consideration offered is the highest price that the Purchaser is willing to pay to acquire 100% of the Common Shares;
- the fact that the Arrangement is not subject to a financing condition;
- the initial \$0.1126907498 in cash per Common Share to be received by Shareholders at the Effective Time represents a significant premium of 87.8% to the closing price of Common Shares on the TSX on November 22, 2019, being the last trading day prior to the announcement of the Arrangement, and a 100.7% premium to the VWAP of Common Shares over the last 30 trading days prior to and including November 22, 2019;
- the fact that other interested parties with whom the Company entered into confidentiality agreements subsequently declined to pursue a transaction with the Company;
- directors and senior officers of the Company collectively owning or controlling approximately 8.98% of the outstanding Common Shares are supportive of the Arrangement and have entered into Voting Support Agreements;
- the Fairness Opinion delivered by BDO as described in greater detail under "*Fairness Opinion*";
- the Independent Fairness Opinion delivered by Grant Thornton as described in greater detail under "*Independent Fairness Opinion*"; and
- the belief of the Board that the terms of the Arrangement Agreement and the Arrangement treat Shareholders equitably and fairly including the treatment under the Arrangement of the outstanding Company Options.

In making its determinations and recommendations, the Board also identified and considered a number of procedural safeguards that were, and are present, to permit the Board to represent effectively the interests of the Company and the Shareholders, including among other things:

- **Ability to Respond to Superior Proposals.** Under the Arrangement Agreement, the Board, in certain circumstances, is able to consider, accept and enter into a definitive agreement with respect to a Superior Proposal. Entering into a definitive agreement with respect to a Superior Proposal will require the payment of the Posera Termination Fee to the Purchaser. See "*The Arrangement Agreement – Termination of Arrangement Agreement*".
- **Reasonable Termination Payment.** The amount of the Posera Termination Fee payable to the Purchaser upon termination of the Arrangement Agreement in certain circumstances (including entering into an agreement with respect to a Superior Proposal) is \$1,500,000. The Board does not believe that it constitutes a significant deterrent to potential Superior Proposals.
- **Shareholder and Court Approvals.** The Board considered the fact that the Arrangement Resolution must be approved by the Required Shareholder Approval. The Board also considered the fact that the Arrangement must also be approved by the Court, which will consider the fairness of the Arrangement.
- **Dissent Rights.** Any registered Shareholder may, on strict compliance with certain conditions, exercise Dissent Rights and receive the fair value of the such Shareholder's Shares (each such Share, a "**Dissenting Share**") in accordance with the Arrangement.

The foregoing summary of the information and material factors considered by the Board is not, and is not intended to be, exhaustive. In view of the complexity, and large number of factors and information considered in connection with the evaluation of the Arrangement, the Board, both individually and collectively, did not find it practicable to, and therefore did not, quantify or otherwise attempt to assign any relative weight to each specific factor or item of

information considered in reaching its conclusion and recommendation. Rather, the Board based its recommendations on the totality of the information presented to and considered by it. In addition, individual members of the Board may have given different weight to different factors or items of information.

The Board's reasons for recommending the Arrangement include certain assumptions relating to forward-looking information and such information and assumptions are subject to various risks. This information should be read in light of the factors described under the section entitled "*Forward-Looking Statements*" and in Appendix F, "*Risk Factors*".

Fairness Opinion

In connection with the evaluation of the Agreement, the Board received and considered the Fairness Opinion.

The BDO Corporate Finance Team was engaged by the Company pursuant to an engagement letter dated February 27, 2019, as a financial advisor in connection with the strategic review process to provide the Board with various financial advisory services in connection with, among other things, any proposal involving the acquisition of control of the Company. The BDO Valuations Team was also engaged by the Company to provide the Board with its opinion as to the fairness, from a financial point of view, of the Consideration to be received by Shareholders under the Arrangement. The BDO Valuations Team that prepared the Fairness Opinion does not have any present or contemplated interest in the business, assets, liabilities, or ownership interests of the Company being valued. The fees quoted for the Fairness Opinion are not contingent upon the BDO Valuations Team's conclusion, findings, or any other event. However, the BDO Corporate Finance Team has been engaged by the Company to act as a financial advisor for the Arrangement and the fees for this corporate finance engagement are contingent on the sale of the assets of the Company. The Company has also agreed to reimburse the BDO Valuations Team and Corporate Finance Team for reasonable out-of-pocket expenses and to indemnify them against certain liabilities.

On December 10, 2019, BDO rendered a written opinion to the Board to the effect that, as of that date and based on and subject to the assumptions, limitations and qualifications set forth therein, the Consideration to be received by the Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders.

The full text of the Fairness Opinion, which sets forth assumptions made, procedures followed, information reviewed, matters considered, and limitations on the scope of the review undertaken by the BDO Valuations Team in connection with such Fairness Opinion, is attached in Appendix G. This summary is qualified in its entirety by reference to the full text of such Fairness Opinion. The BDO Valuations Team provided its opinion solely for the information and assistance of the Board in connection with its consideration of the Arrangement and is not to be used, circulated, quoted or otherwise referred to for any purpose, nor is it to be filed with, included in or referred to in whole or in part in any registration statement, information circular or any other document, except in accordance with BDO's prior written consent, which has been obtained in connection with this Circular. The Fairness Opinion is not a recommendation as to how any Shareholder should vote or act on any matter relating to the Arrangement or any other matter.

A copy of the consent of BDO can be found at Appendix K to this Circular

In connection with the evaluation of the Arrangement, the Board considered, among other things, the advice and financial analyses provided by the BDO Valuations Team referred to above as well as its Fairness Opinion. As described under "*The Arrangement – Reasons for the Arrangement*", the Fairness Opinion was only one of many factors considered by the Board in evaluating the Arrangement and should not be viewed as determinative of the views of the Board with respect to the Arrangement or the Consideration to be received by Shareholders pursuant to the Arrangement. In assessing the Fairness Opinion, the Board considered and assessed the independence of the BDO Valuations Team and also took into account that a portion of the fees payable to the BDO Corporate Finance Team is contingent upon the completion of the Arrangement.

The Fairness Opinion represents the opinion of BDO and the form and content of the Fairness Opinion have been approved for release by a committee of senior investment banking professionals of BDO, each of whom is experienced in merger, acquisition, divestiture, valuation and fairness opinion matters.

Independent Fairness Opinion

In connection with the evaluation of the Arrangement, the Board received and considered the Independent Fairness Opinion.

Grant Thornton was engaged by the Company pursuant to an engagement letter dated November 29, 2019, to provide the Board with its opinion as to the fairness, from a financial point of view, of the Consideration to be received by Shareholders under the Arrangement. Grant Thornton, which prepared the Independent Fairness Opinion, does not have any present or contemplated interest in the business, assets, liabilities, or ownership interests being valued. The fees quoted for the Independent Fairness Opinion are not contingent upon Grant Thornton's conclusion, findings, or any other event, including the completion of the Arrangement. The Company has agreed to reimburse Grant Thornton for reasonable out-of-pocket expenses and to indemnify it against certain liabilities.

On December 10, 2019, Grant Thornton rendered a written opinion to the Board to the effect that, as of that date and based on and subject to the assumptions, limitations and qualifications set forth therein, the Consideration to be received by the Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders.

The full text of the Independent Fairness Opinion, which sets forth assumptions made, procedures followed, information reviewed, matters considered, and limitations on the scope of the review undertaken by Grant Thornton in connection with such Independent Fairness Opinion, is attached in Appendix H. This summary is qualified in its entirety by reference to the full text of such Independent Fairness Opinion. Grant Thornton provided its opinion solely for the information and assistance of the Board in connection with its consideration of the Arrangement and is not to be used, circulated, quoted or otherwise referred to for any purpose, nor is it to be filed with, included in or referred to in whole or in part in any registration statement, information circular or any other document, except in accordance with Grant Thornton's prior written consent, which has been obtained in connection with this Circular. The Independent Fairness Opinion is not a recommendation as to how any Shareholder should vote or act on any matter relating to the Arrangement or any other matter.

A copy of the consent of Grant Thornton can be found at Appendix L to this Circular

In connection with the evaluation of the Arrangement, the Board considered, among other things, the advice and financial analyses provided by Grant Thornton referred to above as well as its Independent Fairness Opinion. As described under "*The Arrangement – Reasons for the Arrangement*", the Independent Fairness Opinion was only one of many factors considered by the Board in evaluating the Arrangement and should not be viewed as determinative of the views of the Board with respect to the Arrangement or the Consideration to be received by Shareholders pursuant to the Arrangement. In assessing the Independent Fairness Opinion, the Board considered and assessed the independence of Grant Thornton.

The Independent Fairness Opinion represents the opinion of Grant Thornton and the form and content of the Independent Fairness Opinion have been approved for release by a committee of senior investment banking professionals of Grant Thornton, each of whom is experienced in merger, acquisition, divestiture, valuation and fairness opinion matters.

Voting Support Agreements

The Locked-up Shareholders have entered into the Voting Support Agreements with the Purchaser pursuant to which they have agreed to vote in favour of the Arrangement Resolution. As of December 17, 2019, the Locked-up Shareholders hold a total of 10,763,023 Common Shares, representing approximately 8.98% of the outstanding Common Shares.

The Voting Support Agreements are available under the Company's profile on SEDAR.

The Locked-up Shareholders have agreed, subject to the terms of the Voting Support Agreements, among other things: (i) to attend the Meeting, in person or by proxy, and vote any Common Shares and Company Options held in favour of the Arrangement Resolution; (ii) not to sell or transfer any of their Common Shares or Company Options, directly or indirectly, or any interest therein while the Voting Support Agreements are in effect; (iii) not to exercise

Dissent Rights in respect of the Arrangement; and (iv) that the Locked-up Shareholders will be released from the Voting Support Agreement in the event the Company or the Purchaser terminates the Arrangement Agreement.

The Voting Support Agreements will automatically terminate on the earlier of (i) the termination of the Arrangement Agreement in accordance with its term and (ii) the Effective Date.

Each Voting Support Agreement may also be terminated at any time by mutual consent in writing of the Purchaser and the Locked-up Shareholder and by the Locked-up Shareholder if the Purchaser has not complied in any material respect with any of its covenants contained in the Voting Support Agreement.

Plan of Arrangement

The following description is a summary of the Plan of Arrangement and is qualified in its entirety by reference to the full text of the Plan of Arrangement, which is attached as Appendix B to this Circular.

Intercompany Debts

Prior to the Effective Time, the following shall occur:

- (a) All of the following intercompany obligations will be settled and extinguished in their entirety as follows:
 - (i) Posera UK shall repay in cash to Posera Software an intercompany obligation, which as of November 25, 2019, is approximately \$18,838;
 - (ii) Posera Software shall repay in cash to Posera France an intercompany obligation, which as of November 25, 2019, is approximately \$26,936;
 - (iii) Posera UK shall repay in cash to Posera France an intercompany obligation, which as of November 25, 2019, is approximately \$26,437;
 - (iv) Posera UK shall repay in cash to the Company an intercompany obligation, which as of November 25, 2019, is approximately \$3,375;
 - (v) Posera Software shall repay in cash to the Company an intercompany obligation, which as of November 25, 2019, is approximately \$6,356;
 - (vi) Posera USA II shall repay in cash to the Company an intercompany obligation, which as of November 25, 2019, is approximately \$6,547; and
 - (vii) Posera USA shall repay in cash to Posera Software an intercompany obligation, which as of November 25, 2019, is approximately \$178,020;
- (b) Posera Software shall distribute the Note to Posera USA as a dividend in kind;
- (c) Posera Software shall set aside and remit approximately \$315,000 in withholding taxes to the Canada Revenue Agency in connection with the distribution of the Note;
- (d) Posera USA shall repay in cash an intercompany obligation of approximately \$315,000 to Posera Software, created by the payment of the withholding taxes in (c) above by Posera Software on behalf of Posera USA; and
- (e) the Company shall capitalize the \$1,460,000 intercompany obligation owing to the Company by Posera USA in exchange for 1,877,143 common shares issued by Posera USA to the Company.

Acceleration of Company Options

Immediately prior to the Effective Time:

- (a) any Company Options that have not yet vested in accordance with their terms shall be accelerated so that such Company Options become exercisable, immediately following which each in-the-money Company Option, whether vested or unvested prior to such acceleration, that is outstanding and has not been duly exercised, without any further action by or on behalf of any holder of such Company Option shall be disposed of to the Company (free and clear of all Liens) in consideration for a cash payment from the Company equal to the Company Option Consideration, subject to applicable withholdings and other source deductions;
- (b) each holder of Company Options shall cease to be a holder of such Company Options;
- (c) such holder's name shall be removed from each applicable register;
- (d) the 2005 Share Purchase Plan, 2002 Stock Option Plan, 2011 Stock Option Plan, each Company Option issued and outstanding immediately prior to the Effective Time and any agreements related thereto shall thereafter be immediately cancelled and terminated; and
- (e) such holder shall thereafter have only the right to receive the consideration to which they are entitled, at the time and in the manner specified, pursuant to bullet (a), above.

Arrangement

At the Effective Time, the following shall occur and shall be deemed to occur sequentially in the following order without any further authorization, act or formality, in each case, unless stated otherwise, effective as at five minute intervals starting at the Effective Time:

- (a) each Posera Software Share outstanding immediately prior to the Effective Time shall, without any further action by Posera USA, be deemed to be assigned and transferred by Posera USA to the Purchaser (free and clear of all Liens) in exchange for \$349,999, and:
 - (i) Posera USA shall cease to be the holder thereof and to have any rights as a holder of such Posera Software Shares other than the right to be paid \$349,999 in accordance with the Plan of Arrangement;
 - (ii) Posera USA's name shall be removed from the register of the Posera Software Shares maintained by or on behalf of Posera Software; and
 - (iii) the Purchaser shall be deemed to be the transferee of such Posera Software Shares (free and clear of all Liens) and shall be entered in the register of the Posera Software Shares maintained by or on behalf of Posera Software;
- (b) each Posera France Share outstanding immediately prior to the Effective Time shall, without any further action by Posera USA, be deemed to be assigned and transferred by Posera USA to Québec Inc. (free and clear of all Liens) in exchange for \$1.00, and:
 - (i) Posera USA shall cease to be the holder thereof and to have any rights as a holder of such Posera France Shares other than the right to be paid \$1.00 in accordance with the Plan of Arrangement;
 - (ii) Posera USA's name shall be removed from the register of the Posera France Shares maintained by or on behalf of Posera France; and
 - (iii) Québec Inc. shall be deemed to be the transferee of such Posera France Shares (free and clear of all Liens) and shall be entered in the register of the Posera France Shares maintained by or on behalf of Posera France;
- (c) each Posera UK Share outstanding immediately prior to the Effective Time shall, without any further action by Posera USA, be deemed to be assigned and transferred by Posera USA to Québec Inc. (free and clear of all Liens) in exchange for \$150,000, and:

- (i) Posera USA shall cease to be the holder thereof and to have any rights as a holder of such Posera UK Shares other than the right to be paid \$150,000 in accordance with the Plan of Arrangement;
 - (ii) Posera USA's name shall be removed from the register of the Posera UK Shares maintained by or on behalf of Posera UK; and
 - (iii) Québec Inc. shall be deemed to be the transferee of such Posera UK Shares (free and clear of all Liens) and shall be entered in the register of the Posera UK Shares maintained by or on behalf of Posera UK;
- (d) each Posera USA Share outstanding immediately prior to the Effective Time shall, without any further action by the Company, be deemed to be assigned and transferred by the Company to the Payfacto USA. (free and clear of all Liens) in exchange for \$7 million, and:
 - (i) the Company shall cease to be the holder thereof and to have any rights as a holder of such Posera USA Shares other than the right to be paid \$7 million in accordance with the Plan of Arrangement;
 - (ii) the Company's name shall be removed from the register of the Posera USA Shares maintained by or on behalf of Posera USA; and
 - (iii) Payfacto USA shall be deemed to be the transferee of such Posera USA Shares (free and clear of all Liens) and shall be entered in the register of the Posera USA Shares maintained by or on behalf of Posera USA;
- (e) each of the Common Shares held by Dissenting Holders in respect of which Dissent Rights have been validly exercised shall be deemed to have been transferred without any further act or formality to the Purchaser (free and clear of all Liens) in consideration for a debt claim against the Purchaser, and:
 - (i) such Dissenting Holders shall cease to be the holders of such Common Shares and to have any rights as holders of such Common Shares other than the right to be paid fair value for such Common Shares;
 - (ii) such Dissenting Holders' names shall be removed as the holders of such Common Shares from the registers of Common Shares maintained by or on behalf of the Company; and
 - (iii) the Purchaser shall be deemed to be the transferee of such Common Shares free and clear of all Liens, and shall be entered in the register of Common Shares maintained by or on behalf of the Company; and
- (f) each Common Share outstanding immediately prior to the Effective Time, other than Common Shares held by a Dissenting Holder who has validly exercised such holder's Dissent Right in respect of such Common Shares and Common Shares held by the Purchaser or any of its affiliates, shall, without any further action by or on behalf of a holder of Common Shares, be deemed to be assigned and transferred by the holder thereof to the Purchaser (free and clear of all Liens) in exchange for the Consideration, being initially \$0.1126907498 per Common Share and the per Common Share cash value of any cash balance remaining with the Company as at the Effective Time (currently estimated to be an amount approximately between \$0.0005083779 and \$0.0086271204), plus any amounts available to be distributed to Shareholders under the Escrow Agreement following the Escrow Period, being an amount up to \$0.0083474629 per Common Share, plus any amounts available to be distributed to Shareholders from the collection of the DLT Loan under the Loan Administration Agreement within 24 months of the completion of the Arrangement, being an amount up to \$0.0200786282 per Common Share;
 - (i) the holders of such Common Shares shall cease to be the holders thereof and to have any rights as holders of such Common Shares other than the right to be paid the Consideration in accordance with the Plan of Arrangement;

- (ii) such holders' names shall be removed from the register of the Common Shares maintained by or on behalf of the Company; and
- (iii) the Purchaser shall be deemed to be the transferee of such Common Shares (free and clear of all Liens) and shall be entered in the register of the Common Shares maintained by or on behalf of the Company;
- (iv) the Loan Administration Agreement shall become effective and enforceable in accordance with its terms and the appointment of the Loan Administrator thereunder shall become effective; and
- (v) the Escrow Agreement shall become effective and enforceable in accordance with its terms and the appointment of the Escrow Agent thereunder shall become effective.

In the event that the aggregate Consideration payable to a Shareholder or the aggregate Company Option Consideration payable to a holder of Company Options, as the case may be under the Arrangement, would otherwise include a fraction of a cent, the amount payable shall be rounded down to the nearest whole cent.

Effect of the Arrangement

On completion of the Arrangement, the Company will be a wholly-owned subsidiary of the Purchaser.

Effective Date of the Arrangement

If the Arrangement Resolution is passed with the Required Shareholder Approval, the Final Order is obtained, every other requirement of the OBCA relating to the Arrangement is complied with and all other conditions disclosed below under "*The Arrangement Agreement —Conditions to Closing*" are satisfied or waived, the Arrangement will become effective on the Effective Date.

Source of Funds for the Arrangement

The Purchaser has represented in the Arrangement Agreement that it has, and will have at the Effective Time, sufficient funds available to satisfy the \$14.5 million cash portion of the Consideration payable by the Purchaser to the Shareholders pursuant to the Arrangement and to satisfy all other obligations payable by the Purchaser pursuant to the Arrangement Agreement and the Arrangement. The Arrangement is not subject to a financing condition. See "*The Arrangement Agreement -Termination of Arrangement Agreement*" in this Circular.

Letter of Transmittal for Common Shares

A Letter of Transmittal is enclosed with this Circular for use by registered Shareholders for the purpose of the surrender of Common Shares and certificates, DRS Advices or documents therefor. The details for the surrender of Common Shares and certificates, DRS Advices or documents therefor to the Depositary and the addresses of the Depositary are set out in the Letter of Transmittal. Provided that a registered Shareholder has delivered and surrendered to the Depositary, within six years of the Effective Date, a Letter of Transmittal properly completed and executed in accordance with the instructions of such Letter of Transmittal, and certificates, DRS Advices and documents therefor and additional documents as the Depositary may reasonably require, the registered Shareholder will be entitled to receive, and the Purchaser will cause the Depositary to deliver, to such registered Shareholder the aggregate Consideration, in accordance with the Plan of Arrangement.

Until paid to the registered Shareholders, the amounts deposited with the Depositary will be held in a non-interest-bearing account by the Depositary.

Receipt of the requisite funds by the Depositary will be deemed to constitute receipt of payment for persons transferring Common Shares to the Purchaser pursuant to the Arrangement. Settlement with Persons who surrender or transfer Common Shares pursuant to the Arrangement in accordance with the Letter of Transmittal will be effected by the Depositary in accordance with the payment instructions in the Letter of Transmittal.

Unless otherwise directed in the Letter of Transmittal, the payment will be issued in the name of the registered holder of Common Shares so transferred. Cheques will be forwarded by first class insured mail to the addresses

supplied in the Letter of Transmittal. If no address is provided, cheques will be forwarded to the address of the Person as shown on the registers of the Company.

Only registered Shareholders are required to submit a Letter of Transmittal. **A Beneficial Shareholder holding Common Shares through an Intermediary should contact that Intermediary for instructions and assistance in depositing their Common Shares and carefully follow any instructions provided by such Intermediary.**

Delivery of Cash Payable Under the Arrangement

Following the receipt of the Final Order and on or prior to the Effective Date, the Purchaser will deliver or arrange to be delivered to the Depositary or Escrow Agent, as applicable, the aggregate of the Consideration payable by the Purchaser (such Consideration not to include payments to Shareholders exercising Dissent Rights and who have not withdrawn their notice of objection, or amounts subject to the Loan Administration Agreement) in accordance with the provisions of the Plan of Arrangement, which Consideration will be held by the Depositary as agent and nominee (or Escrow Agent as escrow agent) for the Shareholders for distribution to Shareholders in accordance with the provisions of the Plan of Arrangement.

As soon as reasonably practicable following the later of the Effective Date and the surrender to the Depositary for cancellation of a certificate or DRS Advice that immediately prior to the Effective Time represented outstanding Common Shares that were transferred under the Plan of Arrangement, together with a duly completed Letter of Transmittal and such additional documents, certificates and instruments as the Depositary may reasonably require, the former holder of such Common Shares will be entitled to receive in exchange therefor, and the Depositary will deliver to such holder following the Effective Time in the manner described below, or make available for pick-up at its offices during normal business hours, a cheque (or a form of payment of immediately available funds) for the applicable portion of the Consideration (which for greater certainty at the Effective Time will not include any amounts subject to the Escrow Agreement or the Loan Administration Agreement, which amounts may only become payable, if at all, following the Escrow Period or within 24 months of the Effective Date, respectively) that such holder is entitled to receive in accordance with the Plan of Arrangement, less any amounts required to be deducted or withheld in accordance with the Plan of Arrangement, and any certificate or DRS Advice so surrendered will forthwith be cancelled.

The Company and the Purchaser will cause the Depositary, as soon as reasonably practicable after a Shareholder becomes entitled to the Consideration in accordance with the Plan of Arrangement, to issue a cheque (or a form of payment of immediately available funds) for the Consideration to which such Shareholder is entitled (including any amounts that may be payable under the Escrow Agreement and/or the Loan Administration Agreement in due course), less any amounts required to be deducted or withheld in accordance with the Plan of Arrangement. Unless the Shareholder instructs the Depositary to hold the cheque for pick-up by checking the appropriate box in the Letter of Transmittal, cheques will be forwarded by first class mail to the address specified in the Letter of Transmittal. If no address is provided, cheques will be forwarded by first class mail to the address of the Shareholder as shown on the Share register maintained by or on behalf of the Company immediately prior to the Effective Time. Any payments made to Shareholders under the Escrow Agreement and/or Loan Administration Agreement shall be made pursuant to the instructions provided by such Shareholders in the Letter of Transmittal.

The Company will pay the amounts, less any amounts required to be deducted or withheld in accordance with the Plan of Arrangement, to be paid to Optionholders at or as soon as reasonably practicable after the Effective Time, which payment may occur through the Company's payroll system or payroll provider (to the extent such Optionholder is a continuing employee of the Company), and such Company Options will immediately following such assignment and transfer terminate and be cancelled. For greater certainty, all Options that are "out-of-the-money" will be cancelled by the Company at the time stipulated therefor in the Plan of Arrangement for no consideration.

No holder of Common Shares or Company Options will be entitled to receive any consideration or entitlement with respect to such Common Shares or Company Options other than any consideration or entitlement to which such holder is entitled to receive in accordance with the Plan of Arrangement and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

Lost Certificates or DRS Advices

If any certificate which immediately prior to the Effective Time represented one or more outstanding Common Shares that were transferred pursuant to the Plan of Arrangement shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, a cheque for the consideration that such registered Shareholder has the right to receive in accordance with such holder's Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Person to whom such cash is to be delivered shall, as a condition precedent to the delivery of such cash, give a surety bond satisfactory to the Purchaser, the Depositary in such sum as the Purchaser and Depositary may direct, and indemnify the Purchaser, the Company and the Depositary in a manner satisfactory to the Purchaser and Depositary against any claim that may be made against the Purchaser, the Company and Depositary with respect to the certificate alleged to have been lost, stolen or destroyed.

Extinction of Rights

To the extent that a Former Shareholder shall not have surrendered Common Shares to the Depositary in the manner described in this Circular on or before the final proscription date, then the Consideration that such Former Shareholder was entitled to receive shall be delivered to the Company or the Purchaser, as applicable, by the Depositary and the interest of the Former Shareholder in such the Consideration to which it was entitled shall be terminated as of such final proscription date and cease to represent a claim or interest of any kind or nature, including any claim to any portion of the Consideration.

Procedure for Transfer of Company Options

The Company shall pay the Company Option "in-the-money" amount, net of applicable withholdings, to be paid to Optionholders either (i) pursuant to the normal payroll practices and procedures of the Company, or (ii) if payment pursuant to the normal payroll practices and procedures of the Company is not practicable for any such Optionholder, by cheque, wire or other form of immediately available funds (delivered to such Optionholder as reflected on the register maintained by or on behalf of the Company in respect of the Company Options).

Interests of Informed Persons in Material Transactions

Except as disclosed under the section entitled "*The Arrangement – Interests of Certain Persons in the Arrangement*" in this Circular, no informed person of the Company (e.g. directors and executive officers of the Company and Persons beneficially owning or controlling or directing voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company), or any affiliate of any informed person, has had any material interest in any transaction, or proposed transaction, which has materially affected or would materially affect the Company or any of its subsidiaries since the commencement of the most recently completed financial year of the Company.

Interests of Certain Persons in the Arrangement

In considering the Arrangement and the recommendations of the Board with respect to the Arrangement, Shareholders should be aware that certain directors and senior officers of the Company have certain interests that are, or may be, different from, or in addition to, the interests of other Shareholders generally, which may present them with actual or potential conflicts of interest in connection with the Arrangement. The Board is aware of these interests and considered them along with the other matters described above in "*The Arrangement – Reasons for the Arrangement*". These interests include those described below.

Securities Held By Directors and Senior Officers of the Company

The table below sets out for each director and senior officer of the Company the number of Common Shares and Company Options beneficially owned or controlled or directed by each of them and their affiliates that will be entitled to be voted at the Meeting, as of December 17, 2019.

Name, Province/State and Country of Residence, and Position with the Company	Company Options	Number of Common Shares and % of Issued and Outstanding Common Shares
Dan Poirier, Ontario, Canada Chief Executive Officer, Director	1,250,000	835,000 (0.7%)
Akash Sahai, Ontario, Canada Executive Vice-President of Business Development, Director	1,000,000	5,666,668 (4.7%)
Michel Cote, Québec, Canada Senior Vice-President, Partners and Products	100,000	1,999,982 (1.7%)
Jean Guimond, Québec, Canada Vice-President of Sales and International Business	80,000	67,544 (0.1%)
Kevin Mills, Ontario, Canada Chief Financial Officer	485,000	750,828 (0.6%)
Michael Brown, Ontario, Canada Director	240,000	Nil
Gary Figueira, Ontario, Canada Director	240,000	166,667 (0.1%)
David Del Chiaro, Ontario, Canada Director	240,000	1,276,334 (1.1%)
Tom McCole, Georgia, United States Director	240,000	Nil

Common Shares

As of December 17, 2019, directors and senior officers of the Company and their affiliates beneficially own, control or direct, directly or indirectly, an aggregate of 10,763,023 Common Shares that will be entitled to be voted at the Meeting, representing approximately 8.98% of the issued and outstanding Common Shares. Pursuant to the Voting Support Agreements, the directors and senior officers of the Company agreed with the Purchaser to vote or cause to be voted such Common Shares in favour of the Arrangement Resolution

Company Options

As of December 17, 2019, the directors and senior officers of the Company hold Company Options exercisable for an aggregate of 3,875,000 Common Shares. These Company Options held by the directors and senior officers have exercise prices ranging from \$0.125 to \$0.17 per Common Share.

Pursuant to the Arrangement, the Company shall pay the holders of Company Options the “in-the-money” amount, net of applicable withholdings, either (i) pursuant to the normal payroll practices and procedures of the Company, or (ii) if payment pursuant to the normal payroll practices and procedures of the Company is not practicable for any such holder, by cheque, wire or other form of immediately available funds (delivered to such holder as reflected on the register maintained by or on behalf of the Company in respect of the Company Options) and each such Option will be cancelled in exchange for the cash payment by the Company to the holder. Where the exercise price of such Company Option equals or exceeds \$0.1131991277 or \$0.1213178702 (depending on the range of the available cash balance remaining with the Company at the Effective Time), the holder of Company Options is not entitled to receive any amount in respect of such Option.

Indebtedness of Directors and Executive Officers

As of December 17, 2019, no person who is, or who was at any time during the fiscal year-ended December 31, 2018, a director, executive officer, senior officer or employee, or a former director, executive officer, senior officer or employee, of the Corporation or a subsidiary thereof, and no person who is a proposed nominee for election as a director of the Corporation, and no associate of such persons, is, or was at any time since the beginning of the fiscal year-ended December 31, 2018, indebted to the Corporation or a subsidiary of the Corporation, nor has any such person been indebted at any time since the beginning of the fiscal year-ended December 31, 2018 to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or a subsidiary of the Corporation, other than Michel Cote who was indebted to the Corporation in amounts of \$47,957. Mr Cote has agreed to repay this indebtedness in full by January 1, 2020. The indebtedness may be waived by the Company in tranches if certain performance metrics are achieved by Mr. Cote. The current intention of the Company and Mr. Cote is to set off any indebtedness against potential payments related to the change of control of the Company under Mr. Cote’s employment agreement.

Employment and Services Agreements and Compensation Bonus

The Company has entered employment and services agreements (“**Employment and Services Agreements**”) with the following senior officers of the Company which provide that, if there is a “change of control” of the Company, the senior officer would be entitled to receive the following respective amounts:

- **Michel Cote, Senior Vice-President, Partners and Products** - If Mr. Cote tenders his resignation within 60 days following a change of control of the Company specifying a resignation date not more than 75 days following the date of the change of control, Mr. Cote is entitled to receive (i) an amount equal to 12 months’ compensation (including an amount equal to the average of the highest two annual bonus payments received by Mr. Cote over the previous three years) plus an amount equal to 10% of the foregoing amount, (ii) accrued and unpaid expenses, (iii) the value of pro-rated vacation pay or unused vacations, and (iv) the continuation of benefits for the notice period. In addition, all outstanding options held by Mr. Cote will vest upon termination and will be exercisable until their expiry date.
- **Kevin Mills, Chief Financial Officer** - If Mr. Mills tenders his resignation within 60 days following a change of control of the Company specifying a resignation date not more than 75 days following the date of the change of control, Mr. Mills is entitled to receive (i) an amount equal to 12 months’ compensation (including an amount equal to the average of the highest two annual bonus payments received by Mr. Mills over the previous three years) plus an amount equal to 10% of the foregoing amount, (ii) accrued and unpaid expenses, (iii) the value of pro-rated vacation pay or unused vacations, and (iv) the continuation of benefits for the notice period. In addition, all outstanding options held by Mr. Mills will vest upon termination and will be exercisable until their expiry date.

Pursuant to the Employment and Services Agreements, if the Arrangement is completed and the entitlements are triggered as described above following the completion of the Arrangement, the above-mentioned senior officers would be entitled to collectively receive aggregate cash compensation of approximately \$445,000, as follows:

Name	Potential Change of Control Payment
Michel Cote	\$260,000
Kevin Mills	\$185,000

Insurance Indemnification of Directors and Officers of the Company

The directors and officers of the Company are covered under directors and officer's liability insurance policies. Currently, the aggregate limit of liability applicable to the insured directors and officers under the policies is \$10 million inclusive of defense costs subject to a \$50,000 deductible. The policies include coverage for wrongful acts (including misleading statements), insuring against any legal obligation to pay on account of any claims brought subject to policy exclusions. The Company's by-laws also provide for the indemnification of its directors and officers from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties of office, subject to certain limitations. The Company has also entered into an individual indemnification agreement, each in identical terms, with each director and officer to indemnify each such director or officer to the fullest extent permitted by law in connection with any event or claim related to the individual being a director or officer of Company or any subsidiary of the Company, and to set out the process for indemnification payments to be made.

Shareholder Approval of the Arrangement

At the Meeting, pursuant to the Interim Order, Shareholders will be asked to approve the Arrangement Resolution. The complete text of the Arrangement Resolution to be presented to the Meeting is set forth in Appendix A to this Circular. Each Shareholder as at the Record Date will be entitled to vote on the Arrangement Resolution. The Arrangement Resolution must be approved with the Required Shareholder Approval.

The Arrangement Resolution must receive the Required Shareholder Approval in order for the Company to seek the Final Order and implement the Arrangement on the Effective Date in accordance with the terms of the Final Order.

Court Approval of the Arrangement

The OBCA requires that the Company obtain the approval of the Court in respect of the Arrangement. On December 17, 2019, the Company obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters. A copy of the Interim Order is attached hereto as Appendix D. A copy of the Notice of Application applying for the Final Order approving the Arrangement is attached hereto as Appendix E.

Subject to the approval of the Arrangement Resolution by Shareholders at the Meeting, the hearing in respect of the Final Order is expected to take place on or about January 24, 2020 at 10:00 a.m. (Toronto time) in the Court at 330 University Avenue, Toronto, Ontario, or as soon thereafter as is reasonably practicable. Any Shareholder who wishes to appear or be represented and to present evidence or arguments must serve and file a notice of appearance as set out in the Notice of Application for the Final Order and satisfy any other requirements of the Court. The Court will consider, among other things, the fairness and reasonableness of the terms and conditions of the Arrangement and the rights and interests of every person affected. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit.

Assuming the Final Order is granted and the other conditions to closing contained in the Arrangement Agreement are satisfied or waived, it is currently anticipated that Articles of Arrangement for the Company will be filed with the OBCA Director to give effect to the Arrangement in late January 2020.

Although the Company's objective is to have the Effective Date occur as soon as possible after the Meeting, the Effective Date could be delayed for a number of reasons, including, but not limited to, an objection before the Court at the hearing of the application for the Final Order or any delay in obtaining any required approvals. Under certain circumstances, the Company and the Purchaser may terminate the Arrangement Agreement, as a result of which the Arrangement will not become effective, without prior notice to or action on the part of Shareholders. See "*The Arrangement Agreement — Termination of the Arrangement Agreement*".

Dissenting Holders' Rights

Registered Shareholders who wish to dissent should take note that strict compliance with the Dissent Procedures is required.

The following description of the Dissenting Holders is not a comprehensive statement of the Dissent Rights, appraisal rights or the Dissent Procedures and is qualified in its entirety by reference to the full text of Section 185 of the OBCA, as modified by the Plan of Arrangement, the Interim Order. The statutory provisions dealing with the right of dissent are technical and complex. A Dissenting Holder who intends to exercise the Dissent Rights should carefully consider and comply with the provisions of Section 185 of the OBCA, as modified by the Plan of Arrangement and the Interim Order and seek legal advice. Failure to comply strictly with the provisions of the OBCA, as modified by the Plan of Arrangement and the Interim Order, and to adhere to the procedures established therein may result in the loss of all rights thereunder.

The full text of the provisions of OBCA Section 185 is attached hereto at Appendix J.

The Court hearing the application for the Final Order has the discretion to alter the Dissent Rights described herein based on the evidence presented at such hearing.

Pursuant to the Interim Order, each registered Shareholder may exercise Dissent Rights under Section 185 of the OBCA as modified by the Plan of Arrangement and the Interim Order in respect of the Arrangement. Registered Shareholders who duly exercise such Dissent Rights and who:

- (a) are ultimately determined to be entitled to be paid fair value for the Common Shares in respect of which they have exercised Dissent Rights and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Common Shares, will be deemed to have irrevocably transferred such Common Shares for cancellation immediately prior to the Effective Time, without any further act or formality, free and clear of any Liens; or
- (b) are ultimately not entitled, for any reason, to be paid fair value for the Common Shares in respect of which they have purported to exercise Dissent Rights will be deemed to have participated in the Arrangement on the same basis as a registered Shareholder that has not exercised Dissent Rights, and shall only be entitled to receive the Consideration, being \$0.1126907498 per Common Share, plus the per Common Share cash value of any cash balance remaining with the Company as at the Effective Time, plus any amounts available to be distributed to Shareholders under the Escrow Agreement, up to \$0.0083474629,

but in no case will the Purchaser, Company or any other person be required to recognize such Dissenting Holders as Shareholders after the cancellation of the Dissenting Shares, which cancellation is to occur at the Effective Time, and each Dissenting Holder will cease to be entitled to the rights of a registered Shareholder in respect of the Dissenting Shares in relation to which such Dissenting Holders has exercised Dissent Rights and the central securities register will be amended to reflect that such former holder is no longer the holder of such Common Shares as and from the Effective Time.

Persons who are beneficial Shareholders who wish to dissent with respect to their Common Shares should be aware that only registered Shareholders are entitled to dissent with respect to them. A registered Shareholder such as an intermediary who holds Common Shares as nominee for beneficial Shareholders, some of whom wish to dissent, must exercise Dissent Rights on behalf of such beneficial Shareholders with respect to the Common Shares held for such beneficial Shareholders. In such case, the Notice of Dissent (as defined below) should set forth the number of Common Shares it covers.

A Dissenting Holder must dissent with respect to all Common Shares in which the holder owns a beneficial interest. A registered Shareholder who wishes to dissent must send a written Notice of Dissent objecting to the Arrangement Resolution to the Company, 341 Talbot Street, London, Ontario N6A 2R5, by 11:00 a.m. (Toronto Time) on January 20, 2020, which is two Business Days prior to the Meeting, and such Notice of Dissent must strictly comply with the requirements of Section 185 of the OBCA. Any failure by a registered Shareholder to fully comply may result in the loss of that holder's Dissent Rights. Beneficial Shareholders

who wish to exercise Dissent Rights must arrange for the registered Shareholder holding their Common Shares to deliver the Notice of Dissent.

A Dissenting Holder must prepare for himself or herself a separate notice of his or her intention to dissent, if dissenting on his or her own behalf, and for each other person who beneficially owns Common Shares registered in the Dissenting Holder's name and on whose behalf the Dissenting Holder is dissenting (each such notice, a "**Notice of Dissent**"); and must dissent with respect to all of the Common Shares registered in his or her name beneficially owned by the Beneficial Shareholder on whose behalf he or she is dissenting. The Notice of Dissent must set out the number of Common Shares in respect of which the Notice of Dissent is to be sent (the "**Notice Shares**") and: (a) if such Common Shares constitute all of the Common Shares of which the Dissenting Holder is the registered and beneficial owner, a statement to that effect; (b) if such Common Shares constitute all of the Common Shares of which the Dissenting Holder is both the registered and beneficial owner but the Dissenting Holder owns additional Common Shares beneficially, a statement to that effect and the names of the registered Shareholders, the number of Common Shares held by such registered owners and a statement that written Notices of Dissent has or will be sent with respect to such Common Shares; or (c) if the Dissent Rights are being exercised by a registered owner who is not the beneficial owner of such Common Shares, a statement to that effect and the name of the beneficial owner and a statement that the registered owner is dissenting with respect to all Common Shares of the beneficial owner registered in such registered owner's name.

The delivery of a Notice of Dissent does not deprive a Dissenting Holder of the right to vote at the Meeting on the Arrangement Resolution; however, a Dissenting Holder is not entitled to exercise the Dissent Rights with respect to any of his or her Common Shares if the Dissenting Holder votes in favour of the Arrangement Resolution. A vote against the Arrangement Resolution, whether in person or by proxy, does not constitute a Notice of Dissent.

Within 10 days after the Arrangement Resolution is approved by the Shareholders, the Company must send to each Dissenting Holder a notice that the Arrangement Resolution has been adopted. The Dissenting Holder is then required, within 20 days after receipt of such notice (or if such shareholder does not receive such notice, within 20 days after learning of the adoption of the Arrangement Resolution), to send to the Company a written notice containing the Dissenting Holder's name and address, the number of Common Shares in respect of which the Dissenting Holder dissents and a demand for payment of the fair value of such shares and, within 30 days after sending such written notice, to send to the Company or its transfer agent the appropriate share certificate or certificates representing the Common Shares in respect of which the Dissenting Holder has exercised Dissent Rights. A Dissenting Holder who fails to send to the Company within the required periods of time the required notices or the certificates representing the Common Shares in respect of which the Dissenting Holder has dissented may forfeit their Dissent Rights.

Pursuant to Section 185 of the OBCA, every registered Shareholder who dissents from the Arrangement Resolution in compliance with Section 185 of the OBCA will be entitled to be paid by the Company the fair value of the Common Shares held by such Dissenting Holder determined as at the point in time immediately before the passing of the Arrangement Resolution, excluding any appreciation or depreciation in anticipation of the vote (unless such exclusion would be inequitable).

The Dissenting Holder and the Company may agree on the payout value of the Notice Shares; otherwise, either party may apply to the Court to determine the fair value of the Notice Shares. There is no obligation on the Company to make an application to the Court. After a determination of the payout value of the Notice Shares, the Company must then promptly pay that amount to the Dissenting Holder.

A Dissenting Holder loses his or her Dissent Right if, before full payment is made for the Notice Shares, the Company abandons the corporate action that has given rise to the Dissent Right (namely, the Arrangement), a court permanently enjoins the action, or the Dissenting Holder withdraws the Notice of Dissent with the Company's consent. When these events occur, the Company must return the share certificates or DRS Advice to the Dissenting Shareholder and the Dissenting Holder regains the ability to vote and exercise shareholder rights.

The discussion above is only a summary of the Dissent Rights, which are technical and complex. A registered Shareholder who intends to exercise Dissent Rights should carefully consider and comply with the provisions of Section 185 of the OBCA as modified by the Interim Order. Persons who are non-registered holders of Common Shares registered in the name of an intermediary such as a broker, custodian, nominee, other intermediary, or in

some other name, who wish to dissent should be aware that only the registered owner of such Common Shares is entitled to dissent.

The Company suggests that any registered Shareholder wishing to avail himself or herself of the Dissent Rights seek his or her own legal advice as failure to comply strictly with the applicable provisions of the OBCA and the Interim Order may prejudice the availability of such Dissent Rights. Dissenting Holders should note that the exercise of Dissent Rights can be a complex, time-consuming and expensive process.

If a Dissenting Holder fails to strictly comply with the requirements of the Dissent Rights set out in the Interim Order, it will lose its Dissent Rights, the Company will return to the Dissenting Holder the certificates or DRS Advice representing the Notice Shares that were delivered to the Company, if any, and if the Arrangement is completed, that Dissenting Holder will be deemed to have participated in the Arrangement on the same terms as a registered Shareholder.

If a Dissenting Holder strictly complies with the foregoing requirements of the Dissent Rights, but the Arrangement is not completed, the Company will return to the Dissenting Holder the certificates or DRS Advice delivered to the Company by the Dissenting Holder, if any.

MI 61-101

The Company is a reporting issuer (or its equivalent) in all of the provinces of Canada and, accordingly, is subject to the provisions of MI 61-101. MI 61-101 is intended to regulate certain transactions to ensure equality of treatment among security holders, generally requiring enhanced disclosure, approval by a majority of security holders excluding interested parties and/or, in certain instances, independent valuations and approval and oversight of the transaction by a special committee of independent directors. The protections of MI 61-101 generally apply to “business combinations” (as defined in MI 61-101) that terminate the interests of security holders without their consent.

MI 61-101 provides that, in certain circumstances, where a “related party” (as defined in MI 61-101) of an issuer is entitled to receive a “collateral benefit” (as defined in MI 61-101) in connection with an arrangement transaction (such as the Arrangement), such transaction may be considered a “business combination” for the purposes of MI 61-101 and subject to minority approval requirements.

A “collateral benefit”, as defined in MI 61-101, includes any benefit that a related party of the Company (which includes the directors and senior officers of the Company) is entitled to receive, directly or indirectly, as a consequence of the Arrangement, including, without limitation, an increase in salary, a lump sum payment, a payment for surrendering securities or other enhancement in benefits related to past or future services as an employee, director or consultant of the Company. However, such a benefit will not constitute a “collateral benefit” provided that certain conditions are satisfied.

Under MI 61-101, a benefit received by a related party of the Company is not considered to be a “collateral benefit” if the benefit is received solely in connection with the related party’s services as an employee, director or consultant of the Company or an affiliated entity and (i) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for securities relinquished under the Arrangement, (ii) the conferring of the benefit is not, by its terms, conditional on the related party supporting the Arrangement in any manner, (iii) full particulars of the benefit are disclosed in disclosure document for the transaction, and (iv) either (A) at the time the Arrangement was agreed to, the related party and its associated entities beneficially owned or exercised control or direction over less than 1% of the outstanding Common Shares, or (B) (x) the related party discloses to an independent committee of the Company the amount of consideration that the related party expects it will be beneficially entitled to receive, under the terms of the Arrangement, in exchange for the Common Shares beneficially owned by the related party, (y) the independent committee, acting in good faith, determines that the value of the benefit, net of any offsetting costs to the related party, is less than 5% of the value referred to in (B) (x), and (z) the independent committee’s determination is disclosed in this Circular.

If a “related party” receives a “collateral benefit” in connection with the Arrangement, the Arrangement Resolution will also require “minority approval” in accordance with MI 61-101. If “minority approval” is required, the Arrangement Resolution must also be approved by a majority of the votes cast, excluding those votes beneficially

owned, or over which control or direction is exercised, by the “related parties” of the Company who receive a “collateral benefit” in connection with the Arrangement.

Certain of the directors and senior officers of the Company hold Company Options. If the Arrangement is completed, the vesting of all Company Options is to be accelerated and such directors and senior officers holding Company Options are entitled to receive cash payments in respect thereof at the Effective Time. In addition, employment agreements with certain senior officers provide that, if any such senior officer resigns from his or her position within a specified period of time in connection with a “change of control” of the Company, the senior officer would be entitled to receive compensation. See *“The Arrangement — Interests of Certain Persons in the Arrangement”*. The accelerated vesting of Company Options and the compensation payable pursuant to the Employment and Services Agreements may be considered to be “collateral benefits” received by the applicable directors and senior officers of the Company for the purposes of MI 61-101. See *“The Arrangement — Plan of Arrangement”* and *“The Arrangement — Interests of Certain Persons in the Arrangement — Employment Agreements and Compensation Bonus”* in this Circular.

Michel Cote, the Senior Vice-President, Partners and Products of the Company, beneficially owns or exercises control or direction over more than 1% of the Common Shares (calculated in accordance with the provisions of MI 61-101) and will receive benefits from the consideration he will receive in respect of his Company Options. Accordingly, the payments Mr. Cote will receive as a result of the completion of the Arrangement constitute a collateral benefit under MI 61-101. In addition, the payments Mr. Cote is potentially entitled to receive in connection with a change of control of the Company pursuant to his employment agreement with the Company as a result of the completion of the Arrangement constitute a collateral benefit under MI 61-101. In this regard, any Common Shares beneficially owned, or over which control or direction is exercised, directly or indirectly, by Mr. Cote must be excluded for purposes of determining whether minority approval of the Arrangement Resolution has been obtained. As of the Record Date, Mr. Cote holds, or exercised control or direction over, directly or indirectly 1,999,982 Common Shares and 100,000 Company Options.

Dan Poirier, the Chief Executive Officer of the Company, beneficially owns or exercises control or direction over more than 1% of the Common Shares (calculated in accordance with the provisions of MI 61-101) and will receive benefits from the consideration he will receive in respect of his Company Options. Accordingly, the payments Mr. Poirier will receive as a result of the completion of the Arrangement constitute a collateral benefit under MI 61-101. In this regard, any Common Shares beneficially owned, or over which control or direction is exercised, directly or indirectly, by Mr. Poirier must be excluded for purposes of determining whether minority approval of the Arrangement Resolution has been obtained. As of the Record Date, Mr. Poirier holds, or exercised control or direction over, directly or indirectly 835,000 Common Shares and 1,250,000 Company Options.

As a result, a total of 2,834,982 Common Shares and any Common Shares issued upon the exercise of Company Options held by Messrs. Cote and/or Poirier, will be excluded from the “minority approval” vote conducted pursuant to MI 61-101.

The Company is not required to obtain a formal valuation under MI 61-101 as no “interested party” (as defined in MI 61-101) of the Company is, as a consequence of the Arrangement, directly or indirectly acquiring the Company or its business and neither the Arrangement nor the transactions contemplated thereunder is a “related party transaction” for which the Company would be required to obtain a formal valuation. In any event, the Company is not listed on a “specified market”.

To the knowledge of the directors and senior officers of the Company, after reasonable enquiry, there have been no prior valuations (as defined in MI 61-101) prepared in respect of the Company within the 24 months preceding the date of this Circular.

See *“The Arrangement — Interests of Certain Persons in the Arrangement”* for detailed information regarding the benefits and other payments to be received by each of the directors and senior officers in connection with the Arrangement

Stock Exchange Delisting and Reporting Issuer Status

The Common Shares will be delisted from the TSX as soon as practicable following the completion of the Arrangement. Following the Effective Date, it is expected that the Purchaser will cause the Company to apply to

cease to be a reporting issuer under the securities legislation of each of the provinces in Canada under which it is currently a reporting issuer (or equivalent) or take or cause to be taken such other measures as may be appropriate to ensure that the Company is not required to prepare and file continuous disclosure documents.

THE ARRANGEMENT AGREEMENT

The Arrangement will be carried out pursuant to the Arrangement Agreement and the Plan of Arrangement. The following is a summary of the principal terms of the Arrangement Agreement and does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement, which is incorporated by reference herein and has been filed by the Company under its SEDAR profile at www.sedar.com and to the Plan of Arrangement, which is attached hereto as Appendix B. Capitalized terms used but not otherwise defined herein have the meanings set out in the Arrangement Agreement and the Plan of Arrangement.

Conditions to Closing

The completion of the transactions contemplated by the Arrangement Agreement are subject to the fulfilment, on or before the Effective Time, of a number of conditions including, among other things, the receipt of the Interim Order and the Final Order on terms consistent with the Arrangement Agreement, the approval of the Shareholders of the Company in accordance with the Interim Order.

Completion of the Arrangement Agreement is subject to number of additional conditions precedent, of which the following are for the exclusive benefit of the Purchaser and may be waived by the Purchaser. The conditions include, among other things, no more than 10% of holders of the Common Shares having exercised Dissent Rights.

The Articles of Arrangement shall implement the Plan of Arrangement. The Articles of Arrangement shall include the Plan of Arrangement. On the day of the closing of the Arrangement, the Company shall file the Articles of Arrangement with the Director.

See also “*Summary of the Arrangement – Conditions to Completion of the Arrangement*” in this Circular.

Mutual Covenants

Each of the Parties has given usual and customary mutual covenants for an agreement of the nature of the Arrangement Agreement, including, among other things, a mutual covenant to use commercially reasonable efforts to satisfy the conditions precedent to their respective obligations under the Arrangement Agreement, to take all steps set forth in the Interim Order and Final Order applicable to them, to co-operate with the other Party in connection with the Arrangement Agreement and to take all other action, or cause to be done, all things necessary, proper or advisable under applicable laws to consummate the Arrangement.

Additionally, upon the reasonable request of the Purchaser prior to the Effective Date, the Company shall use commercially reasonable efforts to effect such reorganization of the Company’s business, operations, Subsidiaries and assets or such other transactions (each, a “**Newly Requested Reorganization**”), provided the Newly Requested Reorganization does not require approval of the shareholders of the Company or could materially delay or impede the consummation of the Arrangement

Covenants of the Company

The Company has given, in favour of the Purchaser, usual and customary covenants for an agreement of the nature of the Arrangement Agreement, including, among other things, a covenant to conduct its business in the ordinary course consistent with past practice and to not amend its organizational documents or its authorized share structure, and to obtain and maintain all permits, orders, regulatory approvals or agreements that are necessary under the material contracts to permit the consummation of the transactions contemplated by the Arrangement Agreement. The Company has also agreed, except in the ordinary course of business, not to lease, dispose of or encumber any assets, securities or interests, pre-pay any long-term indebtedness before its scheduled maturity or otherwise become liable to any indebtedness for borrowed money or guarantees in excess of \$50,000.

The Company has further agreed that it will perform all obligations by it under the Plan of Arrangement and the Arrangement Agreement to carry out and give effect to the Plan of Arrangement and Arrangement Agreement, including, among other things, using commercially reasonable efforts to satisfy any requests for information and documentation received from any Governmental Authority in connection with such approval.

Covenants of the Purchaser

The Purchaser has given, in favour of the Company, usual and customary covenants for an agreement of the nature of the Arrangement Agreement, including, among other things, a covenant to apply for and use its commercially reasonable efforts to file as soon as reasonably practicable with all applicable Governmental Authorities all notices, applications or other documents required and to satisfy as soon as reasonable possible any requests for information and documentation received from any Governmental Authority. The Purchaser has also agreed to keep the Company reasonably informed on the status of such proceedings and not to take any action that is intended to, or would reasonably be expected to prevent, materially delay or impede the ability of the Purchaser to consummate the Arrangement

Non-Solicitation and Right to Match

The Arrangement Agreement contains standard exclusivity and non-solicitation provisions with respect to the Company, with the customary right to respond to an acquisition proposal if it is determined that such proposal would reasonably be expected to lead to a Superior Proposal. Prior to entering into a Superior Proposal, the Company must first provide the Purchaser with the opportunity to match any such Superior Proposal for a period of five Business Days.

Termination of Arrangement Agreement

The Arrangement Agreement may be terminated prior to the Effective Time by the mutual written consent of the Parties, or by either the Company or Purchaser.

The Arrangement Agreement contains the Posera Termination Fee, being \$1,500,000 payable by the Company to the Purchaser if: (i) the Purchaser terminates the Arrangement Agreement because there is a Change in Recommendation; (ii) the Purchaser terminates the Arrangement Agreement because the Company is in breach or default of its non-solicitation obligations under the Arrangement Agreement; (iii) if the Company terminates the Arrangement Agreement to enter into an agreement with a third party based on a Superior Proposal.

The Arrangement Agreement contains a termination fee equal to \$1,500,000 payable by the Purchaser to the Company in the event that the Purchaser breaches any of its covenants provided in the Arrangement Agreement.

Should the Arrangement Agreement be terminated as a result of the Shareholders' non-approval of the Arrangement, the Company shall reimburse the Purchaser for any expenses and fees reasonably incurred and documented by the Purchaser in connection with the Arrangement, including without limitation, legal, accounting and advisory fees not exceeding an aggregate of \$150,000.

Amendments

The Arrangement Agreement and the Plan of Arrangement may, before or after the holding of the Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, without further notice to or authorization on the part of the Shareholders, and any such amendment may, subject to the Interim Order and Final Order and applicable laws, without limitation: (i) change the time for performance of any of the obligations or acts of the Parties; (ii) modify any representation or warranty contained in the Arrangement Agreement or in any document delivered pursuant to the Arrangement Agreement; (iii) modify any of the covenants contained in the Arrangement Agreement and waive or modify performance of any of the obligations of the Parties; and/or (iv) modify any mutual conditions contained in the Arrangement Agreement.

Expenses

Except as expressly otherwise provided in the Arrangement Agreement, all out-of-pocket third-party transaction expenses incurred in connection with the Arrangement Agreement, the Plan of Arrangement and the transactions contemplated hereunder and thereunder, including all costs, expenses and fees of a Party incurred prior to or after the Effective Time in connection with, or incidental to, the Plan of Arrangement, shall be paid by the Party incurring such expenses, whether or not the Arrangement is consummated.

In the event that the Arrangement Agreement is terminated by either Party as a result of the other Party's breach of any representation or warranty or failure to perform a covenant under the Arrangement agreement, certain expense reimbursement payments shall be payable. See "*The Arrangement Agreement – Termination of Arrangement Agreement*".

Escrow Agreement and Loan Administration Agreement

Pursuant to the terms of the Arrangement Agreement, the Company and the Purchaser will enter into (i) the Escrow Agreement with the Escrow Agent, and (ii) the Loan Administration Agreement with the Loan Administrator. The Escrow Agreement and the Loan Administration will be entered into in due course and, in any event, prior to the Meeting, and made available on the Company's SEDAR profile at www.sedar.com.

Pursuant to the Escrow Agreement, the Purchaser will deposit \$1 million in cash into an escrow account for the Escrow Period, substantially on the terms and conditions set out in the Arrangement Agreement. The purpose of such amount is to satisfy any damages suffered by the Company and/or Purchaser resulting from tax related claims that may arise during the Escrow Period regarding the Company's divestitures of its FingerPrints and Zomaron businesses in 2017 and 2016, respectively. Following the completion of the Escrow Period, any funds that remain in escrow under the Escrow Agreement shall be distributed, to the holders of each Common Share outstanding immediately prior to the Effective Time who have deposited a duly completed Letter of Transmittal, on a *pro rata* basis to such holders of Common Share, other than Common Shares held by a Dissenting Holder who has validly exercised such holder's Dissent Right in respect of such Common Shares and Common Shares held by the Purchaser or any of its affiliates.

Pursuant to the Loan Administration Agreement, the holders of each Common Share outstanding immediately prior to the Effective Time who have deposited a duly completed Letter of Transmittal, other than Common Shares held by a Dissenting Holder who has validly exercised such holder's Dissent Right in respect of such Common Shares and Common Shares held by the Purchaser or any of its affiliates shall be entitled to receive the *pro rata* amount of any proceeds received from the repayment of the principal, interest or other costs associated with the DLT Loan that are received by the Purchaser or the Company prior to the date that is 24 months following the Effective Date, less any related costs, fees or other expenses incurred by the Company or the Purchaser following the Effective Date.

On April 27, 2018 the Company established a \$1.6 million secured bridge credit facility with DLT Labs Inc. ("**DLT Labs**"), an affiliate of DLT Global Ltd. Mr. Loudon Owen, former Executive Chairman of Posera (resigned from Posera on May 22, 2018) is a director and shareholder of DLT Global Ltd. The Board established a special committee of independent directors comprised of Messrs. Nordholm (former Chairman), Brown and Figueira to oversee the Company's relationship with DLT Labs and to make recommendations to the Board concerning any potential transactions between Posera and DLT Labs. The terms of the credit facility for DLT Labs were negotiated under the supervision of, and reviewed and approved by, the special committee. On August 1, 2018 and August 17, 2018, the Company amended the original terms of the secured credit loan facility by increasing the maximum principal amount available to DLT under the facility to \$1,700,000 and \$2,200,000 respectively. As at September 30, 2019, the Company has a note receivable with a principal balance of \$2,438,896 and a book value of \$1,006,108 (December 31, 2018 - \$1,703,191) outstanding with DLT Labs. See Note 9 of the condensed consolidated interim financial statements for the period ended September 30, 2019 (available on the Company's profile at www.sedar.com) for further details on the loan arrangement which was entered and recorded at the exchange amount in these condensed consolidated interim financial statements.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summarizes certain Canadian federal income tax considerations under the Tax Act generally applicable to Shareholders in respect of the disposition of Common Shares pursuant to the Arrangement who, for purposes of the Tax Act, (i) hold their Common Shares solely as capital property, and (ii) deal at arm's length with and are not affiliated with the Company or the Purchaser (each such Shareholder, a "**Holder**").

Generally, Common Shares will be considered to be capital property to a Holder thereof provided that the Holder does not use the Common Shares in the course of carrying on a business of trading or dealing in securities and such Holder has not acquired such shares in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder: (i) that is a “financial institution” (for the purposes of the mark-to-market rules), as defined in the Tax Act; (ii) that is a “specified financial institution” as defined in the Tax Act; (iii) an interest in which is a “tax shelter investment”, as defined in the Tax Act; (iv) that has elected in accordance with the Tax Act to report its “Canadian tax results” in a “functional currency” other than Canadian currency; or (v) that has entered or will enter into, with respect to the Securities, a “derivative forward agreement”, a “synthetic disposition arrangement”, or a “synthetic equity arrangement”, each as defined in the Tax Act. In addition, this summary does not describe the considerations relevant to holders of Company Options or to a Holder who acquired previously or who will acquire Common Shares on the exercise of employee stock options or pursuant to other employee equity compensation plans.

This summary is based on the current provisions of the Tax Act, the regulations thereunder (the “**Regulations**”), and our understanding of the current published administrative practices and policies of the Canada Revenue Agency. This summary takes into account all specific proposals to amend the Tax Act and Regulations (the “**Proposed Amendments**”) announced by the Minister of Finance (Canada) prior to the date hereof. It is assumed that the Proposed Amendments will be enacted as currently proposed, although no assurance can be given in this regard. This summary does not take into account provincial, territorial or foreign income tax considerations, which may differ materially from the Canadian federal income tax considerations discussed below.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Holder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, Shareholders should consult their own tax advisors with respect to the Canadian federal income tax consequences, and any other consequences under Canadian federal, provincial, local and foreign tax laws, of the Arrangement, having regard to their own particular circumstances.

Holders Resident in Canada

This portion of this summary applies only to Holders who are or are deemed to be resident in Canada for the purposes of the Tax Act and any applicable income tax treaty or convention at all relevant times (each, a “**Resident Holder**”).

A Resident Holder whose Common Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election permitted by subsection 39(4) of the Tax Act to deem such shares, and every other “Canadian security” (as defined in the Tax Act), held by such person, in the taxation year of the election and each subsequent taxation year to be capital property.

Disposition of Common Shares under the Arrangement

Under the Arrangement, Resident Holders (other than Resident Holders who are Dissenting Holders) will transfer their Common Shares to the Purchaser in consideration for a cash payment and will realize a capital gain (or a capital loss) equal to the amount, if any, by which the cash payment exceeds (or is less than) the aggregate of the adjusted cost base of the Common Shares to the Holder and any reasonable costs of disposition. Any such capital gain and capital loss will be subject to the treatment generally described below under “*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*”.

Taxation of Capital Gains and Capital Losses

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a “**taxable capital gain**”) realized by the Resident Holder in the year. A Resident Holder is required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) sustained in a taxation year from taxable capital gains realized in the year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward indefinitely and deducted in subsequent taxation years against net taxable capital gains realized by the Resident Holder in such years, to the extent and in the circumstances prescribed by the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Common Share may be reduced by the amount of any dividends received (or deemed to be received) by it on such Common Share to the extent and under the circumstances prescribed by the Tax Act. Analogous rules apply to a partnership or

trust of which a corporation, trust or partnership is a member or beneficiary. Resident Holders to whom these rules may apply should consult their own tax advisors.

A Resident Holder that is throughout its taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable for a refundable tax on its “aggregate investment income”, which is defined to include an amount in respect of taxable capital gains.

Capital gains realized by an individual or a trust, other than certain trusts, may give rise to alternative minimum tax under the Tax Act. Resident Holders should consult their own tax advisors with respect to the alternative minimum tax provisions.

Dissenting Resident Holders

A Resident Holder who validly exercises Dissent Rights (a “**Dissenting Resident Holder**”) and who consequently transfers or is deemed to transfer Common Shares to the Company for payment by the Company will be deemed to receive a taxable dividend in the taxation year of payment equal to the amount, if any, by which the payment (excluding interest) exceeds the paid-up capital of the Dissenting Resident Holder’s Common Shares determined immediately before the Arrangement. The Dissenting Resident Holder will also realize a capital gain (or capital loss) equal to the amount, if any, by which the payment (excluding interest), less any such deemed taxable dividend, exceeds (is exceeded by) the adjusted cost base of the Dissenting Resident Holder’s Common Shares determined immediately before the Arrangement. Any such capital gain or loss will generally be taxable or deductible as described above under “*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*”.

The Dissenting Resident Holder will be required to include any portion of the payment that is on account of interest in income in the year received.

Holders Not Resident in Canada

This portion of this summary applies only to Holders each of whom at all relevant times for the purposes of the Tax Act (i) is not resident or deemed to be resident in Canada for purposes of the Tax Act, and (ii) does not and will not use or hold Common Shares in connection with carrying on a business in Canada (each, a “**Non-Resident Holder**”).

Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere, or an “authorized foreign bank” as defined in the Tax Act. Such Non-Resident Holders should consult their own tax advisors with respect to the Arrangement.

Disposition of Common Shares under the Arrangement

A Non-Resident Holder will not be subject to Canadian federal income tax in respect of any capital gain arising on an actual or deemed disposition of an Common Share unless, at the time of disposition, the share is “taxable Canadian property” as defined in the Tax Act, and is not “treaty-protected property” as defined in the Tax Act.

Generally, a Common Share of the Non-Resident Holder will not be taxable Canadian property of the Non-Resident Holder at any time at which the share is listed on a “designated stock exchange” as defined in the Tax Act (which includes the TSX) unless, at any time during the 60 months immediately preceding the disposition of the share:

- (a) the Non-Resident Holder, one or more persons with whom the Non-Resident Holder did not deal at arm’s length, partnerships in which the Non-Resident Holder or persons with whom the Non-Resident Holder did not deal at arm’s length held membership interests (directly or indirectly), or any combination of the foregoing, owned 25% or more of the issued shares of any class of the capital stock of the Company; and
- (b) the share derived more than 50% of its fair market value directly or indirectly from, or from any combination of, real property situated in Canada, “Canadian resource properties”, “timber resource properties” (as those terms are defined in the Tax Act), and interest, rights or options in or in respect of any of the foregoing.

Shares may also be deemed to be “taxable Canadian property” under other provisions of the Tax Act.

Under the Arrangement, Non-Resident Holders (other than Non-Resident Holders who are Dissenting Holders) will transfer their Common Shares to the Purchaser in consideration for a cash payment and to the extent that their Common Shares, at the time of disposition, are taxable Canadian property and are not treaty-protected property will realize a capital gain (or capital loss) equal to the amount, if any, by which the cash payment exceeds (or is less than) the aggregate of the adjusted cost base of the Common Shares to the Non-Resident Holder and any reasonable costs of disposition.

Taxation of Capital Gains and Capital Losses in respect of Taxable Canadian Property

A Non-Resident Holder generally will be required to include one-half of any such capital gain (taxable capital gain) in the Non-Resident Holder's taxable income earned in Canada for the year of disposition, and be entitled to deduct one half of any such capital loss (allowable capital loss) against taxable capital gains included in the Non-Resident Holder's taxable income earned in Canada for the year of disposition and, to the extent not so deductible, against such taxable capital gains realized in any of the three preceding taxation years or any subsequent taxation year, to the extent and in the circumstances set out in the Tax Act.

Non-Resident Holders who may hold shares as "taxable Canadian property" should consult their own tax advisors in this regard.

Dissenting Non-Resident Holders

The discussion above applicable to Resident Holders under the heading "Holders Resident in Canada – Dissenting Resident Holders" will generally also apply to a Non-Resident Holder who validly exercises Dissent Rights in respect of the Arrangement (each, a "**Dissenting Non-Resident Holder**"). In general terms, the Non-Resident Holder will be subject to Canadian withholding tax equal to 25% (or such lower rate as may be available under an applicable income tax convention, if any) of the gross amount of the dividend, and subject to the Canadian federal income tax treatment in respect of any capital gain or loss arising as a consequence of the exercise of Dissent Rights generally as discussed above under the heading "*Holders Not Resident in Canada – Disposition of Common Shares under the Arrangement*".

Any interest paid or deemed to be paid to a Dissenting Non-Resident Holder will not be subject to Canadian withholding tax.

AUDITORS

PricewaterhouseCoopers LLP ("**PWC**") is the auditor of the Company and is independent of the Company within the meanings of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario. PWC was first appointed as auditor of the Company in January 2009.

Additional Information

Additional information about the Company, including financial information, is contained in the audited annual and unaudited quarterly financial statements of the Company, annual and quarterly management discussion and analysis of the Company and other continuous disclosure documents of the Company available on the SEDAR website at www.sedar.com. The Company's website has been designed for customers and investors and includes data and information of interest to the investing community. The website provides access to the latest events affecting the Company's performance, including press releases and financial reports.

These documents are also available upon request to the Corporate Secretary of the Company at Posera Ltd., 341 Talbot Street, London, Ontario, N6A 2R5.

Approval of Directors

The contents and the sending of this Circular have been approved by the Board of the Company.

“Michael Brown”

Michael Brown
Director, Chair of the Audit Committee

“Tom McCole”

Tom McCole
Chairman of the Board of Directors

DATED this 17th day of December 2019



Posera Ltd.

341 Talbot Street
London, Ontario N6A 2R5

Telephone: 1.800.465.2400 • Fax: 514-499-9951

Website: www.posera.com

Printed in Canada

Appendix “A”
Arrangement Resolution

See attached.

BE IT RESOLVED THAT:

1. The arrangement (the “Arrangement”) under Section 182 of the Business Corporations Act (Ontario) (the “OBCA”) of Posera Ltd. (the “Company”), pursuant to the arrangement agreement (the “Arrangement Agreement”) between the Company and Payfacto Payments Inc., as more particularly described in the management information circular of the Company dated December 17, 2019 (the “Circular”), accompanying the notice of this meeting (as the Arrangement may be modified or amended in accordance with the terms of the Arrangement Agreement) is hereby authorized, approved and adopted.
2. The plan of arrangement of the Company (the “Plan of Arrangement”), as it may be amended, modified or supplemented in accordance with its terms and the Arrangement Agreement, the full text of which is set out in Appendix B to the Circular, is hereby authorized, approved and adopted.
3. The (i) Arrangement Agreement and related transactions, (ii) actions of the directors of the Company in approving the Arrangement Agreement, and (iii) actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement, and any amendments, modifications or supplements thereto, are hereby ratified and approved.
4. The Company be and is hereby authorized to apply for a final order from the Ontario Superior Court of Justice (Commercial List) (the “Court”) to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement.
5. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the holders of common shares of the Company (the “Shareholders”) or that the Arrangement has been approved by the Court, the directors of the Company are hereby authorized and empowered to, at their discretion, without notice to or approval of the Shareholders: (i) amend, modify or supplement the Arrangement Agreement or the Plan Arrangement to the extent permitted by the Arrangement Agreement; and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions.
6. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute and deliver for filing with the Director under the OBCA articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any such other documents.
7. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

Appendix “B”
Plan of Arrangement

See attached.

**SCHEDULE A
PLAN OF ARRANGEMENT**

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

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

Unless indicated otherwise, where used in this Plan of Arrangement, capitalized terms used but not defined shall have the meanings specified in the Arrangement Agreement and the following terms shall have the following meanings (and grammatical variations of such terms shall have corresponding meanings):

“2002 Stock Option Plan” means the stock option plan in place for Company’s and/or its Subsidiaries’ directors, officers and employees established in 2002.

“2005 Share Purchase Plan” means the share purchase plan in place for Company’s and/or its Subsidiaries’ directors, officers, employees and other eligible participants effective June 30, 2005.

“2011 Stock Option Plan” means the stock option plan in place for Company’s and/or its Subsidiaries’ directors, officers and employees established in 2011, as amended on in 2016 and re-approved in 2019.

“Affected Securityholders” means, collectively, the Shareholders and the holders of Company Options.

“affiliate” has the meaning ascribed thereto in National Instrument 45-106 Prospectus Exemptions.

“Arrangement” means the arrangement under Section 182 of the OBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations made in accordance with the terms of the Arrangement Agreement or Section 5.1 of this Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

“Arrangement Agreement” means the arrangement agreement dated as of November 25, 2019 between the Purchaser and the Company (including the Schedules thereto) as it may be amended, modified or supplemented from time to time in accordance with its terms.

“Arrangement Resolution” means the special resolution approving this Plan of Arrangement to be considered at the Company Meeting by the Shareholders.

“Articles of Arrangement” means the articles of arrangement of the Company in respect of the Arrangement required by the OBCA to be sent to the Director after the Final Order is made,

which shall include this Plan of Arrangement and otherwise be in a form and content satisfactory to the Company and the Purchaser, each acting reasonably.

“Business Day” means a day, other than a Saturday, Sunday or statutory holiday in Toronto, Ontario, or any other day on which major banks are closed for business in Toronto, Ontario.

“Certificate of Arrangement” means the certificate of arrangement to be issued by the Director pursuant to subsection 183(2) of the OBCA in respect of the Articles of Arrangement.

“Company” means Posera Ltd., a corporation existing under the laws of the Province of Ontario.

“Company Options” means the outstanding options to purchase Company Shares issued pursuant to the 2011 Stock Option Plan.

“Company Option Consideration” means an amount equal to the product obtained by multiplying (a) the amount by which the (i) \$0.1126907498 to be paid in cash, plus the (ii) per Company Share cash value of any cash balance remaining with the Company as at the Effective Time (currently estimated to range approximately between \$0.0005083779 and \$0.0086271204 per Company Share) portion of the Consideration exceeds the exercise price per Company Share of such Company Option by (b) the number of unexercised Company Shares underlying such Company Option.

“Company Share” means a common share in the capital of the Company.

“Consideration” means, with respect to each Company Share, \$0.1126907498 to be initially paid in cash, plus, if any amounts are available to be distributed to Shareholders under the Escrow Agreement, being an amount up to \$0.0083474629 to be paid in cash following the expiry of the Escrow Period, pursuant to the Plan of Arrangement, plus the per Company Share cash value of any cash balance remaining with the Company as at the Effective Time (currently estimated to be an amount approximately between \$0.0005083779 and \$0.0086271204 per Company Share), plus, if any amounts are available to be distributed to Shareholders from the collection of the DLT Loan under the Loan Administration Agreement, being an amount up to \$0.0200786282 to be paid in cash within 24 months of the completion of the Arrangement, pursuant to the Plan of Arrangement.

“Court” means the Ontario Superior Court of Justice (Commercial List), or other court as applicable.

“Dissent Rights” has the meaning specified in Section 3.1.

“Dissenting Holder” means a registered Shareholder who has validly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Company Shares in respect of which Dissent Rights are validly exercised by such registered Shareholder.

“Depository” means such Person as the Company may appoint to act as depository in relation to the Arrangement, with the approval of the Purchaser, acting reasonably.

“Effective Date” means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

“Effective Time” means 12:01 a.m. on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

“Escrow Agent” means the escrow agent to be retained in connection with the Arrangement by the Purchaser and the Company.

“Escrow Agreement” means the escrow agreement among the Purchaser, the Company and the Escrow Agent pursuant to which the Purchaser deposited \$1 million in cash into an escrow account for the Escrow Period, substantially on the terms and conditions set out in Section 4.11 of the Arrangement Agreement.

“Escrow Period” means a period of up to 24 months following the Effective Date.

“Final Order” means the order of the Court approving the Arrangement, as such order may be amended by the Court (with the consent of each of the Parties, acting reasonably) at any time prior to the Effective Date or as such order may be affirmed or amended on appeal (provided that any such amendment is satisfactory to each of the Parties, acting reasonably).

“Governmental Authority” means any (a) domestic or foreign legislative, executive, judicial or administrative body or Person having or purporting to have jurisdiction in the relevant circumstances, including, but not limited to, any subdivision, agent, commission, board, authority or official of any of the foregoing, (b) any governmental, quasi-governmental or private body exercising any regulatory, legislative, expropriation or taxing authority under, or for the account of, any of the foregoing, including a recognized stock exchange, and (c) any arbitration panel or arbitrator deciding or resolving contractual disputes or interpreting any provisions of a Contract.

“Interim Order” means the interim order of the Court providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended by the Court with the consent of the Company and the Purchaser, each acting reasonably.

“Law” means, any (a) domestic or foreign laws, including statutes, subordinate legislation or treaties, and (b) guidelines, directives, rules, standards, requirements, policies, orders, judgments, injunctions, awards or decrees of a Governmental Authority whether or not having the force of law.

“Letter of Transmittal” means the letter of transmittal sent to holders of Company Shares for use in connection with the Arrangement.

“Lien”, in relation to any property or asset, means any encumbrance or title defect of any nature or kind whatever, regardless of form, whether or not recorded or registered or consensual or statutory or arising by operation of Law, including any mortgage, charge, pledge, hypothec, security interest, security agreement, assignment, lien, privilege, easement, servitude, right of way, lease, option, pre-emptive right or right of first refusal, ownership or title retention agreement, restrictive covenant, conditional sale agreement, sub-lease, encroachment, work-

order or adverse Claim, community or other marital property interest and any other arrangement or condition which, in substance, secures payment or performance of an obligation.

“Loan Administration Agreement” means the agreement among the Purchaser, the Company and the Loan Administrator, substantially on the terms and conditions set out in Section 4.10 to the Arrangement Agreement.

“Loan Administrator” means the Depositary, appointed as the Loan Administrator pursuant to the Loan Administration Agreement.

“Note” means approximately a \$4,783,000 USD (United States Dollars) note issued by Posera USA II evidencing indebtedness to Posera Software.

“OBCA” means the *Business Corporations Act* (Ontario).

“Parties” means the Company and the Purchaser and **“Party”** means any one of them.

“Person” means an individual, partnership, limited partnership, association, joint venture, trustee, trust, corporation, company, unlimited liability company, unincorporated organization or other entity, including any Governmental Authority.

“Plan of Arrangement” means this plan of arrangement proposed under Section 182 of the OBCA, and any amendments or variations made in accordance with the Arrangement Agreement or Section 5.1 or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

“Payfacto USA” means Payfacto USA, Inc., a corporation existing under the Laws of the State of Delaware, United States of America and an affiliate of the Purchaser.

“Posera Software” means Posera Software Inc., a corporation existing under the Laws of the Province of Québec and an indirect wholly owned Subsidiary of the Company.

“Posera Software Shares” means the common shares of Posera Software.

“Posera UK” means Posera Europe Ltd., a corporation existing under the Laws of England and Wales and an indirect wholly owned Subsidiary of the Company.

“Posera UK Shares” means the common shares of Posera UK.

“Posera France” means Posera France SAS, a corporation existing under the Laws of France and an indirect wholly owned Subsidiary of the Company.

“Posera France Shares” means the common shares of Posera France.

“Posera USA” means Posera Inc., a corporation existing under the Laws of the State of Washington, United States of America and a wholly owned Subsidiary.

“Posera USA II” means Posera USA, Inc., a corporation existing under the Laws of the State of Washington, United States of America and an indirect wholly owned Subsidiary.

“**Posera USA Shares**” means the common stock of Posera USA.

“**Purchaser**” means Payfacto Payments Inc., a corporation existing under the laws of the Province of Québec.

“**Québec Inc.**” means 9402-7307 Quebec Inc., a corporation existing under the Laws of the Province of Québec and an affiliate of the Purchaser.

“**Shareholders**” means the registered and/or beneficial holders of Company Shares, as the context requires.

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time.

“**Taxes**” means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other similar charges or assessments of any kind whatsoever imposed, assessed or collected by any Governmental Authority, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, escheat, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, provincial sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers’ compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority on or in respect of amounts of the type described in clause (i) above or this clause (ii).

1.2 Certain Rules of Interpretation

In this Plan of Arrangement, unless otherwise specified:

- (1) **Headings, etc.** The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement.
- (2) **Currency.** All references to dollars or to \$ are references to Canadian dollars, unless specified otherwise.
- (3) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (4) **Certain Phrases, etc.** The words (i) “including”, “includes” and “include” mean “including (or includes or include) without limitation,” (ii) “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of,” and (iii) unless stated otherwise, “Article”, “Section”, and

“Schedule” followed by a number or letter mean and refer to the specified Article or Section of or Schedule to this Plan of Arrangement.

- (5) **Statutes.** Any reference to a statute refers to such statute and all rules, resolutions and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.
- (6) **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 5:00 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 5:00 p.m. on the next Business Day if the last day of the period is not a Business Day. If the date on which any action is required or permitted to be taken under this Agreement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.
- (7) **Time References.** References to time are to local time, Toronto, Ontario.

ARTICLE 2 THE ARRANGEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to, is subject to the provisions of and forms part of, the Arrangement Agreement.

2.2 Binding Effect

This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, will become effective, and be binding on the Purchaser, the Company, all holders and beneficial owners of Company Shares and Company Options, including Dissenting Holders, the registrar and transfer agent of the Company, the Depositary and all other Persons, at and after, the Effective Time without any further act or formality required on the part of any Person.

2.3 Intercompany Debts

The following steps shall occur prior to, and shall be conditions to, the implementation of the Plan of Arrangement:

- (a) All of the following intercompany obligations will be settled and extinguished in their entirety as follows:
 - (i) Posera UK shall repay in cash to Posera Software an intercompany obligation, which as of November 25, 2019, is approximately \$18,838;
 - (ii) Posera Software shall repay in cash to Posera France an intercompany obligation, which as of November 25, 2019, is approximately \$26,936;

- (iii) Posera UK shall repay in cash to Posera France an intercompany obligation, which as of November 25, 2019 is approximately \$26,437;
- (iv) Posera UK shall repay in cash to the Company an intercompany obligation, which as of November 25, 2019, is approximately \$3,375;
- (v) Posera Software shall repay in cash to the Company an intercompany obligation, which as of November 25, 2019, is approximately \$6,356;
- (vi) Posera USA II shall repay in cash to the Company an intercompany obligation, which as of November 25, 2019, is approximately \$6,547;
- (vii) Posera USA shall repay in cash to Posera Software an intercompany obligation, which as of November 25, 2019, is approximately \$178,020; and
- (b) Posera Software shall distribute the Note to Posera USA as a dividend in kind;
- (c) Posera Software shall set aside and remit approximately \$315,000 in withholding taxes to the Canada Revenue Agency in connection with the distribution of the Note;
- (d) Posera USA shall repay in cash an intercompany obligation of approximately \$315,000 to Posera Software, created by the payment of the withholding taxes in (c) above by Posera Software on behalf of Posera USA; and
- (e) the Company shall capitalize the \$1,460,000 intercompany obligation owing to the Company by Posera USA in exchange for 1,877,143 common shares issued by Posera USA to the Company.

2.4 Acceleration of Company Options

Immediately prior to the Effective Time:

- (a) any Company Options that have not yet vested in accordance with their terms shall be accelerated so that such Company Options become exercisable, immediately following which each in-the-money Company Option, whether vested or unvested prior to such acceleration, that is outstanding and has not been duly exercised, without any further action by or on behalf of any holder of such Company Option shall be disposed of to the Company (free and clear of all Liens) in consideration for a cash payment from the Company equal to the Company Option Consideration, subject to applicable withholdings and other source deductions;
- (b) each holder of Company Options shall cease to be a holder of such Company Options;
- (c) such holder's name shall be removed from each applicable register;

- (d) the 2005 Share Purchase Plan, 2002 Stock Option Plan, 2011 Stock Option Plan, each Company Option issued and outstanding immediately prior to the Effective Time and any agreements related thereto shall thereafter be immediately cancelled and terminated; and
- (e) such holder shall thereafter have only the right to receive the consideration to which they are entitled pursuant to this Section 2.4(a) at the time and in the manner specified in Section 2.4(a).

2.5 Arrangement

At the Effective Time each of the following events shall occur and shall be deemed to occur sequentially as set out below without any further authorization, act or formality, in each case, unless stated otherwise, effective as at five minute intervals starting at the Effective Time:

- (a) each Posera Software Share outstanding immediately prior to the Effective Time shall, without any further action by Posera USA, be deemed to be assigned and transferred by Posera USA to the Purchaser (free and clear of all Liens) in exchange for \$349,999, and:
 - (i) Posera USA shall cease to be the holder thereof and to have any rights as a holder of such Posera Software Shares other than the right to be paid \$349,999 in accordance with this Plan of Arrangement;
 - (ii) Posera USA's name shall be removed from the register of the Posera Software Shares maintained by or on behalf of Posera Software; and
 - (iii) the Purchaser shall be deemed to be the transferee of such Posera Software Shares (free and clear of all Liens) and shall be entered in the register of the Posera Software Shares maintained by or on behalf of Posera Software;
- (b) each Posera France Share outstanding immediately prior to the Effective Time shall, without any further action by Posera USA, be deemed to be assigned and transferred by Posera USA to Québec Inc. (free and clear of all Liens) in exchange for \$1.00, and:
 - (i) Posera USA shall cease to be the holder thereof and to have any rights as a holder of such Posera France Shares other than the right to be paid \$1.00 in accordance with this Plan of Arrangement;
 - (ii) Posera USA's name shall be removed from the register of the Posera France Shares maintained by or on behalf of Posera France; and
 - (iii) Québec Inc. shall be deemed to be the transferee of such Posera France Shares (free and clear of all Liens) and shall be entered in the register of the Posera France Shares maintained by or on behalf of Posera France;

- (c) each Posera UK Share outstanding immediately prior to the Effective Time shall, without any further action by Posera USA, be deemed to be assigned and transferred by Posera USA to Québec Inc. (free and clear of all Liens) in exchange for \$150,000, and:
 - (i) Posera USA shall cease to be the holder thereof and to have any rights as a holder of such Posera UK Shares other than the right to be paid \$150,000 in accordance with this Plan of Arrangement;
 - (ii) Posera USA's name shall be removed from the register of the Posera UK Shares maintained by or on behalf of Posera UK; and
 - (iii) Québec Inc. shall be deemed to be the transferee of such Posera UK Shares (free and clear of all Liens) and shall be entered in the register of the Posera UK Shares maintained by or on behalf of Posera UK;
- (d) each Posera USA Share outstanding immediately prior to the Effective Time shall, without any further action by the Company, be deemed to be assigned and transferred by the Company to the Payfacto USA. (free and clear of all Liens) in exchange for \$7 million, and:
 - (i) the Company shall cease to be the holder thereof and to have any rights as a holder of such Posera USA Shares other than the right to be paid \$7 million in accordance with this Plan of Arrangement;
 - (ii) the Company's name shall be removed from the register of the Posera USA Shares maintained by or on behalf of Posera USA; and
 - (iii) Payfacto USA shall be deemed to be the transferee of such Posera USA Shares (free and clear of all Liens) and shall be entered in the register of the Posera USA Shares maintained by or on behalf of Posera USA;
- (e) each of the Company Shares held by Dissenting Holders in respect of which Dissent Rights have been validly exercised shall be deemed to have been transferred without any further act or formality to the Purchaser (free and clear of all Liens) in consideration for a debt claim against the Purchaser for the amount determined under Article 3, and:
 - (i) such Dissenting Holders shall cease to be the holders of such Company Shares and to have any rights as holders of such Company Shares other than the right to be paid fair value for such Company Shares as set out in Section 3.1;
 - (ii) such Dissenting Holders' names shall be removed as the holders of such Company Shares from the registers of Company Shares maintained by or on behalf of the Company; and

- (iii) the Purchaser shall be deemed to be the transferee of such Company Shares free and clear of all Liens, and shall be entered in the register of Company Shares maintained by or on behalf of the Company;
- (f) each Company Share outstanding immediately prior to the Effective Time, other than Company Shares held by a Dissenting Holder who has validly exercised such holder's Dissent Right in respect of such Company Shares and Company Shares held by the Purchaser or any of its affiliates, shall, without any further action by or on behalf of a holder of Company Shares, be deemed to be assigned and transferred by the holder thereof to the Purchaser (free and clear of all Liens) in exchange for the Consideration, and:
 - (i) the holders of such Company Shares shall cease to be the holders thereof and to have any rights as holders of such Company Shares other than the right to be paid the Consideration in accordance with this Plan of Arrangement;
 - (ii) such holders' names shall be removed from the register of the Company Shares maintained by or on behalf of the Company; and
 - (iii) the Purchaser shall be deemed to be the transferee of such Company Shares (free and clear of all Liens) and shall be entered in the register of the Company Shares maintained by or on behalf of the Company;
- (g) the Loan Administration Agreement shall become effective and enforceable in accordance with its terms and the appointment of the Loan Administrator thereunder shall become effective; and
- (h) the Escrow Agreement shall become effective and enforceable in accordance with its terms and the appointment of the Escrow Agent thereunder shall become effective.

2.6 No Fractional Consideration

Notwithstanding any other provision hereof, in any case where the aggregate Consideration payable to a Shareholder or the aggregate Company Option Consideration payable to a holder of Company Options, as the case may be, under the Arrangement would, but for Section 2.3 or Section 2.5, otherwise include a fraction of a cent then the amount payable shall be rounded down to the nearest whole cent.

ARTICLE 3 RIGHTS OF DISSENT

3.1 Rights of Dissent

Registered Shareholders may exercise dissent rights with respect to the Company Shares held by such holders ("**Dissent Rights**") in connection with the Arrangement pursuant to and in the manner set forth in Section 185 of the OBCA, as modified by the Interim Order and this

Section 3.1; provided that, notwithstanding subsection 185(6) of the OBCA, the written objection to the Arrangement Resolution referred to in subsection 185(6) of the OBCA must be received by the Company not later than 5:00 p.m. (Toronto time) two Business Days immediately preceding the date of the Company Meeting (as it may be adjourned or postponed from time to time). Dissenting Holders who duly exercise their Dissent Rights shall be deemed to have transferred the Common Shares held by them and in respect of which Dissent Rights have been validly exercised to the Purchaser free and clear of all Liens, as provided in Section 2.3(a) and if they:

- (a) ultimately are entitled to be paid fair value for such Company Shares: (i) shall be deemed not to have participated in the transactions in Article 2 (other than Section 2.3(a)); (ii) will be entitled to be paid the fair value of such Common Shares, which fair value, notwithstanding anything to the contrary contained in Part XIV of the OBCA, shall be determined as of the close of business on the day before the Arrangement Resolution was adopted; and (iii) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Common Shares; or
- (b) ultimately are not entitled, for any reason, to be paid fair value for such Company Shares shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Company Shares or provided for in Section 2.3(a);.

3.2 Recognition of Dissenting Holders

- (a) In no circumstances shall the Purchaser or the Company or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of those Common Shares in respect of which such rights are sought to be exercised.
- (b) For greater certainty, in no case shall the Purchaser, the Company or any other Person be required to recognize Dissenting Holders as holders of Company Shares in respect of which Dissent Rights have been validly exercised after the completion of the transfer under Section 2.3(a), and the names of such Dissenting Holders shall be removed from the registers of holders of the Company Shares in respect of which Dissent Rights have been validly exercised at the same time as the event described in Section 2.3(a) occurs. In addition to any other restrictions under Section 185 of the OBCA, none of the following shall be entitled to exercise Dissent Rights: (i) holders of Company Options; and (ii) Shareholders who vote or have instructed a proxyholder to vote such Company Shares in favour of the Arrangement Resolution (but only in respect of such Company Shares).

ARTICLE 4

CERTIFICATES AND PAYMENTS

4.1 Payment of Consideration

- (a) Prior to the Effective Time, the Purchaser shall deposit, or arrange to be deposited, for the benefit of the Shareholders (other than the Purchaser and its affiliates), cash with the Depositary in the aggregate amount equal to the payments in respect thereof required by Section 2.5 (e) and Section 2.5 (f) of this Plan of Arrangement.
- (b) Prior to the Effective Time, the Purchaser shall deposit, or arrange to be deposited, for the benefit of the Shareholders (other than the Purchaser and its affiliates), cash with the Escrow in the aggregate amount equal to the payments in respect thereof required by Section 2.5 (h) of this Plan of Arrangement.
- (c) Immediately prior to the Effective Date, the Company shall pay, or cause to be paid, the amounts, net of applicable withholdings, to holders of Company Options, either (i) pursuant to the normal payroll practices and procedures of the Company, or (ii) by cheque or wire transfer (delivered to such holder of Company Options, as reflected on the register maintained by or on behalf of the Company in respect of the Company Options).
- (d) Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented outstanding Company Shares that were transferred pursuant to Section 2.3(f), together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the Shareholders represented by such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder, as soon as is practicable but in any event not later than the date that is three (3) business days following the later of the Effective Date and the date of deposit by the former Shareholder of a duly completed and executed Letter of Transmittal, together with such certificate(s) representing the holder's Company Shares and such other documents and instruments as the Depositary may reasonably require, the cash which such holder has the right to receive under this Plan of Arrangement for such Company Shares, less any amounts withheld pursuant to Section 4.3, and any certificate so surrendered shall forthwith be cancelled.
- (e) Until surrendered as contemplated by this Section 4.1, each certificate that immediately prior to the Effective Time represented Company Shares shall be deemed after the Effective Time to represent only the right to receive upon such surrender a cash payment in lieu of such certificate as contemplated in this Section 4.1, less any amounts withheld pursuant to Section 4.3. Any such certificate formerly representing Company Shares not duly surrendered on or before the sixth anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder of Company Shares of any kind or nature against or in the Company or the Purchaser. On such date, all cash to which such

former holder was entitled shall be deemed to have been surrendered to the Purchaser or the Company, as applicable, and shall be paid over by the Depositary to the Purchaser or as directed by the Purchaser.

- (f) Any payment made by way of cheque by the Depositary (or the Company, if applicable) pursuant to this Plan of Arrangement that has not been deposited or has been returned to the Depositary (or the Company) or that otherwise remains unclaimed, in each case, on or before the sixth anniversary of the Effective Time, and any right or claim to payment hereunder that remains outstanding on the sixth anniversary of the Effective Time shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the applicable consideration for the Company Shares and the Company Options pursuant to this Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to the Purchaser or the Company, as applicable, for no consideration.
- (g) No holder of Company Shares or Company Options shall be entitled to receive any consideration with respect to such Company Shares or Company Options other than any cash payment to which such holder is entitled to receive in accordance with Section 2.3, Section 2.5 and this Section 4.1 and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

4.2 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Company Shares that were transferred pursuant to Section 2.3 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, cash deliverable in accordance with such holder's Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Person to whom such cash is to be delivered shall as a condition precedent to the delivery of such cash, give a bond satisfactory to the Purchaser and the Depositary (each acting reasonably) in such sum as the Purchaser may direct (acting reasonably), or otherwise indemnify the Purchaser and the Company in a manner satisfactory to Purchaser and the Company, acting reasonably, against any claim that may be made against the Purchaser and the Company with respect to the certificate alleged to have been lost, stolen or destroyed.

4.3 Withholding Rights

The Purchaser, the Company, the Depositary and any other Person that makes a payment to any Person under this Plan of Arrangement (including, without limitation, any amounts payable pursuant to Section 2.3, Section 2.5 and Section 3.1), shall be entitled to deduct and withhold from any consideration otherwise payable to such Person such amounts as the Purchaser, the Company, the Depositary, or such other Person are required or directed to deduct and withhold from such consideration under any provision of any Laws in respect of Taxes. Any such amounts will be deducted, withheld and remitted from the consideration payable pursuant to this Plan of Arrangement and shall be treated for all purposes under this Plan of Arrangement as having been paid to such Person in respect of which such deduction and withholding was made,

provided that such withheld amounts are actually remitted to the appropriate Governmental Authority.

4.4 No Liens

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

4.5 Paramountcy

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Company Shares and Company Options, issued or outstanding prior to the Effective Time, (b) the rights and obligations of the Affected Securityholders, the Company, the Purchaser, the Depositary and any transfer agent or other depositary therefor in relation thereto, shall be solely as provided for in this Plan of Arrangement, and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Company Shares or Company Options shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

ARTICLE 5 AMENDMENTS

5.1 Amendments to Plan of Arrangement

- (a) The Company and the Purchaser may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must (i) be set out in writing, (ii) be approved by the Company and the Purchaser, each acting reasonably, (iii) filed with the Court and, if made following the Company Meeting, approved by the Court, and (iv) communicated to the Affected Securityholders if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company or the Purchaser at any time prior to the Company Meeting (provided that the Company or the Purchaser, as applicable, shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Company Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Meeting shall be effective only if (i) it is consented to in writing by each of the Company and the Purchaser (in each case, acting reasonably), and (ii) if required by the Court, it is consented to by some or all of the holders of Company Shares voting in the manner directed by the Court.

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

ARTICLE 6

FURTHER ASSURANCES

6.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

Appendix “C”
Arrangement Agreement

See attached.

PAYFACTO PAYMENTS INC.

and

POSERA LTD.

ARRANGEMENT AGREEMENT

November 25, 2019

Table of Contents

	Page
ARTICLE 1 INTERPRETATION.....	2
Section 1.1 Defined Terms	2
Section 1.2 Certain Rules of Interpretation.....	14
ARTICLE 2 THE ARRANGEMENT.....	15
Section 2.1 Arrangement	15
Section 2.2 Interim Order	15
Section 2.3 The Company Meeting	16
Section 2.4 The Company Circular.....	17
Section 2.5 Final Order	19
Section 2.6 Court Proceedings	19
Section 2.7 Articles of Arrangement and Effective Date	19
Section 2.8 Payment of Consideration.....	20
Section 2.9 Withholding Taxes.....	20
Section 2.10 List of Shareholders	20
Section 2.11 Incentive Plan Matters	21
ARTICLE 3 REPRESENTATIONS AND WARRANTIES.....	22
Section 3.1 Representations and Warranties of the Company	22
Section 3.2 Representations and Warranties of the Purchaser.....	22
ARTICLE 4 COVENANTS	22
Section 4.1 Conduct of Business of the Company.....	22
Section 4.2 Interim Period Consents.....	26
Section 4.3 Covenants Relating to the Arrangement	26
Section 4.4 Cooperation Regarding Reorganization.....	27
Section 4.5 Access to Information; Confidentiality; Cooperation.....	28
Section 4.6 Public Communications	29
Section 4.7 Notice and Cure Provisions	29
Section 4.8 Employee Matters	30
Section 4.9 TSX De-listing.....	30
Section 4.10 DLT Loan.....	30
Section 4.11 Escrow Agreement.....	30
Section 4.12 Insurance and Indemnification.....	31
ARTICLE 5 ADDITIONAL COVENANTS REGARDING NON-SOLICITATION	31
Section 5.1 Non-Solicitation.....	31
Section 5.2 Notification of Acquisition Proposals.....	32
Section 5.3 Responding to an Acquisition Proposal.....	32
Section 5.4 Right to Match	33
ARTICLE 6 CONDITIONS	35
Section 6.1 Mutual Conditions Precedent.....	35

Section 6.2	Additional Conditions Precedent to the Obligations of the Purchaser	35
Section 6.3	Additional Conditions Precedent to the Obligations of the Company.....	37
Section 6.4	Satisfaction of Conditions.....	37
ARTICLE 7 TERM AND TERMINATION		38
Section 7.1	Term.....	38
Section 7.2	Termination.....	38
Section 7.3	Effect of Termination/Survival	39
Section 7.4	Termination Fees	40
ARTICLE 8 GENERAL PROVISIONS.....		41
Section 8.1	Amendments	41
Section 8.2	Further Assurances.....	41
Section 8.3	Time of the Essence	41
Section 8.4	Expenses	42
Section 8.5	Entire Agreement	42
Section 8.6	Successors and Assigns.....	42
Section 8.7	Acknowledgment	42
Section 8.8	Notices	43
Section 8.9	Injunctive Relief.....	44
Section 8.10	Third Party Beneficiaries	44
Section 8.11	Waiver.....	45
Section 8.12	Severability	45
Section 8.13	Governing Law	45
Section 8.14	Jurisdiction.....	45
Section 8.15	Rules of Construction	45
Section 8.16	No Liability.....	45
Section 8.17	Counterparts.....	46
SCHEDULE A PLAN OF ARRANGEMENT		A-1
SCHEDULE B ARRANGEMENT RESOLUTION.....		B-1
SCHEDULE C REPRESENTATIONS AND WARRANTIES OF THE COMPANY		C-1
SCHEDULE D REPRESENTATIONS AND WARRANTIES OF THE PURCHASER ..		D-1

ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is made as of November 25, 2019,

BETWEEN:

PAYFACTO PAYMENTS INC., a corporation existing under the laws of the Province of Québec (the “**Purchaser**”)

- and -

POSERA LTD., a corporation existing under the laws of the Province of Ontario (the “**Company**”)

WHEREAS the Purchaser desires to acquire all of the Company Shares (as defined below) pursuant to an Arrangement (as defined below);

AND WHEREAS prior to the Arrangement, the Company and certain of its Subsidiaries (as defined below) will complete a reorganization of certain intercompany indebtedness;

AND WHEREAS as part of the Arrangement, the Purchaser will acquire all of the common shares of Posera Software Inc., an indirect wholly owned Subsidiary of the Company;

AND WHEREAS as part of the Arrangement, 9402-7307 Quebec Inc., an affiliate of the Purchaser, will acquire all of the common shares of Posera France SAS, an indirect wholly owned Subsidiary of the Company;

AND WHEREAS as part of the Arrangement, 9402-7307 Quebec Inc., an affiliate of the Purchaser, will acquire all of the common shares of Posera Europe Ltd., an indirect wholly owned Subsidiary of the Company;

AND WHEREAS as part of the Arrangement, Payfacto USA, Inc., an affiliate of the Purchaser, will acquire all of the common stock of Posera Inc., a wholly owned Subsidiary of the Company;

AND WHEREAS the Escrow Amount (as defined below) will be placed into an escrow account in accordance with the terms and conditions of the Escrow Agreement (as defined below) in the event certain Claims arise during the Escrow Period (as defined below), the balance of the Escrow Amount, if any, will be released and distributed to Shareholders as part of the Consideration pursuant to the Plan of Arrangement;

AND WHEREAS the Board (as defined below) has, after receiving legal and financial advice, determined that the Arrangement is in the best interests of the Company and is fair to the Shareholders, and accordingly, the Board has resolved to recommend that the Shareholders vote in favour of the Arrangement Resolution, subject to the terms and conditions contained herein;

AND WHEREAS the Purchaser has entered into agreements with each of the Supporting Shareholders (as defined below), pursuant to which each of the Supporting Shareholders has

agreed, subject to the terms and conditions of such agreements, to vote in favour of the Arrangement Resolution.

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

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms

As used in this Agreement, the following terms have the following meanings:

“2002 Stock Option Plan” means the stock option plan in place for Company’s and/or its Subsidiaries’ directors, officers and employees established in 2002.

“2005 Share Purchase Plan” means the share purchase plan in place for Company’s and/or its Subsidiaries’ directors, officers, employees and other eligible participants effective June 30, 2005.

“2011 Stock Option Plan” means the stock option plan in place for Company’s and/or its Subsidiaries’ directors, officers and employees established in 2011, as amended in 2016 and re-approved in 2019.

“Acquisition Proposal” means, other than the transactions contemplated by this Agreement, and other than any transaction involving only the Company and/or one or more of its wholly owned Subsidiaries, any offer or proposal from any Person or group of Persons other than the Purchaser (or an affiliate of the Purchaser or any Person acting jointly or in concert with the Purchaser), whether written or oral, relating to: (i) any sale or disposition (or any lease, license or other arrangement having the same economic effect as a sale or disposition) direct or indirect, through one or more related transactions of assets representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated annual revenue of the Company and its Subsidiaries or 20% or more of the voting or equity securities (or rights or interests in such voting or equity securities) of the Company or any of its Subsidiaries whose assets or revenues, individually or in the aggregate, represent 20% or more of the consolidated assets of the Company and its Subsidiaries; (ii) any take-over bid, tender offer, exchange offer or other similar transaction that, if consummated, would result in a Person or group of Persons beneficially owning 20% or more of any class of voting or equity securities of the Company or any of its Subsidiaries whose assets represent 20% or more of the consolidated assets of the Company and its Subsidiaries; or (iii) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, or other similar transaction or series of related transactions involving the Company or any of its Subsidiaries whose assets or revenues, individually or in the aggregate, represent 20% or more of the consolidated assets or contribute 20% or more of the consolidated annual revenue of the Company and its Subsidiaries;

“**Action**” means, with respect to any Person, any hearing, litigation, legal action, lawsuit, claim, audit, investigation, contractual dispute resolution process or other proceeding (whether civil, arbitral, administrative, contractual, quasi-criminal or criminal) against or involving such Person or its business or affecting its assets.

“**Affected Securityholders**” means, collectively, the Shareholders and the holders of Company Options.

“**affiliate**” has the meaning ascribed thereto in National Instrument 45-106 *Prospectus Exemptions*.

“**Agreement**” means this arrangement agreement, as it may be amended, modified or supplemented from time to time in accordance with the terms hereof.

“**Arrangement**” means an arrangement under Section 182 of the OBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement made in accordance with the terms of this Agreement and the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

“**Arrangement Resolution**” means the special resolution approving the Plan of Arrangement to be considered at the Company Meeting by the Shareholders, substantially in the form set out in Schedule B.

“**Articles of Arrangement**” means the articles of arrangement of the Company in respect of the Arrangement required by the OBCA to be sent to the Director after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in a form and content satisfactory to the Company and the Purchaser, each acting reasonably.

“**Authorization**” means with respect to any Person, any order, permit, approval, consent, waiver, licence or similar authorization of any Governmental Authority having jurisdiction over the Person, whether by expiry or termination of an applicable waiting period or otherwise, that is binding upon or applicable to such Person, or its business, assets or securities.

“**Award**” means any judgment, decree, injunction, ruling, award, decision or order of any Governmental Authority.

“**Benefit Plans**” means, collectively, all employee benefit plans, agreements and arrangements (whether written or oral, formal or informal, funded or unfunded) maintained for, available to or otherwise relating to any current or former Company Employees or any spouses, dependants, survivors or beneficiaries of such Person, or in respect of which the Company or any of its Subsidiaries is obligated to contribute or in any way liable, whether or not insured and whether or not subject to any applicable Law, including, but not limited to, bonus, deferred compensation, incentive compensation, share purchase, share appreciation, share option, severance and termination pay, hospitalization, health and other medical benefits, life and other insurance, dental, vision,

legal, long-term and short-term disability, salary assistance, profit-sharing, mortgage assistance, employee loan, employee assistance and pension, retirement and supplemental retirement plans, programs and agreements (including any defined benefit or defined contribution pension plan or any group registered retirement savings plan).

“**Board**” means the board of directors of the Company as constituted from time to time.

“**Board Recommendation**” has the meaning ascribed thereto in Section 2.4(2).

“**Breaching Party**” has the meaning ascribed thereto in Section 4.7(3).

“**Business**” means the business carried on by or on behalf of the Company and its Subsidiaries as at the Effective Date.

“**Business Contract**” means any Contract entered into in connection with or in respect of the Business, that is either necessary for the operation of the Business by the Company or any of its Subsidiaries, or by which the Company or any of its Subsidiaries is otherwise bound.

“**Business Day**” means a day, other than a Saturday, Sunday or statutory holiday in Toronto, Ontario, or any other day on which major banks are closed for business in Toronto, Ontario.

“**Certificate of Arrangement**” means the certificate of arrangement to be issued by the Director pursuant to subsection 183(2) of the OBCA in respect of the Articles of Arrangement.

“**Change in Recommendation**” has the meaning ascribed thereto in Section 7.2(1)(e)(i).

“**Claims**” means, collectively, all claims and demands, of any nature or kind whatsoever, and all legal fees and expenses related thereto.

“**Closing**” has the meaning ascribed thereto in Section 2.7(3).

“**Company**” has the meaning ascribed thereto in the preamble hereto.

“**Company Circular**” means the notice of the Company Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to the Shareholders in connection with the Company Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement.

“**Company Disclosure Letter**” means the disclosure letter dated the date of this Agreement and all schedules, exhibits and appendices thereto, delivered by the Company to the Purchaser with this Agreement.

“Company Employees” mean individuals who are currently employed by the Company or its Subsidiaries.

“Company Filings” has the meaning ascribed thereto in Section (i)(iv) of Schedule C.

“Company Material Adverse Effect” means a change, effect, condition or circumstance that, individually or in the aggregate with all other changes, effects, conditions and circumstances, is or could reasonably be expected to (a) be material and adverse to the Business, assets, liabilities, (whether absolute, accrued, conditional or otherwise), affairs, results of operation or condition (financial or otherwise) of the Company and its Subsidiaries taken as a whole, (b) have a material and adverse effect on the Purchaser’s ability to operate the Business immediately after the Closing in a manner similar to that in which the Company and its Subsidiaries operated the Business prior to the Closing or (c) otherwise materially adversely affects the ability of the Company to consummate the transactions contemplated in this Agreement, except for any such changes, effects, conditions or circumstances resulting or arising, directly or indirectly, from or in connection with (i) the public announcement or performance of the transactions contemplated in this Agreement (including the impact thereof on the Company’s and its Subsidiaries’ relationships with customers, suppliers, partners and employees), (ii) changes in IFRS or any applicable Law (or in the interpretation thereof), (iii) any “act of God” including weather, natural disasters and earthquakes, hostilities, acts of war, sabotage or terrorism or military actions or any escalation or material worsening of any such hostilities, acts of war, sabotage or terrorism or military actions and (iv) any adverse change, effect, event, occurrence, state of facts or development attributable to conditions affecting the industry in which the Company and its Subsidiaries participate, any other economy where the Company or its Subsidiaries is engaged in the Business or the capital markets in general, except in the case of clauses (ii), (iii), and (iv) to the extent any such change, effect, condition or circumstance has had a materially disproportionate effect on the Company and its Subsidiaries, as compared to other Persons in the industry in which the Company and its Subsidiaries participate.

“Company Meeting” means the special meeting of the Shareholders, including any adjournment or postponement thereof in accordance with the terms of this Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and for any other purpose as may be set out in the Company Circular.

“Company Options” means the outstanding options to purchase Company Shares issued pursuant to the 2011 Stock Option Plan.

“Company Share” means a common share in the capital of the Company.

“Company’s Constatting Documents” means the articles of amalgamation and by-laws of the Company and all amendments to such articles or by-laws.

“Confidentiality Agreement” means the non-disclosure agreement between the Company and the Purchaser dated as of October 9, 2019 as amended on the date hereof.

“Consideration” means, with respect to each Company Share, \$0.112690749 to be paid in cash, plus the per Company Share cash value of any cash balance remaining with the Company as at the Effective Time, plus, if any amounts are available to be distributed to Shareholders under the Escrow Agreement, up to \$0.008347463 to be paid in cash following the expiry of the Escrow Period, all pursuant to the Plan of Arrangement.

“Contract” means any agreement, indenture, contract, note, lease, sublease, deed of trust, guarantee, license, sale order, option or other arrangement, understanding, instrument or commitment, of any nature or kind whatsoever, whether written or oral.

“Court” means the Ontario Superior Court of Justice (Commercial List), or other court as applicable.

“Damages” means any claims, causes of action, demands, liabilities, losses, damages, costs or expenses, including reasonable legal fees.

“Data Room” means the material contained in the virtual data room established by the Company as at 5:00 p.m. on the Business Day prior to the date of this Agreement, the index of documents of which is appended to the Company Disclosure Letter.

“Depository” means such Person as the Company may appoint to act as depository in relation to the Arrangement, with the approval of the Purchaser, acting reasonably.

“Developers” has the meaning ascribed thereto in Section (t)(i) of Schedule C.

“Director” means the Director appointed pursuant to Section 278 of the OBCA.

“Dissent Rights” means the rights of dissent in respect of the Arrangement described in the Plan of Arrangement.

“DLT Loan” has the meaning ascribed thereto in Section 4.10.

“Effective Date” means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

“Effective Time” has the meaning ascribed thereto in the Plan of Arrangement.

“Environmental Laws” means all Laws relating in any way to the environment, preservation or reclamation of natural resources, the presence, management or Release of, or exposure to, Hazardous Materials, or to human health and safety, each of their state and local counterparts or equivalents, each of their foreign and international equivalents, and any transfer of ownership notification or approval statute, as each has been amended and the regulations promulgated pursuant thereto.

“Environmental Liabilities” means all liabilities, obligations, responsibilities, remedial actions, losses, damages, punitive damages, consequential damages, treble damages, costs and expenses (including any amounts paid in settlement, all reasonable fees, disbursements and expenses of counsel, experts and consultants and costs of investigation

and feasibility studies), fines, penalties, sanctions and interest incurred as a result of any claim or demand by any Person or in response to any violation of Environmental Law, whether known or unknown, accrued or contingent, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute, to the extent based upon, related to, or arising under or pursuant to any Environmental Law, Environmental Permit, order or agreement with any Governmental Authority or other Person, which relates to any environmental, health or safety condition, violation of Environmental Law or a Release or threatened Release of Hazardous Materials.

“Environmental Permits” has the meaning ascribed thereto in Section **Error! eference source not found.**(hh)(ii) of Schedule C.

“Equity Interests” means (a) any capital stock or similar security, (b) any security convertible into or exchangeable for any security described in clause (a), or (c) any option, warrant, or other right to purchase or otherwise acquire any security described in clauses (a), (b), or (c).

“Escrow Agreement” has the meaning ascribed thereto in Section 4.11.

“Escrow Amount” \$1 million.

“Escrow Period” has the meaning ascribed thereto in Section 4.11.

“Fairness Opinion” means the opinion of BDO Canada LLP, to the effect that the Consideration to be received by the Shareholders is fair, from a financial point of view, to such holders.

“Financial Statements” means, collectively (a) the consolidated audited financial statements of the Company for the fiscal year ended December 31, 2018, and (b) the consolidated interim unaudited financial statements of the Company for the nine-month period ended September 30, 2019.

“Financial Year End Date” means December 31, 2018.

“Final Order” means the order of the Court approving the Arrangement, as such order may be amended by the Court (with the consent of each of the Parties, acting reasonably) at any time prior to the Effective Date or as such order may be affirmed or amended on appeal (provided that any such amendment is satisfactory to each of the Parties, acting reasonably).

“Governmental Authority” means any (a) domestic or foreign legislative, executive, judicial or administrative body or Person having or purporting to have jurisdiction in the relevant circumstances, including, but not limited to, any subdivision, agent, commission, board, authority or official of any of the foregoing, (b) any governmental, quasi-governmental or private body exercising any regulatory, legislative, expropriation or taxing authority under, or for the account of, any of the foregoing, including a recognized stock exchange, and (c) any arbitration panel or arbitrator deciding or resolving contractual disputes or interpreting any provisions of a Contract.

“Governmental Consent” has the meaning ascribed thereto in Section (ll) of Schedule C.

“GST/HST” means the taxes imposed under Part IX of the *Excise Tax Act* (Canada).

“Hazardous Materials” means any substance or material that is prohibited, controlled or regulated by any Governmental Authority pursuant to applicable Laws.

“IFRS” means generally accepted accounting principles as set out in the *CPA Canada Handbook – Accounting* for an entity that prepares its financial statements in accordance with International Financial Reporting Standards, at the relevant time, applied on a consistent basis.

“Intellectual Property” means intellectual property of any nature or kind whatsoever, whether domestic or foreign, including any trademark (whether registered or unregistered), trademark application, service mark (whether registered or unregistered), service mark application, trademark registration, service mark registration, patent, patent application, industrial design, industrial design application, industrial design registration, design patent application, design patent (including any reissue, division, continuation, continuation-in-part and extension of any patent or patent application), copyright registration, copyright in published and unpublished works (whether registered or not, including copyright in the Software), copyright application, moral right, and to the extent protected by the foregoing intellectual property rights: name, business name, corporate name, fictitious name, trade name, brand name, product name, domain name, domain name registration, slogan, trade secret, invention, literary work, artistic work, pictorial work, dramatic work, performance, sound recording, design, logo, formula, database, technology, data, databases, database layouts, user interfaces, web interfaces, algorithms, architectures, structures, display screens, layouts, development tools, instructions, templates, research and development reports and similar material recording or evidencing expertise or information, all goodwill associated with the foregoing intellectual property, all future income and proceeds from the foregoing intellectual property and all rights to damages and profits by reason of the infringement of any of the foregoing intellectual property.

“Interim Order” means the interim order of the Court providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended by the Court with the consent of the Company and the Purchaser, each acting reasonably.

“Key Consents” means the approvals and consents from third parties described under the heading “Key Consents” in Section (d) of the Company Disclosure Letter.

“Law” means, any (a) domestic or foreign laws, including statutes, subordinate legislation or treaties, and (b) guidelines, directives, rules, standards, requirements, policies, orders, judgments, injunctions, awards or decrees of a Governmental Authority whether or not having the force of law.

“Leases” has the meaning ascribed thereto in Section (n)(i) of Schedule C.

“Leased Premises” has the meaning ascribed thereto in Section (n)(i) of Schedule C.

“Licensed Intellectual Property” has the meaning ascribed thereto in Section (s)(ii)(A) of Schedule C.

“Lien”, in relation to any property or asset, means any encumbrance or title defect of any nature or kind whatever, regardless of form, whether or not recorded or registered or consensual or statutory or arising by operation of Law, including any mortgage, charge, pledge, hypothec, security interest, security agreement, assignment, lien, privilege, easement, servitude, right of way, lease, option, pre-emptive right or right of first refusal, ownership or title retention agreement, restrictive covenant, conditional sale agreement, sub-lease, encroachment, work-order or adverse Claim, community or other marital property interest and any other arrangement or condition which, in substance, secures payment or performance of an obligation.

“Loan Administration Agreement” has the meaning ascribed thereto in Section 4.10.

“Matching Period” has the meaning ascribed thereto in Section 5.4(1)(d).

“Material Contract” means any Contract that:

- (a) is with a supplier and involves a payment of money in an amount in excess of \$50,000 per annum, or over its remaining fixed term;
- (b) involves or may result in the payment of money or money’s worth by or by the Company or any of its Subsidiaries in an amount in excess of \$50,000 per annum;
- (c) involves the distribution or resale of the Software of the Company or any of its Subsidiaries or the services of the Company or any of its Subsidiaries;
- (d) contains a covenant applicable to the Company or any of its Subsidiaries not to compete in a particular business or particular territory;
- (e) provides for “exclusivity” or any similar requirement in favor of any Person other than the Company or its Subsidiaries or that requires or obligates the Company or any of its Subsidiaries to purchase specified minimum amounts of any product in excess of \$20,000;
- (f) relates to any completed (A) joint venture or partnership, (B) acquisition or divestiture of any Person, business or division or (C) merger or reorganization;
- (g) grants the other party to such contract or a third party “most favored nation” or similar status;
- (h) has been entered into in connection with the settlement or other resolution of any claim pursuant to which the Company or any of its Subsidiaries has any ongoing performance obligations; or

- (i) any and all Contracts in respect of the Business entered into between the Company and any of its customers in the Ordinary Course generating revenue of at least \$25,000 per annum.

“**Misrepresentation**” has the meaning ascribed thereto under Securities Laws.

“**Newly Requested Reorganization Transaction**” has the meaning ascribed thereto in Section 4.4.

“**OBCA**” means the *Business Corporations Act* (Ontario).

“**Open Source Materials**” means, collectively, software that is distributed as “free software” (as defined by the Free Software Foundation), “open source software” (meaning software distributed under any license approved by the Open Source Initiative as set forth at www.opensource.org) or under a similar licensing or distribution model (including under a GNU General Public License (GPL), a GNU Lesser General Public License (LGPL), a Mozilla Public License (MPL), a BSD license, an Artistic License, a Netscape Public License, a Sun Community Source License (SCSL), a Sun Industry Standards License (SISL) and an Apache License), in each case which, when used in, incorporated into, integrated or bundled with other software, would require any portion of such other software to be (A) disclosed or distributed in source code form, (B) licensed for the purpose of making derivative works or (C) be redistributable at no charge.

“**Ordinary Course**” means in respect of the Company and its Subsidiaries, an action that is taken by the Company or its Subsidiaries that is consistent with the past practices of the Company and its Subsidiaries that is taken in the ordinary course of the normal day-to-day operations of the Company and its Subsidiaries, whether or not such action is required to be authorized by the board of directors of the Company or its Subsidiaries (or by any Person or group of Persons exercising similar authority).

“**Outside Date**” means February 28, 2020, or such later date as may be agreed to in writing by the Parties.

“**Owned Intellectual Property**” has the meaning ascribed thereto in Section (s)(i)(A) of Schedule C.

“**PA-DSS**” has the meaning ascribed thereto in Section (v) of Schedule C.

“**Parties**” means, collectively, the Company and the Purchaser and “**Party**” means either of them.

“**PCI-DSS**” has the meaning ascribed thereto in Section (v) of Schedule C.

“**Permitted Liens**” means: (a) mechanics’, materialmens’, carriers’, workmens’, repairmens’, contractors’ and warehousemens’ Liens arising or incurred in the Ordinary Course and for amounts which are not delinquent and which do not, individually result in a Company Material Adverse Effect; and (b) the Liens listed and described in Section 1.1 of the Company Disclosure Letter.

“**Person**” means an individual, partnership, limited partnership, association, joint venture, trustee, trust, corporation, company, unlimited liability company, unincorporated organization or other entity, including any Governmental Authority.

“**Personal Data**” means any information in any media that is linked to the identity of a particular individual, and any information that constitutes personal information under any applicable Law, and includes (a) an individual’s combined first and last name, home address, home telephone number, home fax number, home email address, Social Security number or other Government Authority-issued identifier (including state identification number, driver’s license number, or passport number), precise geolocation information, biometric data, medical or health information, credit card or other financial information (including bank account information), and (b) cookie identifiers associated with registration information of an individual, or any other individual-specific number or identifier not controllable by the end user, and web or mobile browsing or usage information that is linked to the foregoing.

“**Plan of Arrangement**” means the plan of arrangement, substantially in the form set out in Schedule A, subject to any amendments or variations to such plan made in accordance with this Agreement and the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

“**Posera Termination Fee**” has the meaning ascribed thereto in Section 7.4(1).

“**Posera Termination Fee Event**” has the meaning ascribed thereto in Section 7.4(1).

“**Processed**” means the receipt, access, acquisition, collection, compilation, use, storage, processing, safeguarding, security, disposal, destruction, disclosure, or transfer of Personal Data.

“**PST**” means the provincial sales taxes imposed under the *Provincial Sales Tax Act* (British Columbia), the *Provincial Sales Tax Act* (Saskatchewan) and the *Retail Sales Tax Act* (Manitoba).

“**Purchaser**” has the meaning ascribed thereto in the preamble hereto.

“**Purchaser Termination Fee**” has the meaning ascribed thereto in Section 7.4(3).

“**Purchaser Termination Fee Event**” has the meaning ascribed thereto in Section 7.4(3).

“**Qualifying Options**” has the meaning ascribed thereto in Section 2.11(3).

“**QST**” means the Québec sales tax imposed under *An Act Respecting the Québec Sales Tax*.

“**Release**” means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing of or migrating into or through the environment.

“**Representatives**” has the meaning ascribed thereto in Section 5.1(1).

“**Securities Authority**” means the Ontario Securities Commission and any other applicable securities commissions or securities regulatory authority of a province or territory of Canada.

“**Securities Laws**” means the *Securities Act* (Ontario) and any other applicable Canadian provincial and territorial securities Laws, rules, regulations and published policies thereunder.

“**Security Breach**” means any actual (a) loss or misuse (by any means) of Personal Data, or (b) unauthorized or unlawful Processing, sale, or rental of Personal Data.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval.

“**Shareholders**” means the registered and/or beneficial holders of the Company Shares, as the context requires.

“**Software**” means, collectively, the computer programs known by the names listed in Section (t) of the Company Disclosure Letter, including all versions thereof, and all related documentation, manuals, source codes and object codes, program files, data files, computer related data, field and data definitions and relationships, data definition specifications, data models, program and system logic, interfaces, program modules, routines, sub-routines, algorithms, program architecture, design concepts, system designs, program structure, sequence and organization, screen displays and report layouts, and all other material and documentation related to the said computer programs, whether in machine-readable form, programming language or any other language or symbols, and whether stored, encoded recorded or written on disk, tape, film, memory, device, paper or other media of any nature or kind whatsoever, all as they exist as at the Effective Date, whether under development or as currently being marketed by the Company or its Subsidiaries.

“**Subsidiary**” has the meaning ascribed thereto in Section 1.1 of National Instrument 45-106 *Prospectus Exemptions*.

“**Superior Proposal**” means any bona fide written Acquisition Proposal to acquire, directly or indirectly, not less than all of the outstanding Company Shares or all or substantially all of the assets of the Company and its Subsidiaries on a consolidated basis that did not result from a breach of Article 5 and: (i) that is reasonably capable of being completed, without undue delay, taking into account all financial, legal, regulatory and other aspects of such Acquisition Proposal; (ii) that is not subject to a financing condition; (iii) that is not subject to a due diligence condition; and (iv) in respect of which the Board determines, in its good faith judgment, after receiving the advice of its outside legal counsel (with respect to the Board’s fiduciary duties) and its financial advisors, that

it would, if consummated in accordance with its terms (but without assuming away the risk of non-completion), result in a transaction which is more favourable, from a financial point of view, to the Shareholders than the Arrangement (including any amendments to the terms and conditions of the Arrangement proposed by the Purchaser pursuant to Section 5.4(2)).

“Superior Proposal Notice” has the meaning ascribed thereto in Section 5.4(1)(b).

“Supporting Shareholders” means each of the directors and executive officers of the Company.

“Tax Act” means the *Income Tax Act* (Canada) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time.

“Taxes” means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other similar charges or assessments of any kind whatsoever imposed, assessed or collected by any Governmental Authority, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, escheat, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, provincial sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers’ compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority on or in respect of amounts of the type described in clause (i) above or this clause (ii).

“Tax Returns” means any and all returns, reports, declarations, elections, notices, bills, schedules, forms, designations, filings, statements (including estimated tax returns and reports, withholding tax returns and reports, and information returns and reports) and written information filed or required to be filed in respect of Taxes.

“Terminating Party” has the meaning ascribed thereto in Section 4.7(3).

“Termination Notice” has the meaning ascribed thereto in Section 4.7(3).

“Third Party Beneficiaries” has the meaning ascribed thereto in Section 8.10(1).

“Third Party Programs” has the meaning ascribed thereto in Section (t)(iv) of Schedule C.

“TSX” means the Toronto Stock Exchange.

“wilful breach” means a material breach of this Agreement that is a consequence of any act undertaken by the breaching Party with the actual knowledge that the taking of such

act would, or would be reasonably expected to, cause a material breach of this Agreement.

Section 1.2 Certain Rules of Interpretation

In this Agreement, unless otherwise specified:

- (a) **Headings, etc.** The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Agreement.
- (b) **Currency.** All references to dollars or to \$ are references to Canadian dollars, unless specified otherwise.
- (c) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (d) **Phrasing.** The words (i) “including”, “includes” and “include” mean “including (or includes or include) without limitation,” (ii) “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of,” and (iii) unless stated otherwise, “Article”, “Section”, “paragraph” and “Schedule” followed by a number or letter mean and refer to the specified Article, Section paragraph of or Schedule to this Agreement. The term “Agreement” and any reference in this Agreement to this Agreement or any other agreement or document includes, and is a reference to, this Agreement or such other agreement or document as it may have been, or may from time to time be, amended, restated, replaced, supplemented or novated and includes all schedules to it. The term “made available” means (i) copies of the subject materials were included in the Data Room, or (ii) the subject material was listed in the Company Disclosure Letter or referred to in the Data Room and copies were provided to the Purchaser.
- (e) **Capitalized Terms.** All capitalized terms used in any Schedule or in the Company Disclosure Letter have the meanings ascribed to them in this Agreement.
- (f) **Knowledge.** Where any representation or warranty of the Company contained in this Agreement is expressly qualified by reference to the “knowledge of the Company” or to any similar expression, it will be deemed to refer to the collective knowledge of Daniel Poirier, Kevin Mills, Michel Cote and Akash Sahai, after reasonable inquiry as to the accuracy and completeness of the representations and warranties of the Company. Where any representation or warranty of the Company contained in this Agreement refers to the Company having received, or not received notice of an event, or similar expression, it will be deemed to refer to the Company and its Subsidiaries having received or having not received such information.

- (g) **Statutes.** Any reference to a statute refers to such statute and all rules, resolutions and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.
- (h) **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 5:00 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 5:00 p.m. on the next Business Day if the last day of the period is not a Business Day. If the date on which any action is required or permitted to be taken under this Agreement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.
- (i) **Time References.** References to time are to local time, Toronto, Ontario.
- (j) **Schedules.** The schedules attached to this Agreement and the Company Disclosure Letter form an integral part of this Agreement for all purposes of it.
- (k) **Company Disclosure Letter.** The Company Disclosure Letter itself and all information contained in it is confidential information and may not be disclosed unless (i) it is required to be disclosed pursuant to Law unless such Law permits the Parties to refrain from disclosing the information for confidentiality or other purposes or (ii) a Party needs to disclose it in order to enforce or exercise its rights under this Agreement.

ARTICLE 2 THE ARRANGEMENT

Section 2.1 Arrangement

The Company and the Purchaser agree that the Arrangement will be implemented in accordance with and subject to the terms and conditions of this Agreement and the Plan of Arrangement.

Section 2.2 Interim Order

As soon as reasonably practicable after the date of this Agreement, the Company shall apply in a manner reasonably acceptable to the Purchaser pursuant to Section 182 of the OBCA and, in cooperation with the Purchaser, prepare, file and diligently pursue an application for the Interim Order, which must provide, among other things:

- (a) for the classes of Persons to whom notice is to be provided in respect of the Arrangement and the Company Meeting and for the manner in which such notice is to be provided;
- (b) that the required level of approval for the Arrangement Resolution shall be two-thirds of the votes cast on such resolution by the Shareholders present in person or represented by proxy at the Company Meeting;

- (c) that the record date for the Shareholders entitled to receive notice of and to vote at the Company Meeting will not change in respect or as a consequence of any adjournment(s) or postponement(s) of the Company Meeting, unless required by Law;
- (d) that, in all other respects, the terms, restrictions and conditions of the Company's Constatng Documents, including quorum requirements and all other matters, shall apply in respect of the Company Meeting;
- (e) for the grant of Dissent Rights to those Shareholders who are registered Shareholders as contemplated in the Plan of Arrangement;
- (f) for the notice requirements with respect to the presentation of the application to the Court for the Final Order;
- (g) that the Company Meeting may be adjourned or postponed from time to time by the Company in accordance with the terms of this Agreement without the need for additional approval of the Court; and
- (h) for such other matters as the Purchaser may reasonably require, subject to obtaining the prior consent of the Company, acting reasonably.

Section 2.3 The Company Meeting

The Company shall:

- (a) convene and conduct the Company Meeting in accordance with the Interim Order, the Company's Constatng Documents and Law as soon as reasonably practicable and shall use commercially reasonable efforts to convene and conduct the Company Meeting on or before January 31, 2020 and in any event, subject to the Purchaser's compliance with Section 2.4(4), not later than February 10, 2020 or such other date as the Parties hereto otherwise agree in writing acting reasonably (provided that it shall be deemed reasonable for a Party to refuse to agree to another date if a later date is requested by the other Party as a result of an event that was not outside the reasonable control of such other Party), and set the record date for the Shareholders entitled to vote at the Company Meeting as promptly as practicable, and not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the Company Meeting without the prior written consent of the Purchaser, except as required or permitted under Section 4.7(3) or Section 5.4(5) or as required for quorum purposes (in which case, the Company Meeting shall be adjourned and not cancelled) or as required by Law or by a Governmental Authority, provided that (i) upon the reasonable request of the Purchaser, the Company shall adjourn or postpone the Company Meeting to a date specified by the Purchaser, provided that the Company Meeting, so adjourned or postponed, shall not be later than ten (10) Business Days after the date on which the Company Meeting was originally scheduled and in any event shall not be later than the date that is 20 Business Days prior to the Outside Date, and (ii) the Company shall be entitled to adjourn or postpone the Company

Meeting to a date that is not later than ten (10) Business Days after the date on which the Company Meeting was originally scheduled and in any event, shall be no later than the date that is twenty (20) Business Days prior to the Outside Date, in each case for the purposes of attempting to obtain the level of approval of the Shareholders required by the Interim Order;

- (b) subject to the terms of this Agreement and compliance by the directors and officers of the Company with their fiduciary duties, use commercially reasonable efforts to solicit proxies in favour of the approval of the Arrangement Resolution and against any resolution submitted by any Person that is inconsistent with the Arrangement Resolution and the completion of any of the transactions contemplated by this Agreement, including, if so requested by the Purchaser, and at the expense of the Purchaser and/or any of its affiliates, using proxy solicitation services firms to solicit proxies in favour of the approval of the Arrangement Resolution;
- (c) provide the Purchaser with copies of or access to information regarding the Company Meeting generated by any proxy solicitation services firm retained by the Company, as reasonably requested from time to time by the Purchaser;
- (d) give notice to the Purchaser of the Company Meeting and allow the Purchaser's representatives and legal counsel to attend the Company Meeting;
- (e) as promptly as reasonably practicable, advise the Purchaser, at such times as the Purchaser may reasonably request and at least on a daily basis on each of the last 10 Business Days prior to the date of the Company Meeting, and promptly following receipt of proxy tallies over the last three (3) Business Days prior to the date of the Company Meeting, as to the aggregate tally of the proxies received by the Company in respect of the Arrangement Resolution;
- (f) promptly advise the Purchaser of any material communication (written or oral) from or claims brought by (or threatened to be brought by) any Person in opposition to the Arrangement and any purported exercise or withdrawal of Dissent Rights by the Shareholders;
- (g) not make any payment or settlement offer, or agree to any payment or settlement with respect to Dissent Rights, without the prior written consent of the Purchaser; and
- (h) not change the record date for the Shareholders entitled to vote at the Company Meeting in connection with any adjournment or postponement of the Company Meeting unless required by Law.

Section 2.4 The Company Circular

(1) Subject to the Purchaser's compliance with Section 2.4(4), the Company shall as promptly as reasonably practicable prepare and complete, in consultation with the Purchaser as contemplated by this Section 2.4, the Company Circular together with any other documents

required by Law in connection with the Company Meeting, and the Company shall, promptly after obtaining the Interim Order, cause the Company Circular and such other documents to be filed and sent to each Shareholder and other Persons as required by the Interim Order and Law, in each case so as to permit the Company Meeting to be held by the date specified in Section 2.3.

(2) The Company shall ensure that the Company Circular complies in all material respects with Law, does not contain any Misrepresentation (provided that the Company shall not be responsible for the accuracy of any information furnished by the Purchaser for purposes of inclusion in the Company Circular pursuant to Section 2.4(4)) and provides the Shareholders with sufficient information to permit them to form a reasoned judgement concerning the matters to be placed before the Company Meeting. Without limiting the generality of the foregoing, the Company Circular must include: (i) a copy of the Fairness Opinion; (ii) a statement that the Board has, after receiving legal and financial advice, determined that the Arrangement is in the best interests of the Company and is fair to the Shareholders and recommends that the Shareholders vote in favour of the Arrangement Resolution (the “**Board Recommendation**”), and (iii) a statement that the Supporting Shareholders have each signed a voting and support agreement pursuant to which they have agreed, among other things, to vote their Company Shares (and if applicable, any Company Shares issued upon exercise of any Company Options) in favour of the Arrangement Resolution.

(3) The Company shall give the Purchaser and its legal counsel a reasonable opportunity to review and comment on drafts of the Company Circular and other related documents, and shall give reasonable consideration to any comments made by the Purchaser and its legal counsel, and agrees that all information relating solely to the Purchaser and/or any of its affiliates included in the Company Circular must be in a form and content satisfactory to the Purchaser, acting reasonably.

(4) The Purchaser shall provide to the Company all information regarding the Purchaser as required by the Interim Order or Laws for inclusion in the Company Circular or in any amendments or supplements to such Company Circular. The Purchaser shall ensure that such information does not include any Misrepresentation concerning the Purchaser or its affiliates.

(5) The Purchaser shall indemnify and save harmless the Company and its Representatives from and against any and all liabilities, claims, demands, losses, costs, damages and expenses to which the Company or any of its Representatives may be subject or which the Company or any of its Representatives may suffer as a result of, or arising from, any Misrepresentation or alleged Misrepresentation contained in any information included in the Circular that was furnished by the Purchaser and its representatives for inclusion in the Circular, including any order made, or any inquiry, investigation or Action instituted by any Securities Authority or other Governmental Authority based on such a Misrepresentation or alleged Misrepresentation.

(6) Each Party shall promptly notify the other Party if it becomes aware that the Company Circular contains a Misrepresentation, or otherwise requires an amendment or supplement. The Parties shall co-operate in the preparation of any such amendment or supplement as required or appropriate, and the Company shall promptly mail, file or otherwise publicly disseminate any such amendment or supplement to the Shareholders and, if required by

the Court or by Law, file the same with the Securities Authorities or any other Governmental Authority.

Section 2.5 Final Order

If the Interim Order is obtained and the Arrangement Resolution is passed at the Company Meeting as provided for in the Interim Order, the Company shall take all steps necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order pursuant to Section 182 of the OBCA, as soon as reasonably practicable, but in any event not later than five (5) Business Days after the Arrangement Resolution is passed at the Company Meeting.

Section 2.6 Court Proceedings

In connection with all Court proceedings relating to obtaining the Interim Order and the Final Order, the Company shall diligently pursue, and cooperate with the Purchaser in diligently pursuing, the Interim Order and the Final Order, and the Company will provide the Purchaser and its legal counsel with reasonable opportunity to review and comment upon drafts of all materials to be filed with the Court in connection with the Arrangement, prior to the service and filing of such materials, and will accept the reasonable comments of the Purchaser and its legal counsel with respect to any information required to be supplied by the Purchaser and included in such materials. The Company will ensure that all material filed with the Court in connection with the Arrangement is consistent in all material respects with the terms of this Agreement and the Plan of Arrangement. In addition, the Company will not object to legal counsel to the Purchaser making such submissions on the application for the Interim Order and the Final Order as such counsel considers appropriate, acting reasonably, provided the Purchaser advises the Company of the nature of any such submissions prior to the hearing and such submissions are consistent with this Agreement and the Plan of Arrangement. The Company will also provide legal counsel to the Purchaser with copies of any notice and evidence served on the Company or its legal counsel in respect of the application for the Final Order or any appeal therefrom, and any notice, written or oral, indicating the intention of any Person to appeal, or oppose the granting of, the Interim Order or Final Order. The Company shall also oppose any proposal from any party that the Final Order contain any provision inconsistent with this Agreement and the Plan of Arrangement and, if at any time after the issuance of the Final Order and prior to the Effective Date, the Company is required by the terms of the Final Order or by Law to return to Court with respect to the Final Order, it shall do so after notice to, and in consultation and cooperation with, the Purchaser.

Section 2.7 Articles of Arrangement and Effective Date

(1) The Company shall, prior to the receipt of the Interim Order, amend the Plan of Arrangement at any time and from time to time, at the reasonable request of the Purchaser, to modify any of its terms as determined to be necessary or desirable by the Purchaser, acting reasonably, provided that no such amendment (i) is inconsistent with this Agreement, (ii) is prejudicial to the Affected Securityholders or the Company, or (iii) creates a reasonable risk of delaying, impairing or impeding in any material respect the satisfaction of any other conditions set forth in Article 6.

(2) The Articles of Arrangement shall implement the Plan of Arrangement. The Articles of Arrangement shall include the Plan of Arrangement.

(3) Unless another time or date is agreed to in writing by the Parties, the completion of the Arrangement (the “**Closing**”) will take place on the second (2nd) Business Day after the satisfaction, or where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is, of the conditions set out in Article 6 (excluding conditions that, by their terms, are to be satisfied on the Effective Date, but subject to the satisfaction, or where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is, of those conditions as of the Effective Date), but in any event not earlier than January 20, 2020, at the offices of Fasken Martineau DuMoulin LLP, Bay Adelaide Centre, 333 Bay Street, Suite 2400, Toronto Ontario M5H 2T6 at 8:00 a.m. (Toronto time), unless another time or date is agreed to in writing by the Parties. The Company shall file the Articles of Arrangement with the Director on the day of Closing.

Section 2.8 Payment of Consideration

The Purchaser shall, at least five (5) Business Days’ prior to the filing by the Company of the Articles of Arrangement with the Director in accordance with Section 2.7(3), provide or cause to be provided the Depositary with sufficient cash in escrow (the terms and conditions of such escrow to be satisfactory to the Company and the Purchaser, acting reasonably), in order to pay and deliver the aggregate Consideration as provided in the Plan of Arrangement (other than with respect to the Shareholders exercising Dissent Rights as provided in the Plan of Arrangement).

Section 2.9 Withholding Taxes

The Purchaser, the Company, the Depositary, and any other Person that makes a payment to any Person under the Plan of Arrangement or this Agreement shall be entitled to deduct and withhold from any consideration otherwise payable to such Person such amounts as the Purchaser, the Company, the Depositary, or such other Person are required or directed to deduct and withhold from such consideration under any provision of any Laws in respect of Taxes. Any such amounts will be deducted, withheld and remitted from the consideration payable pursuant to the Plan of Arrangement or this Agreement and shall be treated for all purposes under this Agreement as having been paid to such Person in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate Governmental Authority.

Section 2.10 List of Shareholders

At the reasonable request of the Purchaser from time to time, the Company shall, as soon as reasonably practicable, provide the Purchaser with a list (in both written and electronic form) of the registered Shareholders, together with their addresses and respective holdings of Company Shares, with a list of the names and addresses and holdings of all Persons having rights issued by the Company to acquire Company Shares (including holders of Company Options), a list of all other Affected Securityholders and a list of non-objecting beneficial owners of Company Shares, together with their addresses and respective holdings of Company Shares,

all as of a date that is as close as reasonably practicable prior to the date of delivery of such lists. The Company shall from time to time require that its registrar and transfer agent furnish the Purchaser with such additional information, including updated or additional lists of the Shareholders and lists of holdings and other assistance as the Purchaser may reasonably request.

Section 2.11 Incentive Plan Matters

(1) The Parties acknowledge that the outstanding Company Options under the 2011 Stock Option Plan shall be treated in accordance with the provisions of the Plan of Arrangement, and at the time specified in the Plan of Arrangement, any Company Options that have not yet vested in accordance with their terms shall be accelerated so that such Company Options become exercisable, immediately following which each in-the-money Company Option, whether vested or unvested prior to such acceleration, that is outstanding and has not been duly exercised, without any further action by or on behalf of any holder of such Company Option and without any payment except as provided in the Plan of Arrangement, and subject to applicable withholdings and other source deductions in accordance with Section 2.9, shall be disposed of to the Company in consideration for a cash payment by the Company equal to the product obtained by multiplying (a) the amount by which the Consideration exceeds the exercise price per Company Share of such Company Option by (b) the number of unexercised Company Shares underlying such Company Option. The 2005 Share Purchase Plan, 2002 Stock Option Plan, 2011 Stock Option Plan, each Company Option issued and outstanding immediately prior to the Effective Time and any agreements related thereto shall thereafter be immediately cancelled and terminated.

(2) The Parties shall take all such reasonable steps as may be necessary or desirable to give effect to Section 2.11(1).

(3) The Purchaser covenants that (i) the Purchaser shall cause the Company to elect pursuant to subsection 110(1.1) of the Tax Act and any similar legislation of a Canadian province in respect of the transfer, in accordance with the provisions of the Plan of Arrangement, of the Company Options that qualify for the deduction under paragraph 110(1)(d) of the Tax Act (“**Qualifying Options**”); (ii) neither the Company nor any person who does not deal at arm’s length (within the meaning of the Tax Act) with the Company, will deduct in computing income for the purposes of the Tax Act any amount (other than designated amounts permitted under the Tax Act) in respect of a payment made to the holders of Company Options in consideration for the transfer of their Qualifying Options; and (iii) the Company will provide such holders of Qualifying Options with evidence in writing of such election, such evidence to be provided by making the appropriate notation on the T4 slips issued to such holders or in such other manner as prescribed by the Tax Act and any similar legislation of a Canadian province.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties of the Company

(1) The Company represents and warrants to the Purchaser as set forth in Schedule C and acknowledges and agrees that the Purchaser is relying upon such representations and warranties in connection with the entering into of this Agreement.

(2) Except for the representations and warranties set forth in this Agreement, neither the Company nor any other Person has made or makes any other express or implied representation and warranty, either written or oral, on behalf of the Company.

(3) The representations and warranties of the Company contained in this Agreement shall expire and be terminated and extinguished on the earlier of the Effective Time and the date on which this Agreement is terminated.

Section 3.2 Representations and Warranties of the Purchaser

(1) The Purchaser represents and warrants to the Company as set forth in Schedule D and acknowledges and agrees that the Company is relying upon such representations and warranties in connection with the entering into of this Agreement.

(2) Except for the representations and warranties set forth in this Agreement, neither the Purchaser nor any other Person has made or makes any other express or implied representation and warranty, either written or oral, on behalf of the Purchaser.

(3) The representations and warranties of each of the Purchaser contained in this Agreement shall expire and be terminated and extinguished on the earlier of the Effective Time and the date on which this Agreement is terminated.

ARTICLE 4 COVENANTS

Section 4.1 Conduct of Business of the Company

(1) The Company covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except: (i) with the prior written consent of the Purchaser, such consent not to be unreasonably withheld, delayed or conditioned; (ii) as required or permitted by this Agreement; (iii) as required by Law; or (iv) as contemplated by the Company Disclosure Letter, the Company shall, and shall cause each of its Subsidiaries to, conduct its business in the Ordinary Course and in accordance with Laws, and the Company shall use commercially reasonable efforts to maintain and preserve its and its Subsidiaries' business organization, assets, properties, employees, goodwill and business relationships with customers, suppliers, partners and other Persons with which the Company or any of its Subsidiaries has material business relations.

(2) Without limiting the generality of Section 4.1(1), the Company covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except: (i) with the prior written consent of the Purchaser, such consent not to be unreasonably withheld, delayed or conditioned; (ii) as required or permitted by this Agreement; (iii) as required by Law; or (iv) as contemplated by the Company Disclosure Letter, the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

- (a) amend any of the Company's Constatng Documents or the articles of incorporation, articles of amalgamation, by-laws or similar organizational documents of any of its Subsidiaries;
- (b) split, combine or reclassify any shares of the Company or of any Subsidiary;
- (c) reduce the stated capital of the Company or any of its Subsidiaries;
- (d) redeem, repurchase, or otherwise acquire or offer to redeem, repurchase or otherwise acquire any shares of capital stock of the Company or any of its Subsidiaries;
- (e) issue, grant, deliver, sell, pledge or otherwise encumber, or authorize the issuance, grant, delivery, sale, pledge or other encumbrance of, any shares of capital stock or any options, warrants or similar rights exercisable or exchangeable for or convertible into such capital stock, of the Company or any of its Subsidiaries, except for the issuance of Company Shares issuable upon the exercise of the currently outstanding Company Options disclosed in Section (e)(iv) of the Company Disclosure Letter;
- (f) declare or pay any dividends or otherwise make any distribution or other payment of any kind to any of the Shareholders or any other Person, or taken any corporate proceedings for that purpose;
- (g) acquire (by merger, consolidation, acquisition of stock or assets or otherwise), directly or indirectly, in one transaction or in a series of related transactions, any assets, securities, properties, interests or businesses;
- (h) sell, lease or otherwise transfer, directly or indirectly, in one transaction or in a series of related transactions, any of the Company's or its Subsidiaries' assets which have a value greater than \$50,000 in the aggregate, other than the sale, lease, disposition or other transfer of inventories or other assets in the Ordinary Course;
- (i) make any capital expenditure or commitment to do so which, in any fiscal year, exceeds the aggregate amount of capital expenditures provided for in the annual budgets of the Company for the applicable fiscal year, and in any event, such capital expenditures or commitments shall not be greater than \$50,000 in the aggregate;

- (j) reorganize, amalgamate or merge the Company or any of its Subsidiaries;
- (k) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of the Company or any of its Subsidiaries;
- (l) prepay any long-term indebtedness (including indebtedness outstanding under medium term notes) before its scheduled maturity, other than repayments of indebtedness under credit facilities, provided that no material breakage or other costs or penalties are payable in connection with any such prepayment;
- (m) create, incur, assume, drawdown under current credit facilities or otherwise become liable, in one transaction or in a series of related transactions, with respect to any indebtedness for borrowed money or guarantees thereof;
- (n) make any loan or advance to, or assume, guarantee or otherwise become liable with respect to the liabilities or obligations of, any Person;
- (o) make any material change in the Company's accounting principles, except as required by concurrent changes in IFRS, or pursuant to written instructions, comments or orders of a Securities Authority;
- (p) enter into any collective agreement or union agreement or amend, modify, terminate or agree to any such amendment, modification, termination or waiver of rights;
- (q) except as required by the terms of the Benefit Plans or any written employment Contracts disclosed in the Company Disclosure Letter, do any of the following with respect to any current or former director, officer, consultant, independent contractor or Company Employee of the Company or any of its Subsidiaries, or any spouses, dependents, survivors or beneficiaries of such Persons: (A) grant, accelerate, or increase any severance, change of control or termination pay (or amend any existing arrangement relating to the foregoing); (B) grant, accelerate, or increase any payment, award (equity or otherwise) or other benefits payable; or (C) other than in the Ordinary Course, increase salaries, compensation (in any form);
- (r) except as required by the terms of the Benefits Plans or any written employment Contracts disclosed in the Company Disclosure Letter: (A) increase or accelerate the coverage, contributions, funding requirements or benefits available under any Benefit Plan; or (B) make any material determination under any Benefit Plan that is not in the Ordinary Course;
- (s) enter into or amend any employment, consulting, independent contractor or other similar Contract with any Person, other than to (A) fill an open role that is expressly disclosed in the Company Disclosure Letter, or (B) fill a role that becomes vacant after the date hereof as a result of the departure of the Person who fulfills the role on the date hereof (provided that in filling such vacancy, the

Company or the Subsidiary does so on terms that are equivalent to those that apply to the Person who fulfills the role on the date hereof);

- (t) establish, acquire or adopt any Benefit Plan not currently in place or amend or modify, in any material way, an existing Benefit Plan;
- (u) commence, waive, release, assign, settle or compromise any Actions in excess of an amount of \$50,000 in the aggregate or which would reasonably be expected to impede, prevent or delay the consummation of the transactions contemplated by this Agreement;
- (v) amend or modify in any material respect or terminate or waive any material right under any Business Contract or enter into any contract or agreement that would be a Business Contract if in effect on the date hereof;
- (w) except as contemplated herein, amend, modify, terminate, cancel or let lapse any material insurance (or re-insurance) policy of the Company or any Subsidiary in effect on the date of this Agreement unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing rated "A" or higher by A.M. Best or Standard & Poor's providing coverage equal to or greater than the coverage under the terminated, cancelled or lapsed policies for substantially similar premiums are in full force and effect; or
- (x) authorize, agree, resolve or otherwise commit to do any of the foregoing.

(3) The Company covenants and agrees that until the earlier of the Effective Date and the termination of this Agreement in accordance with Article 7, the Company will and the Company will cause its Subsidiaries to: (i) duly and timely file with the appropriate Governmental Authority all material Tax Returns required to be filed by it, which shall be correct and complete in all material respects, (ii) pay, withhold, collect and remit to the appropriate Governmental Authority in a timely fashion all amounts required to be so paid, withheld, collected or remitted and (iii) not without prior written consent of the Purchaser, such consent not to be unreasonably withheld, conditioned or delayed, unless in the Ordinary Course (A) make any Tax election, information schedule, return or designation, settle or compromise any Tax claim, assessment, reassessment or liability, (B) file any amended Tax Return, file any notice of appeal or otherwise initiate any Action with respect to Taxes, (C) enter into any agreement with a Governmental Authority with respect to Taxes, (D) surrender any right to claim a Tax abatement, reduction, deduction, exemption, credit or refund, (E) consent to the extension or waiver of the limitation period applicable to any Tax matter, (F) amend or change any of its methods of reporting income, deductions or accounting for income Tax purposes except as may be required by Law.

(4) The Company shall keep the Purchaser reasonably informed of any material events, discussions, notices or changes with respect to any Tax or regulatory investigation or any other investigation by a Governmental Authority or action involving the Company or any of its

Subsidiaries (other than ordinary course communications which could not reasonably be expected to be material to the Company).

(5) Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement is intended to allow the Purchaser to exercise material influence over the operations of the Company prior to the Effective Time.

Section 4.2 Interim Period Consents

The Purchaser will, promptly following the date hereof, designate two individuals from either of whom the Company may seek approval to undertake any actions not permitted to be taken under Section 4.1, and will ensure that such persons will respond, on behalf of the Purchaser, to the Company's requests in an expeditious manner.

Section 4.3 Covenants Relating to the Arrangement

(1) Each of the Company and the Purchaser shall use its commercially reasonable efforts to take, or cause to be taken, all actions and to do or cause to be done all things required or advisable under Law to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by this Agreement, including:

- (a) using commercially reasonable efforts to satisfy, or cause the satisfaction of, all conditions precedent in this Agreement and take all steps set forth in the Interim Order and Final Order applicable to it and comply promptly with all requirements imposed by Law on it or its Subsidiaries with respect to this Agreement or the Arrangement;
- (b) using commercially reasonable efforts to obtain, as soon as practicable following execution of this Agreement, and maintain all third party or other consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that (i) are necessary to be obtained under the Business Contracts in connection with the Arrangement or this Agreement, (ii) are required in order to maintain the Business Contracts in full force and effect following completion of the Arrangement, or (ii) constitute a Key Consent, in each case, on terms that are reasonably satisfactory to the Purchaser;
- (c) using commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Authority from it and its Subsidiaries relating to this Agreement or the Arrangement;
- (d) using commercially reasonable efforts to oppose, lift or rescind any Award seeking to restrain, enjoin or otherwise prohibit or delay or otherwise adversely affect the consummation of the Arrangement and defend, or cause to be defended, any Actions to which it is a party or brought against it or its directors or officers challenging the Arrangement or this Agreement; and
- (e) not taking any action, or refrain from taking any reasonable action, or permitting any action to be taken or not taken, which would reasonably be expected to

prevent, materially delay or otherwise impede the consummation of the Arrangement or the transactions contemplated by this Agreement.

- (2) The Company shall promptly notify the Purchaser in writing of:
 - (a) any Company Material Adverse Effect;
 - (b) any notice or other written communication from any Person (A) alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person (or another Person) is or may be required in connection with this Agreement or the Arrangement, or (B) to the effect that such Person is terminating or otherwise materially adversely modifying its relationship with the Company or any of its Subsidiaries as a result of the Arrangement or this Agreement; or
 - (c) any material filings, actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving the Company or any of its Subsidiaries that relate to this Agreement or the Arrangement.
- (3) The Purchaser shall promptly notify the Company in writing of:
 - (a) any notice or other written communication from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person (or another Person) is or may be required in connection with this Agreement or the Arrangement; or
 - (b) any material filings, actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving the Purchaser or any of its Subsidiaries that relate to this Agreement or the Arrangement.

Section 4.4 Cooperation Regarding Reorganization

(1) The Company agrees that, upon the reasonable request by the Purchaser and at the Purchaser's sole cost and expense, the Company shall, and shall cause each of its Subsidiaries to, use commercially reasonable efforts to: (i) effect such reorganizations of the Company's or its Subsidiaries' business, operations and assets as the Purchaser may request, acting reasonably, including amalgamations, wind-ups, internal transfers and any other transaction (each a "**Newly Requested Reorganization Transaction**"); and (ii) co-operate with the Purchaser and its advisors in order to determine the manner in which any such Newly Requested Reorganization Transaction might most effectively be undertaken; provided that any Newly Requested Reorganization Transaction: (i) is not, in the opinion of the Company or the Company's counsel, acting reasonably, prejudicial to the Affected Securityholders; (ii) does not require the Company to obtain the approval of the Shareholders; (iii) does not impede, delay or prevent the satisfaction of any other conditions set forth in Article 6; (iv) does not impair, impede or delay the consummation of the Arrangement; (v) does not result in any breach by the Company or any of its Subsidiaries of any Material Contract or any breach by the Company of the Company's

Constating Documents or by any of its Subsidiaries of their respective organizational documents or Law; (vi) does not require the directors, officers, employees or agents of the Company or its Subsidiaries to take any action in any capacity other than as a director, officer or employee; (vii) can be completed immediately prior to the Effective Date; and (viii) can be unwound in the event the Arrangement is not consummated without adversely affecting the Company in any material manner.

(2) The Purchaser shall provide written notice to the Company of any proposed Newly Requested Reorganization Transaction at least 10 Business Days prior to the Effective Date. Upon receipt of such notice, the Purchaser and the Company shall use commercially reasonable efforts to prepare all documentation necessary and do all such other acts and things as are reasonably necessary to give effect to such Contemplated Reorganization Transaction prior to the time it is to be effected. If the Arrangement is not completed, the Purchaser shall: (i) forthwith reimburse the Company for all costs and expenses, including reasonable legal fees and disbursements, incurred in connection with any proposed Newly Requested Reorganization Transaction; and (ii) indemnify the Company, its Subsidiaries and their respective directors, officers, employees, agents and representatives for any liabilities, losses, damages, claims, costs, expenses, interest awards, judgements and penalties suffered or incurred by any of them in connection with or as a result of any Newly Requested Reorganization Transaction, or to reverse or unwind any Newly Requested Reorganization Transaction. The Purchaser agrees that any Newly Requested Reorganization Transaction will not be considered in determining whether a representation, warranty or covenant of the Company under this Agreement has been breached (including where any such Newly Requested Reorganization Transaction requires the consent of any third party).

Section 4.5 Access to Information; Confidentiality; Cooperation

(1) From the date hereof until the earlier of the Effective Time and the termination of this Agreement, subject to Law and the terms of any existing Contracts, the Company shall and shall cause its Subsidiaries to: (i) give to the Purchaser and its representatives reasonable access to the books and records and Business Contracts of the Company and its Subsidiaries and subject to Section 4.5(2), its personnel, during normal business hours and in such manner as not to interfere unreasonably with the conduct of the business of the Company and its Subsidiaries; and (ii) furnish to the Purchaser and its representatives such financial and operating data and other information as such Persons may reasonably request.

(2) Notwithstanding any provision of this Agreement, the Company shall not be obligated to provide access to, or to disclose, any information to the Purchaser if the Company reasonably determines that such access or disclosure would jeopardize any attorney client or other privilege claim by the Company or any of its Subsidiaries.

(3) For greater certainty, the Purchaser and its affiliates shall treat, and shall cause its representatives to treat, all information furnished to the Purchaser or any of its affiliates or representatives in connection with the transactions contemplated by this Agreement or pursuant to the terms of this Agreement in accordance with the terms of the Confidentiality Agreement. Without limiting the generality of the foregoing, the Purchaser acknowledges and agrees that the

Company Disclosure Letter and all information contained in it is confidential and shall be treated in accordance with the terms of the Confidentiality Agreement.

(4) Each Party shall cooperate with the other Party in furnishing any necessary information required in connection with (i) the preparation, distribution and filing, in each case, of the Company Circular, and any other filing or document required to be provided to the Shareholders, and (ii) the preparation, distribution and filing of any filings, applications and notices which may be required by a Governmental Authority or stock exchange.

Section 4.6 Public Communications

Except as required by Law, a Party must not issue any press release or make any other public statement or disclosure with respect to the other Party, this Agreement or the Arrangement (including if any dividend is declared by the Company) without the prior written consent of the other Party (which consent shall not be unreasonably withheld or delayed); provided that any Party that, in the opinion of its legal counsel, is required to make disclosure by Law shall use its commercially reasonable efforts to give the other Party prior oral or written notice and a reasonable opportunity to review and comment on the disclosure. The Party making such disclosure shall give reasonable consideration to any comments made by the other Party or its counsel, and if such prior notice is not possible, shall give such notice immediately following the making of such disclosure. Prior to filing any document relating to the Arrangement on SEDAR, the Parties agree to consult with each other in order to agree on the version of the document to be filed and any necessary redaction to be made to the document.

Section 4.7 Notice and Cure Provisions

(1) Each Party shall promptly notify the other Party of the occurrence, or failure to occur, of any event or state of facts which occurrence or failure would, or would be reasonably likely to:

- (a) cause any of the representations or warranties of such Party contained in this Agreement to be untrue or inaccurate in any material respect at any time from the date of this Agreement to the Effective Time; or
- (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party under this Agreement.

(2) Notification provided under this Section 4.7 will not affect the representations, warranties, covenants, agreements or obligations of the Parties (or remedies with respect thereto) or the conditions to the obligations of the Parties under this Agreement.

(3) Subject as herein provided, a Party may: elect not to complete the transactions contemplated hereby by virtue of the conditions contained in Section 6.1, Section 6.2 or Section 6.3 hereof not being satisfied or waived or exercise any termination right arising therefrom; provided, however, that (i) promptly and in any event prior to the Outside Date, the Party (the “**Terminating Party**”) intending to rely thereon has delivered a written notice (“**Termination Notice**”) to the other Party (the “**Breaching Party**”) specifying in reasonable detail the breaches of covenants or untruthfulness or inaccuracy of representations and warranties

or other matters that the Party delivering such notice is asserting as the basis for the exercise of the termination right, as the case may be. After delivering a Termination Notice, provided the Breaching Party is proceeding diligently to cure such matter and such matter is capable of being cured prior to the Outside Date, the Terminating Party may not exercise such termination right until the earlier of (a) the Outside Date, and (b) the date that is 10 Business Days following receipt of such Termination Notice by the Breaching Party, if such matter has not been cured by such date. If the Terminating Party delivers a Termination Notice prior to the date of the Company Meeting or the making of the application for the Final Order, unless the Parties mutually agree otherwise, the Company shall postpone or adjourn the Company Meeting or delay making the application for the Final Order, or both, to the earlier of (a) 10 Business Days prior to the Outside Date and (b) the date that is 10 Business Days following receipt of such Termination Notice by the Breaching Party.

Section 4.8 Employee Matters

From and after the Effective Time, the Purchaser shall honour and perform, or cause the Company to honour and perform, all of the obligations of the Company and any of its Subsidiaries under employment and other agreements and the Company's Benefit Plans with current or former Company Employees. No provision of this Section 4.8 shall impair in any way the right of the Company or any of its Subsidiaries to terminate the employment of any Company Employee.

Section 4.9 TSX De-listing

Subject to Laws, the Purchaser and the Company shall use their commercially reasonable efforts to cause the Company Shares to be de-listed from the TSX with effect immediately following the acquisition by Purchaser of the Company Shares pursuant to the Arrangement.

Section 4.10 DLT Loan

The Purchaser acknowledges that the Company has made an interest bearing loan to an affiliate of DLT Global Ltd. in the principal amount of \$2,200,000 (the "**DLT Loan**"). Any repayment of principal, interest or other costs associated with the DLT Loan that are received by the Purchaser or the Company prior to the date that is 24-months following the Effective Date, less any related costs, fees or expenses incurred by the Company or the Purchaser following the Effective Date, shall be paid to the Shareholders in accordance with the Plan of Arrangement, subject to Section 2.9 and the terms of a loan administration agreement to be entered into between the Purchaser, the Company and the Depositary (the "**Loan Administration Agreement**"). During the 24-months following the Effective Date, the Purchaser hereby covenants and agrees not to create any Liens against the DLT Loan receivable.

Section 4.11 Escrow Agreement

The Purchaser and Company shall enter into an escrow agreement (the "**Escrow Agreement**") with an escrow agent pursuant to which the Purchaser shall deposit \$1 million (the "**Escrow Amount**") in cash into an escrow account for a period of up to 24 months following the Effective Date (the "**Escrow Period**") in the event certain Claims listed in Section 4.11 of the

Company Disclosure Letter arise and the Company and/or the Purchaser incur any Damages. Under the terms of the Escrow Agreement, the Purchaser shall be entitled to recover, on a dollar for dollar basis, any such net Damages incurred, up to the Escrow Amount. Upon the expiry of the Escrow Period, the balance of the Escrow Amount, if any, under the Escrow Agreement shall be released by the escrow agent and shall be paid to the Shareholders in accordance with the Plan of Arrangement, subject to Section 2.9 and the terms of Escrow Agreement.

Section 4.12 Insurance and Indemnification

The Company and the Purchaser shall obtain directors' and officers' liability insurance for the current and former directors and officers of the Company and its Subsidiaries on a six year "trailing" (or "run-off") basis.

The Purchaser agrees that all rights to indemnification or exculpation now existing in favour of present and former officers and directors of the Company and its Subsidiaries as provided in the articles and by-laws thereof, or in any agreement, shall survive the completion of the Arrangement and shall continue in full force and effect for a period of not less than six years from the Effective Date.

The Purchaser shall act as agent and trustee of the benefits of the foregoing for such directors and officers for the purpose of this Section 4.11 and such obligations shall survive the execution and delivery of this Agreement and the completion of the Arrangement and shall be enforceable against the Purchaser by such directors and officers.

ARTICLE 5

ADDITIONAL COVENANTS REGARDING NON-SOLICITATION

Section 5.1 Non-Solicitation

(1) Except as expressly provided in this Article 5, the Company shall not, directly or indirectly, through any officer, director, Company Employee, representative (including any financial or other adviser) or agent of the Company or of any of its Subsidiaries (collectively "**Representatives**"):

- (a) solicit, initiate, facilitate or knowingly encourage or otherwise knowingly facilitate (including by furnishing information) any inquiry, proposal or offer (from any Person other than the Purchaser) that constitutes or could reasonably be expected to constitute, an Acquisition Proposal;
- (b) enter into or otherwise engage or participate in any negotiations or meaningful discussions with any Person (other than with the Purchaser or any Person acting jointly or in concert with the Purchaser) regarding any inquiry, proposal or offer that constitutes or could reasonably be expected to constitute, an Acquisition Proposal;
- (c) make a Change in Recommendation;

- (d) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend any Acquisition Proposal, or take no position or remain neutral with respect to any publicly announced Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal for a period of no more than five (5) Business Days following the formal announcement of such Acquisition Proposal will not be considered to be in violation of this Article 5 provided the Board has affirmed the Board Recommendation by or before the end of such five (5) Business Day period); or
- (e) approve, recommend or enter into (other than a confidentiality agreement permitted by and in accordance with Section 5.3) or publicly propose to enter into any agreement in respect of an Acquisition Proposal.

(2) The Company shall, and shall cause its Subsidiaries and its Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion or negotiations with any Person (other than with the Purchaser) with respect to any inquiry, proposal or offer that would reasonably be expected to constitute an Acquisition Proposal. In connection with the foregoing, the Company will, and will cause its Subsidiaries to discontinue access to and disclosure of all information, including any data room and any confidential information, properties, facilities, books and records of the Company or of any of its Subsidiaries.

Section 5.2 Notification of Acquisition Proposals

If after the date of this Agreement the Company or any of its Subsidiaries or any of their respective Representatives, receives any inquiry, proposal or offer that constitutes or could reasonably be expected to constitute an Acquisition Proposal, or any request for copies of, access to, or disclosure of, confidential information relating to the Company or any Subsidiary, in connection with such an Acquisition Proposal, the Company shall promptly notify the Purchaser, at first orally, and then within 48 hours, in writing, of such Acquisition Proposal, inquiry, proposal, offer or request, including a description of its material terms and conditions and the identity of all Persons making such Acquisition Proposal and provide a copy of any written Acquisition Proposal and shall keep the Purchaser promptly and reasonably informed as to the status of developments and negotiations with respect to such Acquisition Proposal, including any changes to the material terms or conditions of such Acquisition Proposal.

Section 5.3 Responding to an Acquisition Proposal

Notwithstanding Section 5.1, or any other agreement between the Parties or between the Company and any other Person, if at any time prior to obtaining the approval of the Shareholders of the Arrangement Resolution, the Company receives an Acquisition Proposal, other than any Acquisition Proposal that resulted in a breach in any respect of this Article 5 by the Company, or any Representative of the Company, the Company may engage in or participate in discussions or negotiations with such Person regarding such Acquisition Proposal, and, subject to the Company (i) entering into a confidentiality and standstill agreement with such Person (if one has not already been entered into) containing terms that are no less favourable to the

Company in the aggregate than those contained in the Confidentiality Agreement and may not restrict the Company from complying with this Article 5 (it being understood and agreed that such confidentiality and standstill agreement need not restrict the making of an Acquisition Proposal or related communications to the Company or the Board), (ii) concurrently providing the Purchaser with access to any information that was provided to such Person and not previously provided to the Purchaser and (iii) promptly providing the Purchaser with a true, complete and final executed copy of such confidentiality and standstill agreement, may provide copies of, access to or disclosure of information, properties, facilities, books or records of the Company or its Subsidiaries, if:

- (a) the Board first determines in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal constitutes or could reasonably be expected to constitute or lead to a Superior Proposal; and
- (b) the Company has been, and continues to be, in compliance with its obligations under this Article 5.

Section 5.4 Right to Match

(1) If the Company receives an Acquisition Proposal that constitutes a Superior Proposal prior to the approval of the Arrangement Resolution by the Shareholders the Board may, or may cause the Company to, make a Change in Recommendation and approve, recommend or enter into a definitive agreement with respect to such Superior Proposal, if and only if:

- (a) the Company has been, and continues to be, in compliance with its obligations under this Article 5;
- (b) the Company or its Representatives have delivered to the Purchaser a written notice of the determination of the Board that it has received a Superior Proposal and of the intention to approve, recommend or enter into a definitive agreement with respect to such Superior Proposal, including a notice as to the value in financial terms that the Board has, in consultation with its financial advisors, determined should be ascribed to any non-cash consideration offered under the Superior Proposal (the “**Superior Proposal Notice**”);
- (c) the Company or its Representatives have provided to the Purchaser a copy of any proposed definitive agreement for the Superior Proposal;
- (d) at least 5 Business Days (the “**Matching Period**”) have elapsed from the date that is the later of the date on which the Purchaser received the Superior Proposal Notice and the date on which the Purchaser received a copy of the definitive agreement for the Superior Proposal;
- (e) after the Matching Period, the Board has determined in good faith, after consultation with its legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal (and, if applicable, compared

to the terms of the Arrangement as proposed to be amended by the Purchaser under Section 5.4(2));

- (f) prior to or concurrently with making a Change in Recommendation or entering into such definitive agreement the Company terminates this Agreement pursuant to Section 7.2(1)(d)(i) [*Superior Proposal*] and pays the Termination Fee pursuant to Section 7.4(2); and
- (g) promptly following the termination of this Agreement, the Company enters into a written agreement with the Person making such Superior Proposal.

(2) During the Matching Period, or such longer period as the Company may approve in writing for such purpose: (a) the Board shall review any offer made by the Purchaser to amend the terms of this Agreement and the Arrangement in good faith, after consultation with outside legal and financial advisors, in order to determine whether such proposal would, upon acceptance, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal; and (b) the Company shall negotiate in good faith with the Purchaser to make such amendments to the terms of this Agreement and the Arrangement as would enable the Purchaser and/or its affiliates to proceed with the transactions contemplated by this Agreement on such amended terms. If as a consequence of the foregoing the Board determines that such Acquisition Proposal would cease to be a Superior Proposal, the Company shall promptly so advise the Purchaser and the Company and the Purchaser shall amend this Agreement to reflect such offer made by the Purchaser, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing.

(3) Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Shareholders or other material terms or conditions thereof shall constitute a new Acquisition Proposal for the purposes of this Section 5.4, provided that the Matching Period in respect of such new Acquisition Proposal shall extend only until the later of the end of the initial 10 Business Day Matching Period and 36 hours after the Purchaser received the Superior Proposal Notice for the new Acquisition Proposal.

(4) Nothing in this Agreement shall prohibit the Board from responding through a directors' circular or otherwise as required by applicable Securities Laws in the case of a proxy contest, a meeting requisitioned by Shareholders, or to an Acquisition Proposal that it determines is not a Superior Proposal. Further, nothing in this Agreement shall prevent the Board from making any disclosure to the Shareholders if the Board, acting in good faith and upon the advice of its outside legal and financial advisors, shall have determined that the failure to make such disclosure would be inconsistent with the fiduciary duties of the Board or such disclosure is otherwise required under Law; provided, however, that, notwithstanding the Board shall be permitted to make such disclosure, the Board shall not be permitted to make a Change in Recommendation, other than as permitted by Section 5.4(1).

(5) If the Company provides a Superior Proposal Notice to the Purchaser after a date that is less than ten (10) days before the Company Meeting, the Company shall be entitled to, and shall upon request from the Purchaser, postpone the Company Meeting to a date that is not

more than 20 days after the date on which the Company provided a Superior Proposal Notice to the Purchaser (and, in any event, prior to the Outside Date).

ARTICLE 6 CONDITIONS

Section 6.1 Mutual Conditions Precedent

The respective obligations of the Company and the Purchaser to complete the Arrangement are subject to the fulfillment of the following conditions at or before the Outside Date or such other time as is specified below:

(1) **Arrangement Resolution.** The Arrangement Resolution has been approved and adopted by the Shareholders at the Company Meeting in accordance with the Interim Order.

(2) **Interim Order and Final Order.** The Interim Order and the Final Order have each been obtained on terms consistent with this Agreement, and have not been set aside or modified in a manner unacceptable to either the Company or the Purchaser, each acting reasonably, on appeal or otherwise.

(3) **Illegality.** No Law is in effect that makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins the Company or the Purchaser and/or its affiliates from consummating the Arrangement, and there shall be no pending material Action (or Award arising therefrom) for the purpose of prohibiting or enjoining the Company or the Purchaser from consummating the Arrangement.

The foregoing conditions are for the mutual benefit of the Company and the Purchaser and may be waived by mutual consent of the Company and the Purchaser in writing at any time. If any of such conditions shall not be complied with or waived as aforesaid on or before the Outside Date or, if earlier, the date required for the performance thereof, then, subject to Section 4.7 of this Agreement, either the Company or the Purchaser may terminate this Agreement by written notice to the other of them in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by such terminating Party.

Section 6.2 Additional Conditions Precedent to the Obligations of the Purchaser

The obligation of the Purchaser to complete the Arrangement is subject to the fulfillment of the following additional conditions at or before the Outside Date or such other time as is specified below:

(1) **Representations and Warranties.** The representations and warranties of the Company set forth in Schedule C which are qualified by references to materiality or by the expression "Company Material Adverse Effect" and the representations and warranties of the Company set forth in Section (a) of Schedule C [*Organization and Qualification*], Section (b) of Schedule C [*Authority*], Section (c) of Schedule C [*Execution and Binding Obligation*], Section (d) of Schedule C [*No Conflict*], Section (e) of Schedule C [*Capitalization*], Section (f) of Schedule C [*No Options or Other Agreements*], Section (p) of Schedule C [*No Undisclosed*

Liabilities] and Section (s) of Schedule C [*Intellectual Property – Owned Intellectual Property*] are true and correct in all respects (other than *de minimus* inaccuracies and except for changes due to the exercise of Company Options disclosed to the Purchaser as outstanding on the date hereof) as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date). All other representations and warranties of the Company are true and correct in all material respects, except, in each case, where the failure to be true and correct would not either individually or in the aggregate, in the sole discretion of the Purchaser acting reasonably, have a Company Material Adverse Effect, as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date). The Company has delivered a certificate confirming same to the Purchaser, executed by two senior officers of the Company (in each case on behalf of the Company and without personal liability) addressed to the Purchaser and dated the Effective Date.

(2) **Performance of Covenants.** The Company has fulfilled or complied, or has caused its Subsidiaries to fulfill or comply, in all material respects with each of the covenants of the Company contained in this Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and the Company has delivered a certificate confirming same to the Purchaser, executed by two senior officers of the Company (in each case on behalf of the Company and without personal liability) addressed to the Purchaser and dated the Effective Date.

(3) **Dissent Rights.** Shareholders shall not have exercised their Dissent Rights in connection with the Arrangement with respect to more than 10% of the outstanding Company Shares.

(4) **Material Adverse Effect.** Since the date of this Agreement, there shall not have occurred, or have been disclosed (if previously undisclosed), a Company Material Adverse Effect and the Company shall have provided to the Purchaser a certificate of two senior officers of the Company to that effect (on the Company's behalf and without personal liability).

(5) **Key Consents.** Each of the Key Consents has been made, given or obtained on terms acceptable to the Purchaser, acting reasonably, and each such Key Consent is in force and has not been modified.

(6) **Escrow Agreement.** The Purchaser, the Company and the escrow agent shall have entered into the Escrow Agreement pursuant to Section 4.11.

The foregoing conditions are for the benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in writing at any time. If any of such conditions shall not be complied with or waived by the Purchaser on or before the Outside Date or, if earlier, the date required for the performance thereof, then, subject to Section 4.7 hereof, the Purchaser may terminate this Agreement by written notice to the Company in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by the Purchaser.

Section 6.3 Additional Conditions Precedent to the Obligations of the Company

The obligation of the Company to complete the Arrangement is subject to the fulfillment of the following additional conditions at or before the Outside Date or such other time as is specified below:

(1) **Representations and Warranties.** The representations and warranties of the Purchaser set forth in Schedule D are true and correct in all respects (other than *de minimus* inaccuracies) as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date). The Purchaser has delivered a certificate confirming same to the Company, executed by two senior officers of the Purchaser (in each case on behalf of the Purchaser and without personal liability) addressed to the Company and dated the Effective Date.

(2) **Performance of Covenants.** The Purchaser has fulfilled or complied in all material respects with each of the covenants of the Purchaser contained in this Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and the Purchaser has delivered a certificate confirming same to the Company, executed by two senior officers of the Purchaser (on behalf of the Purchaser and without personal liability) addressed to the Company and dated the Effective Date.

(3) **Deposit of Funds.** The Purchaser shall have deposited or caused to be deposited with the Depository in escrow in accordance with Section 2.8, the funds required to effect payment in full of the aggregate Consideration to be paid in respect of the Company Shares pursuant to the Plan of Arrangement and the Depository shall have confirmed to the Company the receipt of such funds.

(4) **Loan Administration Agreement.** The Purchaser, the Company and the Depository shall have entered into the Loan Administration Agreement proceeds pursuant to Section 4.10.

(5) **Escrow Agreement.** The Purchaser, the Company and the escrow agent shall have entered into the Escrow Agreement pursuant to Section 4.11.

The foregoing conditions are for the benefit of the Company and may be waived, in whole or in part, by the Company in writing at any time. If any of such conditions shall not be complied with or waived by the Company on or before the Outside Date or, if earlier, the date required for the performance thereof, then, subject to Section 4.7 hereof, the Company may terminate this Agreement by written notice to the Purchaser in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by the Company.

Section 6.4 Satisfaction of Conditions

The conditions precedent set out in Section 6.1, Section 6.2 and Section 6.3 will be conclusively deemed to have been satisfied, waived or released when the Certificate of Arrangement is issued by the Director. For greater certainty, and notwithstanding the terms of any escrow agreement entered into between the Purchaser and the Depository, all funds held in

escrow by the Depositary pursuant to Section 2.8 shall be deemed to be released from escrow when the Certificate of Arrangement is issued by the Director.

ARTICLE 7

TERM AND TERMINATION

Section 7.1 Term

This Agreement shall be effective from the date hereof until the earlier of the Effective Time and the termination of this Agreement in accordance with its terms.

Section 7.2 Termination

- (1) This Agreement may be terminated prior to the Effective Time by:
 - (a) the mutual written agreement of the Parties;
 - (b) subject to Section 4.7, by a Party in accordance with Section 6.1, 6.2 or 6.3 if any of the conditions in Section 6.1, 6.2 or 6.3 hereof for the benefit of that Party are not satisfied or waived in accordance with those Sections, provided that a Party may not terminate this Agreement pursuant to this Section 7.2(b) if the failure to satisfy such condition has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants under this Agreement; or
 - (c) either the Company or the Purchaser if:
 - (i) the Company Meeting is duly convened and held and the Arrangement Resolution is voted on by the Shareholders and not approved by the Shareholders as required by the Interim Order;
 - (ii) after the date of this Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins the Company or the Purchaser and/or its affiliates from consummating the Arrangement, and such Law has, if applicable, become final and non-appealable, provided that a Party seeking to terminate this Agreement pursuant to this Section 7.2(1)(c)(ii) is not then in breach of this Agreement so as to directly or indirectly cause any condition in Section 6.2(1) *[Company Representations and Warranties Condition]*, Section 6.3(1) *[Purchaser Representations and Warranties Condition]*, Section 6.2(2) *[Company Performance of Covenants Condition]* or Section 6.3(2) *[Purchaser Performance of Covenants Condition]*, as applicable, not to be satisfied; or
 - (iii) the Effective Time does not occur on or prior to the Outside Date, provided that a Party may not terminate this Agreement pursuant to this Section 7.2(1)(c)(iii) if the failure of the Effective Time to so occur has been caused by, or is a result of, a breach by such Party of any of its

representations or warranties or the failure of such Party to perform any of its covenants or agreements under this Agreement; or

(d) the Company if:

- (i) prior to the approval by the Shareholders of the Arrangement Resolution, the Board makes a Change in Recommendation or the Company or a Subsidiary of the Company enters into a written agreement (other than a confidentiality agreement permitted by and in accordance with Section 5.3) with respect to a Superior Proposal in accordance with Section 5.4, provided the Company is then in compliance with Article 5 and that prior to or concurrent with such termination the Company pays the Termination Fee in accordance with Section 7.4(2); or

(e) the Purchaser if:

- (i) prior to the approval by the Shareholders of the Arrangement Resolution, (A) the Board fails to recommend, withdraws, amends, modifies or qualifies in a manner that has substantially the same effect, the approval or recommendation of the Arrangement or the Arrangement Resolution (a “**Change in Recommendation**”) (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal for a period of no more than five (5) Business Days after the formal announcement thereof shall not be considered a Change in Recommendation); or (B) the Board approves, recommends or authorizes the Company to enter into a written agreement (other than a confidentiality agreement permitted by and in accordance with Section 5.3) concerning a Superior Proposal or (C) the Company breaches Section 5.1(1) in any material respect; or
- (ii) there has occurred a Company Material Adverse Effect which is incapable of being cured on or prior to the Outside Date.

(2) The Party desiring to terminate this Agreement pursuant to this Section 7.2 (other than pursuant to Section 7.2(1)(a)) shall give notice of such termination to the other Party, specifying in reasonable detail the basis for such Party’s exercise of its termination right.

Section 7.3 Effect of Termination/Survival

If this Agreement is terminated pursuant to Section 7.1 or Section 7.2, this Agreement shall become void and of no further force or effect without liability of any Party (or any Shareholder, director, officer, employee, agent, consultant or representative of such Party) to any other Party to this Agreement, and the Purchaser shall be released from its obligations under this Agreement, in each case, except that: (a) in the event of termination under Section 7.1 as a result of the Effective Time occurring, Section 4.4(2), Section 4.8 and Section 4.10 and shall survive for a period of six (6) years following such termination; and (b) in the event of termination under Section 7.2, this Section 7.3, and Section 7.4 through to and including Section 8.17, Section 4.5(3) and the provisions of the Confidentiality Agreement (in the case of

the Confidentiality Agreement, pursuant to the terms set out therein) shall survive, and provided further that, subject to Section 8.7, nothing herein shall relieve any Party from any liability for any failure to consummate the transactions contemplated by this Agreement if required to pursuant to this Agreement and no Party shall be relieved of any liability for any breach by it of this Agreement.

Section 7.4 Termination Fees

(1) Despite any other provision in this Agreement relating to the payment of fees and expenses, including the payment of brokerage fees, if a Posera Termination Fee Event occurs, the Company shall pay the Purchaser the Posera Termination Fee in accordance with Section 7.4(2) as proceeds of disposition of the Purchaser's rights under this Agreement. For the purposes of this Agreement, "**Posera Termination Fee**" means \$1,500,000 and "**Posera Termination Fee Event**" means the termination of this Agreement:

- (a) by the Purchaser, pursuant to Section 7.2(1)(e)(i)(A) or (B) [*Change in Recommendation*]; or
- (b) by the Company, pursuant to Section 7.2(1)(d)(i) [*Superior Proposal*].

(2) If a Posera Termination Fee Event occurs due to a termination of this Agreement by the Company pursuant to Section 7.2(1)(d)(i), the Posera Termination Fee shall be paid prior to or concurrently with the occurrence of such Posera Termination Fee Event. If a Posera Termination Fee Event occurs due to a termination of this Agreement by the Purchaser pursuant to Section 7.2(1)(e)(i)(A) or (B) the Posera Termination Fee shall be paid within two (2) Business Days following such Posera Termination Fee Event. Any Posera Termination Fee shall be paid (less any applicable withholding Tax) by the Company to the Purchaser (or as the Purchaser may direct by notice in writing), by wire transfer in immediately available funds to an account designated by the Purchaser. For greater certainty, in no event shall the Company be obligated to pay the Posera Termination Fee on more than one occasion. Each of the Parties acknowledges that the agreements contained in this Section 7.4 are an integral part of the transactions contemplated in this Agreement and that without these agreements the other Parties would not enter into this Agreement.

(3) Despite any other provision in this Agreement relating to the payment of fees and expenses, including the payment of brokerage fees, if a Purchaser Termination Fee Event occurs, the Purchaser shall pay the Company the Purchaser Termination Fee in accordance with Section 7.4(4) as proceeds of disposition of the Company's rights under this Agreement. For the purposes of this Agreement, "**Purchaser Termination Fee**" means \$1,500,000 and "**Purchaser Termination Fee Event**" means the termination of this Agreement by the Company, pursuant to Section 7.2(b) [*Conditions to Closing*].

(4) If a Purchaser Termination Fee Event occurs due to a termination of this Agreement by the Company pursuant to Section 7.2(b), the Purchaser Termination Fee shall be paid within two (2) Business Days following such Purchaser Termination Fee Event. Any Purchaser Termination Fee shall be paid (less any applicable withholding Tax) by the Purchaser to the Company (or as the Company may direct by notice in writing), by wire transfer in

immediately available funds to an account designated by the Company. For greater certainty, in no event shall the Purchaser be obligated to pay the Purchaser Termination Fee on more than one occasion.

(5) Each of the Parties acknowledges that the agreements contained in this Section 7.4 are an integral part of the transactions contemplated in this Agreement and that without these agreements the other Parties would not enter into this Agreement.

(6) Notwithstanding anything to the contrary otherwise provided in this Agreement, it is however agreed between the Parties that, should this Agreement be terminated by the Purchaser, pursuant to Section 7.2(1)(c)(i) [*Negative Vote of the Shareholders*], the Company shall reimburse the Purchaser for any expenses and fees reasonably incurred and documented by the Purchaser in connection with the Arrangement, including without limitation, legal, accounting and advisory fees which expenses and fees in the aggregate shall not exceed \$150,000.

ARTICLE 8 GENERAL PROVISIONS

Section 8.1 Amendments

This Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Company Meeting but not later than the Effective Time: (1) be amended in any way provided for in the Plan of Arrangement; or (2) be amended by mutual written agreement of the Parties, without further notice to or authorization on the part of the Shareholders, and any such amendment may, subject to the Interim Order and Final Order and Laws, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) modify any representation or warranty contained in this Agreement or in any document delivered pursuant to this Agreement;
- (c) modify any of the covenants contained in this Agreement and waive or modify performance of any of the obligations of the Parties; and/or
- (d) modify any mutual conditions contained in this Agreement.

Section 8.2 Further Assurances

Each of the Parties will from time to time execute and deliver all such further documents and instruments and do all acts and things as any other Party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement and to consummate the transactions contemplated in this Agreement.

Section 8.3 Time of the Essence

Time will be of the essence in this Agreement.

Section 8.4 Expenses

Except as otherwise expressly provided in this Agreement, the Parties agree that all out-of-pocket expenses of the Parties relating to this Agreement or the transactions contemplated hereby, including legal fees, accounting fees, financial advisory fees, regulatory filing fees, stock exchange fees, all disbursements of advisors and printing and mailing costs, shall be paid by the Party incurring such expenses.

Section 8.5 Entire Agreement

This Agreement, together with the Company Disclosure Letter and the Confidentiality Agreement, constitute the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

Section 8.6 Successors and Assigns

(1) This Agreement becomes effective only when executed by the Company and the Purchaser. After that time, it will be binding upon and enure to the benefit of the Company, the Purchaser and their respective successors and permitted assigns.

(2) Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by any Party without the prior written consent of the other Party, except that the Purchaser may assign all or any portion of its rights and obligations under this Agreement to any of its affiliates provided that such assignment does not delay the consummation of the transactions contemplated by this Agreement, but no such assignment shall relieve the Purchaser of its obligations hereunder.

Section 8.7 Acknowledgment

Each Party acknowledges that the agreements contained in Section 7.4 are an integral part of the transactions contemplated by this Agreement, and that without these agreements the other Party would not enter into this Agreement, and that the amounts set out in Section 7.4 represent liquidated damages which are a genuine pre-estimate of the damages, including opportunity costs, which either Party will suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement, and is not a penalty. Each Party irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. In the event the amounts set out in Section 7.4 are paid to the Purchaser or Company (as either may direct), no other amounts will be due and payable as damages or otherwise by the Company or Purchaser, and the Company or Purchaser, as applicable, accepts that such payments are the maximum aggregate amount that the Company or Purchaser shall be required to pay in lieu of any damages or any other payments or remedy which the Purchaser or Company may be entitled to in connection with this Agreement or the

transactions contemplated by this Agreement; provided, however, that this limitation shall not apply in the event of fraud or a wilful breach by the Company or Purchaser, as applicable, of its representations, warranties, covenants or agreements set forth in this Agreement (which breach and liability therefore shall not be affected by termination of this Agreement or any payment of the amount set out in Section 7.4).

Section 8.8 Notices

Any demand, notice or other communication to be given in connection with this Agreement will be given in writing and will be given by personal delivery, by registered mail or by electronic means of communication addressed to the recipient as follows:

(a) to the Company at:

Posera Ltd.
341 Talbot Street
London, Ontario N6C 2R5

Attention: Akash Sahai, EVP Strategy and Business Development
Email: asahai@posera.com

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

Fasken Martineau DuMoulin LLP
Bay Adelaide Centre
333 Bay Street, Suite 2400
P.O. Box 20
Toronto, Ontario M5H 2T6

Attention: Alex Nikolic
Email: anikolic@fasken.com

(b) to the Purchaser at:

Payfacto Payments Inc.
402-1 Place du Commerce,
Verdun, Québec H3E 1A2

Attention: Martin Leroux, President & CEO
Email: Martin.Leroux@payfacto.com

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

BCF LLP
1100 René Levesque Blvd West
Suite 2500
Montréal, Québec H3B 5C9

Attention: Julie Doré / Gilles Seguin
Email: julie.dore@bcf.ca / gilles.seguin@bcf.ca

or to such other address or individual as may be designated by notice given by any Party to the others. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the fifth Business Day following the deposit thereof in the mail and, if given by email, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day. If the Party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication will not be mailed but will be given by personal delivery or by electronic communication.

Section 8.9 Injunctive Relief

The Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at Law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to injunctive and other equitable relief to prevent breaches or threatened breaches of this Agreement, and to enforce compliance with the terms of this Agreement, without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief, this being in addition to any other remedy to which the Parties may be entitled at Law or in equity.

Section 8.10 Third Party Beneficiaries

(1) Except as provided in Section 2.4(5), Section 2.11 and Section 4.11 which, without limiting their terms, are intended as stipulations for the benefit of the third parties mentioned in such provisions (such third parties referred to in this Section 8.10 as the “**Third Party Beneficiaries**”) and except for the rights of the Affected Securityholders to receive the applicable consideration following the Effective Time pursuant to the Arrangement (for which purpose the Company hereby confirms that it is acting as agent on behalf of the Affected Securityholders), the Parties intend that this Agreement will not benefit or create any right or cause of action in favour of any Person, other than the Parties and that no Person, other than the Parties, shall be entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum.

(2) Despite the foregoing, the Parties acknowledge to each of the Third Party Beneficiaries their direct rights against the applicable Party under Section 2.4(5), Section 2.11 and Section 4.11, which are intended for the benefit of, and shall be enforceable by, each Third Party Beneficiary, his or her heirs and his or her legal representatives, and for such purpose, the Company confirms that it is acting as agent on their behalf, and agrees to enforce such provisions on their behalf.

Section 8.11 Waiver

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

Section 8.12 Severability

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

Section 8.13 Governing Law

This Agreement will be governed by and construed in accordance with the Laws of the Province of Ontario and the Laws of Canada applicable therein without regard to the conflict of law provisions thereof.

Section 8.14 Jurisdiction

For the purpose of all legal proceedings, this Agreement will be deemed to have been performed in the Province of Ontario and subject to the terms of Section 8.1, the courts of the Province of Ontario will have jurisdiction to entertain any action arising under this Agreement.

Section 8.15 Rules of Construction

The Parties to this Agreement waive the application of any Law or rule of construction providing that ambiguities in any agreement or other document shall be construed against the party drafting such agreement or other document.

Section 8.16 No Liability

No director or officer of the Purchaser shall have any personal liability whatsoever to the Company under this Agreement or any other document delivered in connection with the transactions contemplated hereby on behalf of the Purchaser. No director or officer of the Company or any of its Subsidiaries shall have any personal liability whatsoever to the Purchaser under this Agreement or any other document delivered in connection with the transactions contemplated hereby on behalf of the Company or any of its Subsidiaries.

Section 8.17 Counterparts

This Agreement may be executed in any number of counterparts (including counterparts by email) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

[Remainder of page intentionally left blank. Signature pages follow.]

IN WITNESS WHEREOF the Parties have executed this Arrangement Agreement as of the date first written above.

PAYFACTO PAYMENTS INC.

By: “Martin Leroux”

Name: Martin Leroux

Title: CEO and President

POSERA LTD.

By: “Akash Sahai”

Name: Akash Sahai

Title: EVP, Strategy & Business
Development

SCHEDULE A
PLAN OF ARRANGEMENT

See Attached.

**SCHEDULE A
PLAN OF ARRANGEMENT**

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

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

Unless indicated otherwise, where used in this Plan of Arrangement, capitalized terms used but not defined shall have the meanings specified in the Arrangement Agreement and the following terms shall have the following meanings (and grammatical variations of such terms shall have corresponding meanings):

“2002 Stock Option Plan” means the stock option plan in place for Company’s and/or its Subsidiaries’ directors, officers and employees established in 2002.

“2005 Share Purchase Plan” means the share purchase plan in place for Company’s and/or its Subsidiaries’ directors, officers, employees and other eligible participants effective June 30, 2005.

“2011 Stock Option Plan” means the stock option plan in place for Company’s and/or its Subsidiaries’ directors, officers and employees established in 2011, as amended on in 2016 and re-approved in 2019.

“Affected Securityholders” means, collectively, the Shareholders and the holders of Company Options.

“affiliate” has the meaning ascribed thereto in National Instrument 45-106 Prospectus Exemptions.

“Arrangement” means the arrangement under Section 182 of the OBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations made in accordance with the terms of the Arrangement Agreement or Section 5.1 of this Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

“Arrangement Agreement” means the arrangement agreement dated as of November 25, 2019 between the Purchaser and the Company (including the Schedules thereto) as it may be amended, modified or supplemented from time to time in accordance with its terms.

“Arrangement Resolution” means the special resolution approving this Plan of Arrangement to be considered at the Company Meeting by the Shareholders.

“Articles of Arrangement” means the articles of arrangement of the Company in respect of the Arrangement required by the OBCA to be sent to the Director after the Final Order is made,

which shall include this Plan of Arrangement and otherwise be in a form and content satisfactory to the Company and the Purchaser, each acting reasonably.

“Business Day” means a day, other than a Saturday, Sunday or statutory holiday in Toronto, Ontario, or any other day on which major banks are closed for business in Toronto, Ontario.

“Certificate of Arrangement” means the certificate of arrangement to be issued by the Director pursuant to subsection 183(2) of the OBCA in respect of the Articles of Arrangement.

“Company” means Posera Ltd., a corporation existing under the laws of the Province of Ontario.

“Company Options” means the outstanding options to purchase Company Shares issued pursuant to the 2011 Stock Option Plan.

“Company Option Consideration” means an amount equal to the product obtained by multiplying (a) the amount by which the Consideration exceeds the exercise price per Company Share of such Company Option by (b) the number of unexercised Company Shares underlying such Company Option.

“Company Share” means a common share in the capital of the Company.

“Consideration” means, with respect to each Company Share, \$0.112690749 to be paid in cash, plus the per Company Share cash value of any cash balance remaining with the Company as at the Effective Time, plus, if any amounts are available to be distributed to Shareholders under the Escrow Agreement, up to \$0.008347463 to be paid in cash following the expiry of the Escrow Period, pursuant to this Plan of Arrangement.

“Court” means the Ontario Superior Court of Justice (Commercial List), or other court as applicable.

“Dissent Rights” has the meaning specified in Section 3.1.

“Dissenting Holder” means a registered Shareholder who has validly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Company Shares in respect of which Dissent Rights are validly exercised by such registered Shareholder.

“Depository” means such Person as the Company may appoint to act as depository in relation to the Arrangement, with the approval of the Purchaser, acting reasonably.

“Effective Date” means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

“Effective Time” means 12:01 a.m. on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

“Escrow Agent” means the escrow agent to be retained in connection with the Arrangement by the Purchaser and the Company.

“Escrow Agreement” means the escrow agreement among the Purchaser, the Company and the Escrow Agent pursuant to which the Purchaser deposited \$1 million in cash into an escrow account for the Escrow Period, substantially on the terms and conditions set out in Section 4.11 of the Arrangement Agreement.

“Escrow Period” means a period of up to 24 months following the Effective Date.

“Final Order” means the order of the Court approving the Arrangement, as such order may be amended by the Court (with the consent of each of the Parties, acting reasonably) at any time prior to the Effective Date or as such order may be affirmed or amended on appeal (provided that any such amendment is satisfactory to each of the Parties, acting reasonably).

“Governmental Authority” means any (a) domestic or foreign legislative, executive, judicial or administrative body or Person having or purporting to have jurisdiction in the relevant circumstances, including, but not limited to, any subdivision, agent, commission, board, authority or official of any of the foregoing, (b) any governmental, quasi-governmental or private body exercising any regulatory, legislative, expropriation or taxing authority under, or for the account of, any of the foregoing, including a recognized stock exchange, and (c) any arbitration panel or arbitrator deciding or resolving contractual disputes or interpreting any provisions of a Contract.

“Interim Order” means the interim order of the Court providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended by the Court with the consent of the Company and the Purchaser, each acting reasonably.

“Law” means, any (a) domestic or foreign laws, including statutes, subordinate legislation or treaties, and (b) guidelines, directives, rules, standards, requirements, policies, orders, judgments, injunctions, awards or decrees of a Governmental Authority whether or not having the force of law.

“Letter of Transmittal” means the letter of transmittal sent to holders of Company Shares for use in connection with the Arrangement.

“Lien”, in relation to any property or asset, means any encumbrance or title defect of any nature or kind whatever, regardless of form, whether or not recorded or registered or consensual or statutory or arising by operation of Law, including any mortgage, charge, pledge, hypothec, security interest, security agreement, assignment, lien, privilege, easement, servitude, right of way, lease, option, pre-emptive right or right of first refusal, ownership or title retention agreement, restrictive covenant, conditional sale agreement, sub-lease, encroachment, work-order or adverse Claim, community or other marital property interest and any other arrangement or condition which, in substance, secures payment or performance of an obligation.

“Loan Administration Agreement” means the agreement among the Purchaser, the Company and the Loan Administrator, substantially on the terms and conditions set out in Section 4.10 to the Arrangement Agreement.

“Loan Administrator” means the Depositary, appointed as the Loan Administrator pursuant to the Loan Administration Agreement.

“**Note**” means approximately a \$4,783,000 USD (United States Dollars) note issued by Posera USA II evidencing indebtedness to Posera Software.

“**OBCA**” means the *Business Corporations Act* (Ontario).

“**Parties**” means the Company and the Purchaser and “**Party**” means any one of them.

“**Person**” means an individual, partnership, limited partnership, association, joint venture, trustee, trust, corporation, company, unlimited liability company, unincorporated organization or other entity, including any Governmental Authority.

“**Plan of Arrangement**” means this plan of arrangement proposed under Section 182 of the OBCA, and any amendments or variations made in accordance with the Arrangement Agreement or Section 5.1 or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

“**Payfacto USA**” means Payfacto USA, Inc., a corporation existing under the Laws of the State of Delaware, United States of America and an affiliate of the Purchaser.

“**Posera Software**” means Posera Software Inc., a corporation existing under the Laws of the Province of Québec and an indirect wholly owned Subsidiary of the Company.

“**Posera Software Shares**” means the common shares of Posera Software.

“**Posera UK**” means Posera Europe Ltd., a corporation existing under the Laws of England and Wales and an indirect wholly owned Subsidiary of the Company.

“**Posera UK Shares**” means the common shares of Posera UK.

“**Posera France**” means Posera France SAS, a corporation existing under the Laws of France and an indirect wholly owned Subsidiary of the Company.

“**Posera France Shares**” means the common shares of Posera France.

“**Posera USA**” means Posera Inc., a corporation existing under the Laws of the State of Washington, United States of America and a wholly owned Subsidiary.

“**Posera USA II**” means Posera USA, Inc., a corporation existing under the Laws of the State of Washington, United States of America and an indirect wholly owned Subsidiary.

“**Posera USA Shares**” means the common stock of Posera USA.

“**Purchaser**” means Payfacto Payments Inc., a corporation existing under the laws of the Province of Québec.

“**Québec Inc.**” means 9402-7307 Quebec Inc., a corporation existing under the Laws of the Province of Québec and an affiliate of the Purchaser.

“**Shareholders**” means the registered and/or beneficial holders of Company Shares, as the context requires.

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time.

“**Taxes**” means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other similar charges or assessments of any kind whatsoever imposed, assessed or collected by any Governmental Authority, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, escheat, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, provincial sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers’ compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority on or in respect of amounts of the type described in clause (i) above or this clause (ii).

1.2 Certain Rules of Interpretation

In this Plan of Arrangement, unless otherwise specified:

- (1) **Headings, etc.** The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement.
- (2) **Currency.** All references to dollars or to \$ are references to Canadian dollars, unless specified otherwise.
- (3) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (4) **Certain Phrases, etc.** The words (i) “including”, “includes” and “include” mean “including (or includes or include) without limitation,” (ii) “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of,” and (iii) unless stated otherwise, “Article”, “Section”, and “Schedule” followed by a number or letter mean and refer to the specified Article or Section of or Schedule to this Plan of Arrangement.
- (5) **Statutes.** Any reference to a statute refers to such statute and all rules, resolutions and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.
- (6) **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 5:00 p.m. on the last day of the

period, if the last day of the period is a Business Day, or at 5:00 p.m. on the next Business Day if the last day of the period is not a Business Day. If the date on which any action is required or permitted to be taken under this Agreement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

- (7) **Time References.** References to time are to local time, Toronto, Ontario.

ARTICLE 2 THE ARRANGEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to, is subject to the provisions of and forms part of, the Arrangement Agreement.

2.2 Binding Effect

This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, will become effective, and be binding on the Purchaser, the Company, all holders and beneficial owners of Company Shares and Company Options, including Dissenting Holders, the registrar and transfer agent of the Company, the Depositary and all other Persons, at and after, the Effective Time without any further act or formality required on the part of any Person.

2.3 Intercompany Debts

The following steps shall occur prior to, and shall be conditions to, the implementation of the Plan of Arrangement:

- (a) All of the following intercompany obligations will be settled and extinguished in their entirety as follows:
 - (i) Posera UK shall repay in cash to Posera Software an intercompany obligation, which as of November 25, 2019, is approximately \$18,838;
 - (ii) Posera Software shall repay in cash to Posera France an intercompany obligation, which as of November 25, 2019, is approximately \$26,936;
 - (iii) Posera UK shall repay in cash to Posera France an intercompany obligation, which as of November 25, 2019 is approximately \$26,437;
 - (iv) Posera UK shall repay in cash to the Company an intercompany obligation, which as of November 25, 2019, is approximately \$3,375;
 - (v) Posera Software shall repay in cash to the Company an intercompany obligation, which as of November 25, 2019, is approximately \$6,356;

- (vi) Posera USA II shall repay in cash to the Company an intercompany obligation, which as of November 25, 2019, is approximately \$6,547;
- (vii) Posera USA shall repay in cash to Posera Software an intercompany obligation, which as of November 25, 2019, is approximately \$178,020; and
- (b) Posera Software shall distribute the Note to Posera USA as a dividend in kind;
- (c) Posera Software shall set aside and remit approximately \$315,000 in withholding taxes to the Canada Revenue Agency in connection with the distribution of the Note;
- (d) Posera USA shall repay in cash an intercompany obligation of approximately \$315,000 to Posera Software, created by the payment of the withholding taxes in (c) above by Posera Software on behalf of Posera USA; and
- (e) the Company shall capitalize the \$1,460,000 intercompany obligation owing to the Company by Posera USA in exchange for 1,877,143 common shares issued by Posera USA to the Company.

2.4 Acceleration of Company Options

Immediately prior to the Effective Time:

- (a) any Company Options that have not yet vested in accordance with their terms shall be accelerated so that such Company Options become exercisable, immediately following which each in-the-money Company Option, whether vested or unvested prior to such acceleration, that is outstanding and has not been duly exercised, without any further action by or on behalf of any holder of such Company Option shall be disposed of to the Company (free and clear of all Liens) in consideration for a cash payment from the Company equal to the Company Option Consideration, subject to applicable withholdings and other source deductions;
- (b) each holder of Company Options shall cease to be a holder of such Company Options;
- (c) such holder's name shall be removed from each applicable register;
- (d) the 2005 Share Purchase Plan, 2002 Stock Option Plan, 2011 Stock Option Plan, each Company Option issued and outstanding immediately prior to the Effective Time and any agreements related thereto shall thereafter be immediately cancelled and terminated; and
- (e) such holder shall thereafter have only the right to receive the consideration to which they are entitled pursuant to this Section 2.4(a) at the time and in the manner specified in Section 2.4(a).

2.5 Arrangement

At the Effective Time each of the following events shall occur and shall be deemed to occur sequentially as set out below without any further authorization, act or formality, in each case, unless stated otherwise, effective as at five minute intervals starting at the Effective Time:

- (a) each Posera Software Share outstanding immediately prior to the Effective Time shall, without any further action by Posera USA, be deemed to be assigned and transferred by Posera USA to the Purchaser (free and clear of all Liens) in exchange for \$349,999, and:
 - (i) Posera USA shall cease to be the holder thereof and to have any rights as a holder of such Posera Software Shares other than the right to be paid \$349,999 in accordance with this Plan of Arrangement;
 - (ii) Posera USA's name shall be removed from the register of the Posera Software Shares maintained by or on behalf of Posera Software; and
 - (iii) the Purchaser shall be deemed to be the transferee of such Posera Software Shares (free and clear of all Liens) and shall be entered in the register of the Posera Software Shares maintained by or on behalf of Posera Software;
- (b) each Posera France Share outstanding immediately prior to the Effective Time shall, without any further action by Posera USA, be deemed to be assigned and transferred by Posera USA to Québec Inc. (free and clear of all Liens) in exchange for \$1.00, and:
 - (i) Posera USA shall cease to be the holder thereof and to have any rights as a holder of such Posera France Shares other than the right to be paid \$1.00 in accordance with this Plan of Arrangement;
 - (ii) Posera USA's name shall be removed from the register of the Posera France Shares maintained by or on behalf of Posera France; and
 - (iii) Québec Inc. shall be deemed to be the transferee of such Posera France Shares (free and clear of all Liens) and shall be entered in the register of the Posera France Shares maintained by or on behalf of Posera France;
- (c) each Posera UK Share outstanding immediately prior to the Effective Time shall, without any further action by Posera USA, be deemed to be assigned and transferred by Posera USA to Québec Inc. (free and clear of all Liens) in exchange for \$150,000, and:
 - (i) Posera USA shall cease to be the holder thereof and to have any rights as a holder of such Posera UK Shares other than the right to be paid \$150,000 in accordance with this Plan of Arrangement;

- (ii) Posera USA's name shall be removed from the register of the Posera UK Shares maintained by or on behalf of Posera UK; and
 - (iii) Québec Inc. shall be deemed to be the transferee of such Posera UK Shares (free and clear of all Liens) and shall be entered in the register of the Posera UK Shares maintained by or on behalf of Posera UK;
- (d) each Posera USA Share outstanding immediately prior to the Effective Time shall, without any further action by the Company, be deemed to be assigned and transferred by the Company to the Payfacto USA. (free and clear of all Liens) in exchange for \$7 million, and:
 - (i) the Company shall cease to be the holder thereof and to have any rights as a holder of such Posera USA Shares other than the right to be paid \$7 million in accordance with this Plan of Arrangement;
 - (ii) the Company's name shall be removed from the register of the Posera USA Shares maintained by or on behalf of Posera USA; and
 - (iii) Payfacto USA shall be deemed to be the transferee of such Posera USA Shares (free and clear of all Liens) and shall be entered in the register of the Posera USA Shares maintained by or on behalf of Posera USA;
- (e) each of the Company Shares held by Dissenting Holders in respect of which Dissent Rights have been validly exercised shall be deemed to have been transferred without any further act or formality to the Purchaser (free and clear of all Liens) in consideration for a debt claim against the Purchaser for the amount determined under Article 3, and:
 - (i) such Dissenting Holders shall cease to be the holders of such Company Shares and to have any rights as holders of such Company Shares other than the right to be paid fair value for such Company Shares as set out in Section 3.1;
 - (ii) such Dissenting Holders' names shall be removed as the holders of such Company Shares from the registers of Company Shares maintained by or on behalf of the Company; and
 - (iii) the Purchaser shall be deemed to be the transferee of such Company Shares free and clear of all Liens, and shall be entered in the register of Company Shares maintained by or on behalf of the Company;
- (f) each Company Share outstanding immediately prior to the Effective Time, other than Company Shares held by a Dissenting Holder who has validly exercised such holder's Dissent Right in respect of such Company Shares and Company Shares held by the Purchaser or any of its affiliates, shall, without any further action by or on behalf of a holder of Company Shares, be deemed to be assigned and

transferred by the holder thereof to the Purchaser (free and clear of all Liens) in exchange for the Consideration, and:

- (i) the holders of such Company Shares shall cease to be the holders thereof and to have any rights as holders of such Company Shares other than the right to be paid the Consideration in accordance with this Plan of Arrangement;
 - (ii) such holders' names shall be removed from the register of the Company Shares maintained by or on behalf of the Company; and
 - (iii) the Purchaser shall be deemed to be the transferee of such Company Shares (free and clear of all Liens) and shall be entered in the register of the Company Shares maintained by or on behalf of the Company;
- (g) the Loan Administration Agreement shall become effective and enforceable in accordance with its terms and the appointment of the Loan Administrator thereunder shall become effective; and
- (h) the Escrow Agreement shall become effective and enforceable in accordance with its terms and the appointment of the Escrow Agent thereunder shall become effective.

2.6 No Fractional Consideration

Notwithstanding any other provision hereof, in any case where the aggregate Consideration payable to a Shareholder or the aggregate Company Option Consideration payable to a holder of Company Options, as the case may be, under the Arrangement would, but for Section 2.3 or Section 2.5, otherwise include a fraction of a cent then the amount payable shall be rounded down to the nearest whole cent.

ARTICLE 3 RIGHTS OF DISSENT

3.1 Rights of Dissent

Registered Shareholders may exercise dissent rights with respect to the Company Shares held by such holders ("**Dissent Rights**") in connection with the Arrangement pursuant to and in the manner set forth in Section 185 of the OBCA, as modified by the Interim Order and this Section 3.1; provided that, notwithstanding subsection 185(6) of the OBCA, the written objection to the Arrangement Resolution referred to in subsection 185(6) of the OBCA must be received by the Company not later than 5:00 p.m. (Toronto time) two Business Days immediately preceding the date of the Company Meeting (as it may be adjourned or postponed from time to time). Dissenting Holders who duly exercise their Dissent Rights shall be deemed to have transferred the Common Shares held by them and in respect of which Dissent Rights have been validly exercised to the Purchaser free and clear of all Liens, as provided in Section 2.3(a) and if they:

- (a) ultimately are entitled to be paid fair value for such Company Shares: (i) shall be deemed not to have participated in the transactions in Article 2 (other than Section 2.3(a)); (ii) will be entitled to be paid the fair value of such Common Shares, which fair value, notwithstanding anything to the contrary contained in Part XIV of the OBCA, shall be determined as of the close of business on the day before the Arrangement Resolution was adopted; and (iii) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Common Shares; or
- (b) ultimately are not entitled, for any reason, to be paid fair value for such Company Shares shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Company Shares or provided for in Section 2.3(a);.

3.2 Recognition of Dissenting Holders

- (a) In no circumstances shall the Purchaser or the Company or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of those Common Shares in respect of which such rights are sought to be exercised.
- (b) For greater certainty, in no case shall the Purchaser, the Company or any other Person be required to recognize Dissenting Holders as holders of Company Shares in respect of which Dissent Rights have been validly exercised after the completion of the transfer under Section 2.3(a), and the names of such Dissenting Holders shall be removed from the registers of holders of the Company Shares in respect of which Dissent Rights have been validly exercised at the same time as the event described in Section 2.3(a) occurs. In addition to any other restrictions under Section 185 of the OBCA, none of the following shall be entitled to exercise Dissent Rights: (i) holders of Company Options; and (ii) Shareholders who vote or have instructed a proxyholder to vote such Company Shares in favour of the Arrangement Resolution (but only in respect of such Company Shares).

ARTICLE 4 CERTIFICATES AND PAYMENTS

4.1 Payment of Consideration

- (a) Prior to the Effective Time, the Purchaser shall deposit, or arrange to be deposited, for the benefit of the Shareholders (other than the Purchaser and its affiliates), cash with the Depositary in the aggregate amount equal to the payments in respect thereof required by Section 2.5 (e) and Section 2.5 (f) of this Plan of Arrangement.
- (b) Prior to the Effective Time, the Purchaser shall deposit, or arrange to be deposited, for the benefit of the Shareholders (other than the Purchaser and its affiliates), cash with the Escrow in the aggregate amount equal to the payments in respect thereof required by Section 2.5 (h) of this Plan of Arrangement.

- (c) Immediately prior to the Effective Date, the Company shall pay, or cause to be paid, the amounts, net of applicable withholdings, to holders of Company Options, either (i) pursuant to the normal payroll practices and procedures of the Company, or (ii) by cheque or wire transfer (delivered to such holder of Company Options, as reflected on the register maintained by or on behalf of the Company in respect of the Company Options).
- (d) Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented outstanding Company Shares that were transferred pursuant to Section 2.3(f), together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the Shareholders represented by such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder, as soon as is practicable but in any event not later than the date that is three (3) business days following the later of the Effective Date and the date of deposit by the former Shareholder of a duly completed and executed Letter of Transmittal, together with such certificate(s) representing the holder's Company Shares and such other documents and instruments as the Depositary may reasonably require, the cash which such holder has the right to receive under this Plan of Arrangement for such Company Shares, less any amounts withheld pursuant to Section 4.3, and any certificate so surrendered shall forthwith be cancelled.
- (e) Until surrendered as contemplated by this Section 4.1, each certificate that immediately prior to the Effective Time represented Company Shares shall be deemed after the Effective Time to represent only the right to receive upon such surrender a cash payment in lieu of such certificate as contemplated in this Section 4.1, less any amounts withheld pursuant to Section 4.3. Any such certificate formerly representing Company Shares not duly surrendered on or before the sixth anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder of Company Shares of any kind or nature against or in the Company or the Purchaser. On such date, all cash to which such former holder was entitled shall be deemed to have been surrendered to the Purchaser or the Company, as applicable, and shall be paid over by the Depositary to the Purchaser or as directed by the Purchaser.
- (f) Any payment made by way of cheque by the Depositary (or the Company, if applicable) pursuant to this Plan of Arrangement that has not been deposited or has been returned to the Depositary (or the Company) or that otherwise remains unclaimed, in each case, on or before the sixth anniversary of the Effective Time, and any right or claim to payment hereunder that remains outstanding on the sixth anniversary of the Effective Time shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the applicable consideration for the Company Shares and the Company Options pursuant to this Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to the Purchaser or the Company, as applicable, for no consideration.

- (g) No holder of Company Shares or Company Options shall be entitled to receive any consideration with respect to such Company Shares or Company Options other than any cash payment to which such holder is entitled to receive in accordance with Section 2.3, Section 2.5 and this Section 4.1 and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

4.2 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Company Shares that were transferred pursuant to Section 2.3 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, cash deliverable in accordance with such holder's Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Person to whom such cash is to be delivered shall as a condition precedent to the delivery of such cash, give a bond satisfactory to the Purchaser and the Depositary (each acting reasonably) in such sum as the Purchaser may direct (acting reasonably), or otherwise indemnify the Purchaser and the Company in a manner satisfactory to Purchaser and the Company, acting reasonably, against any claim that may be made against the Purchaser and the Company with respect to the certificate alleged to have been lost, stolen or destroyed.

4.3 Withholding Rights

The Purchaser, the Company, the Depositary and any other Person that makes a payment to any Person under this Plan of Arrangement (including, without limitation, any amounts payable pursuant to Section 2.3, Section 2.5 and Section 3.1), shall be entitled to deduct and withhold from any consideration otherwise payable to such Person such amounts as the Purchaser, the Company, the Depositary, or such other Person are required or directed to deduct and withhold from such consideration under any provision of any Laws in respect of Taxes. Any such amounts will be deducted, withheld and remitted from the consideration payable pursuant to this Plan of Arrangement and shall be treated for all purposes under this Plan of Arrangement as having been paid to such Person in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate Governmental Authority.

4.4 No Liens

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

4.5 Paramountcy

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Company Shares and Company Options, issued or outstanding prior to the Effective Time, (b) the rights and obligations of the Affected Securityholders, the Company, the Purchaser, the Depositary and any transfer agent or other depositary therefor in relation thereto, shall be solely as provided for in this Plan of Arrangement, and (c) all actions,

causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Company Shares or Company Options shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

ARTICLE 5 AMENDMENTS

5.1 Amendments to Plan of Arrangement

- (a) The Company and the Purchaser may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must (i) be set out in writing, (ii) be approved by the Company and the Purchaser, each acting reasonably, (iii) filed with the Court and, if made following the Company Meeting, approved by the Court, and (iv) communicated to the Affected Securityholders if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company or the Purchaser at any time prior to the Company Meeting (provided that the Company or the Purchaser, as applicable, shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Company Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Meeting shall be effective only if (i) it is consented to in writing by each of the Company and the Purchaser (in each case, acting reasonably), and (ii) if required by the Court, it is consented to by some or all of the holders of Company Shares voting in the manner directed by the Court.
- (d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Purchaser, provided that it concerns a matter which, in the reasonable opinion of the Purchaser, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interest of any former holder of Company Shares or Company Options.

ARTICLE 6 FURTHER ASSURANCES

6.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties shall make, do and execute, or cause to be made, done

and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

SCHEDULE B
ARRANGEMENT RESOLUTION

BE IT RESOLVED THAT:

1. The arrangement (the “**Arrangement**”) under Section 182 of the *Business Corporations Act* (Ontario) (the “**OBCA**”) of Posera Ltd. (the “**Company**”), pursuant to the arrangement agreement (the “**Arrangement Agreement**”) between the Company and Payfacto Payments Inc., as more particularly described in the management information circular of the Company dated •, 2019 (the “**Circular**”), accompanying the notice of this meeting (as the Arrangement may be modified or amended in accordance with the terms of the Arrangement Agreement) is hereby authorized, approved and adopted.
2. The plan of arrangement of the Company (the “**Plan of Arrangement**”), as it may be amended, modified or supplemented in accordance with its terms and the Arrangement Agreement, the full text of which is set out in Appendix • to the Circular, is hereby authorized, approved and adopted.
3. The (i) Arrangement Agreement and related transactions, (ii) actions of the directors of the Company in approving the Arrangement Agreement, and (iii) actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement, and any amendments, modifications or supplements thereto, are hereby ratified and approved.
4. The Company be and is hereby authorized to apply for a final order from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement.
5. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the holders of common shares of the Company (the “**Shareholders**”) or that the Arrangement has been approved by the Court, the directors of the Company are hereby authorized and empowered to, at their discretion, without notice to or approval of the Shareholders: (i) amend, modify or supplement the Arrangement Agreement or the Plan Arrangement to the extent permitted by the Arrangement Agreement; and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions.
6. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute and deliver for filing with the Director under the OBCA articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any such other documents.
7. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or

desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

SCHEDULE C
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

- (a) **Organization and Qualification.** Each of the Company and Subsidiaries is a corporation duly incorporated, validly existing and in good standing under the Laws of its jurisdiction of formation with full corporate power and authority to own and lease its assets, as the case may be, and to carry on its business as currently conducted, and has made all corporate filings required by applicable Laws. Each of the Company and its Subsidiaries is duly qualified, licensed or registered to carry on business and is in good standing in each jurisdiction in which its assets are located or it conducts business or that otherwise requires such qualification, license or registration.
- (b) **Authority.** The Company has the requisite power, authority and right to enter into and deliver and perform its obligations under this Agreement. The execution, delivery and performance by the Company of its obligations under this Agreement and the consummation of the transactions contemplated in this Agreement have been duly and validly authorized and approved by all necessary corporate action on the part of the Company, and no other approval or consent from, or filing with, or notice to, any Governmental Authority or other Person is required on the part of the Company, its Subsidiaries or any of the Company's securityholders in connection with the execution, delivery and performance by the Company of its obligations under this Agreement other than: (i) approval by the Board of the Company Circular; (ii) the Interim Order; (iii) the Arrangement Resolution being approved and adopted by the Shareholders at the Company Meeting in accordance with the Interim Order and Law; (iv) filings with the Court in respect of the Arrangement; (v) the Final Order; (vi) filing of the Articles of Arrangement with the Director; and (vii) any actions or filings with Securities Authorities or the TSX.

The Board, after receiving advice of outside legal and financial advisors, the Board has: (i) determined that the Consideration to be received by the Shareholders pursuant to the Arrangement is fair to such holders and that the Arrangement is in the best interests of the Company; (ii) resolved to recommend that the Shareholders vote in favour of the Arrangement Resolution; and (iii) authorized the entering into of this Agreement and the performance by the Company of its obligations under this Agreement, and no action has been taken to amend, or supersede such determinations, resolutions, or authorizations.

- (c) **Execution and Binding Obligation.** This Agreement has been, and all other Contracts to be executed by the Company at or prior to the Effective Date pursuant to this Agreement will be, duly and validly executed and delivered by the Company, and this Agreement constitutes, and each such Contract will constitute, a valid and legally binding obligation of the Company enforceable against it in accordance with its terms subject only to applicable bankruptcy and insolvency laws and to equitable remedies generally.

- (d) **No Conflict.** Except as disclosed in Section (d) of the Company Disclosure Letter, neither the execution nor the delivery of this Agreement or any Contracts to be executed and delivered in connection therewith, nor the completion of the transactions contemplated in this Agreement or such Contracts by the Company or any of its Subsidiaries (including the consummation of the Arrangement), will: (i) conflict with, result in the violation of, or default under (with or without notice or lapse of time or both); (ii) allow any Person to exercise any rights, require any consent or notice under or other action by any Person; or (iii) give rise to (including by triggering any rights of first refusal or first offer, change in control provisions or other restrictions or limitations): an obligation to repay; a Lien; a right of modification, termination, cancellation or acceleration or other change of any right or obligation; or the loss of any benefit to which the Company or any of its Subsidiaries is entitled, in each case, under:
- (i) any of the Company's Constatting Documents, or any of the provisions of any of the articles, bylaws or other constating documents of the Subsidiaries;
 - (ii) any Contract to which the Company or any of its Subsidiaries is a party, or any of the assets, rights and properties comprising the Business;
 - (iii) any judgment, order or decree to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound or by which any of their properties or assets are affected; or
 - (iv) any applicable Law.

Except as disclosed in Section (d) of the Company Disclosure Letter, neither the Company nor any of its Subsidiaries is required to give notice to, or obtain consent from, any Person in connection with the execution and delivery of this Agreement or any Contract to be executed in connection therewith, or the consummation or performance of the transactions contemplated hereby and thereby.

(e) **Capitalization.**

- (i) The authorized capital of the Company consists of an unlimited number of Company Shares, of which 119,796,879 are issued and outstanding. All issued and outstanding Company Shares have been duly authorized and are validly issued as fully paid and non-assessable shares. A complete and correct description of the Company Shares is set forth in Section (e)(i) of the Company Disclosure Letter.
- (ii) Pursuant to the 2002 Stock Option Plan, the Company is only authorized to issue 2,000,000 Company Shares pursuant to the exercise of options issued under the 2002 Stock Option Plan. There are no issued and outstanding options to acquire Equity Interests in the Company pursuant to the 2002 Stock Option Plan.

- (iii) Pursuant to the 2005 Share Purchase Plan, the Company is only authorized to issue 750,000 Company Shares. No Company Shares have been issued pursuant to the 2005 Share Purchase Plan.
 - (iv) Pursuant to the 2011 Stock Option Plan, the Company is only authorized to issue 17,969,531 Company Shares pursuant to the exercise of options issued under the 2011 Stock Option Plan, and currently 8,420,250 Company Options are expected to be outstanding as at the Effective Date. Section (e)(iv) of the Company Disclosure Letter contains a list of the number of outstanding Company Options and the exercise price of such Company Options. All of the Company Shares issuable upon the exercise of rights under the 2011 Stock Option Plan, have been duly authorized and, upon issuance in accordance with their respective terms, will be validly issued as fully paid and non-assessable shares, and are not, and will not be subject to, or issued in violation of, any pre-emptive rights.
 - (v) The only issued and outstanding Equity Interests in the Company are the 119,796,879 Company Shares, and the Company Options listed in Section (e)(iv) of the Company Disclosure Letter.
 - (vi) All of the issued and outstanding Company Shares and Company Options were issued in compliance with all applicable Laws.
 - (vii) There are no issued, outstanding or authorized obligations on the part of the Company to repurchase, redeem or otherwise acquire any securities of the Company, or qualify securities for public distribution in Canada, the U.S. or elsewhere, or with respect to the voting or disposition of any securities of the Company.
 - (viii) There are no unpaid or outstanding dividends or other distributions in respect of any Equity Interests in the Company or any of its Subsidiaries.
- (f) **No Options or Other Agreements.**
- (i) Except for the Company Options listed in Section (e)(iv) of the Company Disclosure Letter, there are no issued, outstanding, or except pursuant to the 2011 Stock Option Plan as disclosed above, authorized, options, phantom shares, warrants, rights, calls equity-based awards, conversion (including securities convertible into or exchangeable for shares or other securities of the Company or any of its Subsidiaries), pre-emptive, redemption, repurchase, stock appreciation or other rights, or any other agreements, arrangements, instruments or commitments of any nature or kind whatsoever that obligate the Company or any of its Subsidiaries to, directly or indirectly, issue or sell any securities of the Company or any of its Subsidiaries, give any Person a right to subscribe for or acquire, any securities of the Company or any of its Subsidiaries or relate to the Company, the Company Shares or any of its Subsidiaries.

- (ii) There are no bonds, debentures or other evidences of indebtedness of the Company or any of its Subsidiaries outstanding having the right to vote (or that are convertible or exercisable for securities having the right to vote) with the Shareholders on any matter.
- (iii) Neither the Company nor any of its Subsidiaries is a party to any partnership, joint venture or other agreement of a similar nature.
- (iv) A complete and correct copy of each of the 2002 Stock Option Plan, the 2005 Share Purchase Plan and the 2011 Stock Option Plan has been provided to the Purchaser.

(g) **Subsidiaries.**

- (i) Section (g)(i) Company Disclosure Letter sets forth a complete and accurate list of all Persons in which the Company owns or controls, directly or indirectly, any material equity or proprietary interest indicating (A) the name and jurisdiction of incorporation, organization or formation of such Person, and (B) the percentage owned directly or indirectly by the Company.
- (ii) A complete and correct description of the authorized Equity Interests of each of the Company's Subsidiaries is set forth in Section (g)(ii) of the Company Disclosure Letter.
- (iii) Each Subsidiary of the Company is a corporation duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation, and has all requisite corporate power and authority to own, and operate its assets and conduct its business as now owned and conducted.
- (iv) The Company is, directly or indirectly, the registered and beneficial owner of all of the outstanding Equity Interests of each of its Subsidiaries, in each case free and clear of any Liens (other than Permitted Liens). All such Equity Interests so owned by the Company have been validly issued and are fully paid and non-assessable.
- (v) Except as disclosed in Section (g)(i) of the Company Disclosure Letter, the Company does not have any Subsidiaries, and neither the Company nor any of its Subsidiaries is a party to any agreements, options or commitments to acquire any securities of any Person (or similar ownership interests of any Person).

- (h) **Books and Records.** The books of account and other records of the Company and each of its Subsidiaries are complete and correct in all material respects and fairly present and disclose in all material respects the legal and corporate proceedings of the Company and each of its Subsidiaries. The minute books of the Company and each of its Subsidiaries contain complete and correct records of all meetings held,

and all actions taken by written consent, of the holders of voting securities, the board of directors or Persons exercising similar authority, and no meeting of any such holders, board of directors or Persons, has been held, and no other action has been taken, for which minutes or other evidence of action have not been prepared and are not contained in such minute books. Either the Company has, or to the knowledge of the Company, its transfer agent has, at all times maintained complete and correct records of all issuances and transfers of its Equity Interests. Each Subsidiary of the Company has at all times maintained complete and correct records of all issuances and transfers of its Equity Interests.

(i) **Securities Law Matters.**

- (i) The Company is a “reporting issuer” under applicable Securities Laws in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. The Company Shares are listed and posted for trading on the TSX under the stock symbol “PAY”. The Company is not in default of any requirements of any Securities Laws or the rules and regulations of the TSX.
- (ii) As of the date of this Agreement, the Company has not taken any action to cease to be a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island or Newfoundland nor has the Company received notification from any Securities Authority seeking to revoke the reporting issuer status of the Company. As of the date of this Agreement, no delisting, suspension of trading or cease trade or other order or restriction with respect to any securities of the Company is pending or, to the knowledge of the Company, threatened.
- (iii) The Company has filed with the Securities Authorities all material forms, reports, schedules, statements and other documents required to be filed under Securities Laws since December 31, 2017.
- (iv) All documents publicly filed by or on behalf of the Company on SEDAR since December 31, 2017 (collectively, the “**Company Filings**”), complied as filed in all material respects with Law and did not, as of the date filed (or, if amended or superseded by a subsequent filing prior to the date of this Agreement, on the date of such subsequent filing), contain any Misrepresentation. The Company has not filed any confidential material change report which at the date of this Agreement remains confidential. To the knowledge of the Company, neither the Company nor any of the Company Filings is subject of an ongoing audit, review, comment or investigation by any Securities Authority or the TSX.

(j) Financial Statements.

- (i) Except as disclosed in Section (j)(i) of the Company Disclosure Letter, the Company's audited consolidated financial statements (including any of the notes or schedules thereto, the auditor's report thereon and the related management's discussion and analysis) and the unaudited consolidated interim financial statements (including any of the notes or schedules thereto and related management's discussion and analysis) included in the Company Filings: (A) are in accordance with the books of account and other records of the Company; (B) are complete and correct in all material respects; (C) have been prepared in accordance with IFRS; and (D) present fairly the financial condition and operating results of the Company and all of the assets and liabilities of the Company of every nature or kind whatsoever, including all contingent liabilities of the Company (except as may be expressly indicated in the notes to such financial statements).
- (ii) The Company does not intend to correct or restate, nor, to the knowledge of the Company is there any basis for any correction or restatement of, any aspect of any of the Company's financial statements included in the Company Filings (other than any corrections or restatements required as a result of changes in IFRS that have retroactive application). Except as disclosed in Section (j)(ii) of the Company Disclosure Letter, there are no, nor are there any commitments to become a party to, any off-balance sheet transaction, arrangement, obligation (including contingent obligations) or other similar relationships of the Company or of any of its Subsidiaries with unconsolidated entities or other Persons.
- (iii) In the past five (5) years, all accounting and financial books and records of the Company and its Subsidiaries have been maintained in all material respects in accordance with IFRS and fairly reflect, in all material respects in accordance with IFRS applied on a basis consistent with prior periods, the consolidated financial position of the Company and all the material transactions, acquisitions and dispositions of the Company and its Subsidiaries on a consolidated basis.

(k) Disclosure Controls and Internal Control over Financial Reporting.

- (i) The Company has established and maintains a system of disclosure controls and procedures (as such term is defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) that are designed to ensure that material information required to be disclosed by the Company in its reports filed or submitted under Securities Laws is recorded, processed, and reported on a timely basis and accumulated and communicated to the Company's management, including its chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

- (ii) The Company has established and maintains a system of internal control over financial reporting (as such term is defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) that is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.
 - (iii) Based on the Company's most recent evaluation of internal controls prior to the date hereof, there is no material weakness (as such term is defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) relating to the design, implementation or maintenance of its internal control over financial reporting, or fraud, whether or not material, that involves management or other Company Employees who have a significant role in the internal control over financial reporting of the Company. As of the date hereof, none of the Company, any of its Subsidiaries or, to the Company's knowledge, any director, Company Employee, auditor, accountant or Representative of the Company or any of its Subsidiaries has received or otherwise obtained knowledge of any complaint, allegation, assertion, or claim, whether written or oral, regarding accounting, internal accounting controls or auditing matters, including any complaint, allegation, assertion, or claim that the Company or any of its Subsidiaries has engaged in questionable accounting or auditing practices, or any expression of concern from its employees regarding questionable accounting or auditing matters.
- (l) **Absence of Certain Changes.** Since December 31, 2018, other than the transactions contemplated in this Agreement or as disclosed in the Company Filings, the business of the Company and its Subsidiaries has been conducted in the Ordinary Course consistent with past practices. Since December 31, 2018, there has not been any event, occurrence, development or state of circumstances or facts that has had or would be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect. Without limiting the generality of the foregoing, except in the Ordinary Course, each of the Company and the Subsidiary has not:
- (i) sold, transferred or otherwise disposed of any property except:
 - (A) assets which are obsolete and which, individually or in the aggregate, do not exceed \$50,000 in book value; and
 - (B) inventory sold in the Ordinary Course.
 - (ii) made any capital expenditures or commitment therefor relating to the Business which individually or in the aggregate exceeded \$50,000;

- (iii) paid any secured or unsecured obligation or liability, not including accounts payable (whether accrued, absolute, contingent or otherwise) which, individually or in the aggregate, exceeded \$50,000;
- (iv) increased its indebtedness for borrowed money or made any loan or advance to any Person, or assumed, guaranteed or otherwise became liable with respect to the obligation of any Person in connection with the Business;
- (v) cancelled any debts or claims owed to it or amended, terminated or waived any rights of value to which it is entitled;
- (vi) made any bonus or profit sharing distribution or similar payment of any kind other than in accordance with any employee benefit plans that may be in place in the Company;
- (vii) made any payment to an officer, director, former director, employee or related party of the Company other than at the regular rates payable by way of salary or other remuneration or for the reimbursement of expenses incurred in the Ordinary Course;
- (viii) removed or appointed any auditor or director or terminated or hired any officer or other senior Person;
- (ix) made any change in the compensation paid or payable to any officer or director or granted any increase in the rate of wages, salaries, bonuses or other remuneration of any employee;
- (x) suffered any extraordinary loss, damage or destruction in respect of the Business, whether or not covered by insurance;
- (xi) terminated or suffered the termination of, any Contract material to the Business other than due to its expiration in accordance with its terms and not as a result of the potential completion of the transactions contemplated by this Agreement;
- (xii) written down the value of any assets, including inventory and capital lease assets, except on account of depreciation and amortization in the Ordinary Course;
- (xiii) waived or written off as uncollectible any accounts receivable or any portion thereof;
- (xiv) increased its reserves for contingent liabilities;
- (xv) suffered any material shortage or any cessation or material interruption of inventory shipments, supplies or ordinary services;

- (xvi) made any forward purchase commitments either in excess of the requirements of the Company for normal operating purposes or at prices higher than the current market prices;
- (xvii) compromised or settled any litigation or governmental action relating to the Company's assets, other property used by the Company or the Business;
- (xviii) cancelled or reduced any insurance coverage;
- (xix) made any change in the method of billing or the credit terms made available to the customers of the Business;
- (xx) made any change in any method of accounting or auditing practice; or
- (xxi) authorized, agreed or otherwise committed, whether or not in writing, to do any of the foregoing.

(m) **Business Authorizations.**

- (i) Company owns, possesses or lawfully uses in the operation of the Business, all Authorizations which are necessary for it to conduct the Business. All Authorizations necessary to operate the Business are set out in Section (m) of the Company Disclosure Letter (the "**Business Authorizations**").
- (ii) Each Business Authorization is (i) valid, subsisting and in good standing; and (ii) assignable to Purchaser and renewable by its terms or in the Ordinary Course without the need for the Company to comply with any special rules or procedures, agree to any materially different terms or conditions or pay any amounts other than routine filing fees.
- (iii) Company is not in default or breach of any Business Authorization and no legal proceeding is pending or, threatened, to revoke or limit any Business Authorization.

(n) **Leases and Leased Premises.**

- (i) Except for the leases ("**Leases**") for the premises (the "**Leased Premises**") set forth in Section (n)(i) of the Company Disclosure Schedule, true, correct and complete copies of which have been made available to the Purchaser, the Company is not a party to, or under any agreement to become a party to, any real or immovable Property lease other than the Leases. Each Lease is in good standing, creates a good and valid leasehold estate in favour of the Company in the Leased Premises thereby demised and is in full force and effect without amendment, except as set out in Section (n)(i) of the Company Disclosure Letter.

- (ii) With respect to each Lease where the Company is a lessee:
 - (A) such Lease (or a notice in respect of the Lease) has been properly registered in the office of the appropriate land registry division;
 - (B) all rents and additional rents have been paid;
 - (C) no waiver, indulgence or postponement of Company's obligations has been granted by the lessor;
 - (D) there exists no event of default or event, occurrence, condition or act which, with the giving of notice, the passage of time or the happening of any other event or circumstance, would become a default under such Lease or give rise to a right of amendment, cancellation or termination of the Lease or restrict the ability of the Company to exercise any of its rights as lessee thereunder, including renewal or extension options, options to purchase or rights of first refusal contained therein; and
 - (E) all of the covenants to be performed by any party (other than the Company) under such Lease have been fully performed.
- (o) **Bank Accounts.** Section (o) of the Company Disclosure Letter sets forth a complete and correct list of all of the bank accounts held by the Company or any of its Subsidiaries.
- (p) **No Undisclosed Liabilities.** Except as disclosed in Section (m) of the Company Disclosure Letter, there are no liabilities or obligations of the Company or any of its Subsidiaries of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, other than liabilities or obligations: (i) disclosed in the audited consolidated financial statements of the Company as at December 31, 2018; (ii) disclosed in the unaudited condensed interim consolidated financial statements of the Company as at September 30, 2019; (iii) incurred in the Ordinary Course since September 30, 2019; or (iv) incurred in connection with the transactions contemplated in this Agreement.
- (q) **Non-Arm's Length Transactions.** Except as disclosed in Section (n) of the Company Disclosure Letter, since the Financial Year End Date, the Company has not entered into or completed any non-arms' length transactions.
- (r) **Accounts Receivable; Accounts Payable.** All of the accounts receivable of the Company or any of its Subsidiaries as at the Effective Date, including details as to the customer, the amount and the age of the receivable, are set forth in Section (r) of the Company Disclosure Letter. There are no accounts payable, debts, accrued liabilities or contingent liabilities of the Company or any of its Subsidiaries, except as are set forth in the Financial Statements or incurred in the Ordinary Course since September 30, 2019.

(s) **Intellectual Property.**

(i) Owned Intellectual Property.

- (A) Other than the Licensed Intellectual Property, the Company and the Subsidiaries own all right, title and interest in and to the Intellectual Property used in connection with the Business (collectively, the “**Owned Intellectual Property**”). Section (s)(i)(A) of the Company Disclosure Letter sets forth a complete and correct list of all Owned Intellectual Property, including all registrations and applications directed to Owned Intellectual Property, and specifies the jurisdictions in which such Owned Intellectual Property has been registered or in which an application for such issuance and registration has been filed, including the respective registration or application numbers and the names of all registered owners.
- (B) All applications, registrations, filings, renewals and payments necessary to preserve the rights of the Company in and to the registered or applied for Owned Intellectual Property have been duly filed, made, prosecuted, maintained, are in good standing and are recorded in the name of the Company.
- (C) The Company is the sole and exclusive owner of, with all right, title and interest in and to (free and clear of any Lien) the Owned Intellectual Property, and, save and except for any rights conferred by the Company upon its licensees in the Ordinary Course pursuant to applicable Business Contracts, or as disclosed in Section (s)(i)(C) of the Company Disclosure Letter, the Company has sole and exclusive rights (and is not contractually obligated to pay any compensation, royalty or fee to any third party in respect thereof) to the use thereof in connection with the Business. The Owned Intellectual Property can be freely assigned or transferred by the Company and any such assignment or transfer will not affect its existence or validity.
- (D) To the knowledge of the Company, there is no pending or threatened litigation, proceeding, claim, demand, investigation in which the Owned Intellectual Property is alleged to be invalid or not owned by the Company.
- (E) To the knowledge of the Company, the Owned Intellectual Property has not been used or enforced, or failed to be used or enforced, in a manner that would be reasonably likely to result in its abandonment, opposition, re-examination, rejection, impeachment, cancellation, termination, lapsing, limitation, expungement or unenforceability.

- (F) To the knowledge of the Company, there has not been any unauthorized use, disclosure, infringement or misappropriation of the Owned Intellectual Property by any Person nor has any Person breached any Business Contract relating to the Owned Intellectual Property.
 - (G) Neither the Company nor any of its Subsidiaries is in breach of any material term of any Business Contract relating to the Owned Intellectual Property. Neither the execution, delivery or performance of this Agreement or any ancillary agreement contemplated in this Agreement nor the consummation of the transactions contemplated hereby or thereby will contravene, conflict with, or result in any limitation on the Company's or any of its Subsidiaries' right to own or use any Owned Intellectual Property.
- (ii) Licensed Intellectual Property.
- (A) Section (s)(ii)(A) of the Company Disclosure Letter sets forth a complete and correct list of all third party Software (the "**Licensed Software**") and (other than Off The Shelf Software representing an annual expenditure of less than \$10,000 or the Third Party Programs) other technology and technical information licensed to the Company or any of its Subsidiaries by third parties (such material, together with the Third Party Programs, the "**Licensed Intellectual Property**").
 - (B) The Company and its Subsidiaries, as applicable, are using the Licensed Intellectual Property pursuant to the terms of a written license agreement (each, a "**License**") from the owner of, or an entity that has authority to grant licenses to use, such Licensed Intellectual Property.
 - (C) The Company or its Subsidiaries have, and following the completion of the transactions contemplated in this Agreement will have the right to use all Licensed Intellectual Property, including in (in each case to the extent permitted by the applicable Licence) the creation, modification, compilation, operation or support of the Licensed Software.
 - (D) Neither the Company nor any of its Subsidiaries is in breach of any material term of any Business Contract relating to the Licensed Intellectual Property. Neither the execution, delivery or performance of this Agreement or any ancillary agreement contemplated in this Agreement nor the consummation of the transactions contemplated hereby or thereby will contravene,

conflict with, or result in any limitation on the Company's or any of its Subsidiaries' right to use any Licensed Intellectual Property.

- (E) The Owned Intellectual Property and Licensed Intellectual Property are sufficient and complete and enable the Company to carry on the Business as it is currently conducted.

(t) **Software.**

- (i) *Developers.* The Software which is Owned Intellectual Property (the "**Owned Software**") has been written only by the individuals listed in Section (t)(i) of the Company Disclosure Letter (the "**Developers**") other than components of the Owned Software which (A) in the aggregate, do not comprise more than 5% of the source code for the current version of any individual Owned Software program, and (B) if removed, would not be detrimental to or inhibit the functioning of the Software.
- (ii) *Status of Developers.* All Developers, at the time they wrote the Owned Software, were Company Employees or they were contractors who assigned their intellectual property rights and waived any applicable moral rights (as defined in the *Copyright Act* (Canada) in the Owned Software in favour of the Company and its successors, assignees and licensees, pursuant to written agreements, and no further consents, assignments, waivers or other actions are required for the Developers' rights, title and interest to be assigned or transferred to, or otherwise fully vested in, the Company free of any Liens other than Permitted Liens.
- (iii) *Government Funding.* Except for investment tax credits, no government funding, facilities of a university or other educational institution or research centre or funding from third parties (for greater certainty, excluding debt and equity funding of the Company) was used in the development of the Owned Software, and to the knowledge of Company no such entity has any claim or right to or in the Owned Software.
- (iv) *Third Party Software.* Except for the third party software listed in Section (t)(iv) of the Company Disclosure Letter ("**Third Party Programs**"), the Software neither contains nor embodies nor uses nor requires any third party software, including development tools, libraries and utilities, and the Software, together with the Third Party Programs, contains all materials necessary for the continued maintenance and development of the Software as presently maintained and developed by the Company. Except as set forth in Section (t)(iv) of the Company Disclosure Letter, no Open Source Material was or is used in, incorporated into, integrated or bundled with any of the Software. The Open Source Material used in or incorporated into, integrate or bundled with any of the Software is not licensed pursuant to licenses requiring the disclosure and licensing of the source code pertaining to the Software in connection with its distribution.

- (v) *Third Party Licenses.* Copies of all Business Contracts for the Third Party Programs have been made available to the Purchaser by the Company, except in respect of Third Party Programs that are shrink-wrapped software or were purchased off-the-shelf by the Company or its Subsidiaries and which do not represent an annual expenditure of more than \$10,000 (collectively, the “**Off The Shelf Software**”), and such Contracts give the Company or its Subsidiaries the right to grant unlimited run-time licenses of the relevant Third Party Program to the customers of the Company or its Subsidiaries’ for the royalties set forth in Section (t)(v) of the Company Disclosure Letter.
- (vi) *Object Code.* Only object code versions of the Owned Software have been provided to those licensee customers of the Owned Software listed in Section (t)(vi) of the Company Disclosure Letter, and no Person except for such licensee customers have been provided with a copy of the object code of the Owned Software.
- (vii) *Source Code.* The source code for the Owned Software has not been delivered or made available to any Person other than the Subsidiaries of the Company, and neither the Company nor any of its Subsidiaries has agreed to or undertaken to or in any other way promised to provide such source code to any such Person. The source code for the Owned Software (A) as of the Effective Date, is stored as set forth in Section (t)(vii) of the Company Disclosure Letter, (B) has remained exclusively under the control and safekeeping of the Company or its Subsidiaries and (C) as of the Effective Date, is not in the possession of, or accessible to, any Person who is not a Developer. The transactions contemplated in this Agreement will not entitle any customer to obtain a copy of the source code for the Owned Software, nor will they result in any third party being granted any right with respect to the Owned Software.
- (viii) *Right to Commercialize.* Other than the Company and its Subsidiaries, no Person has ever been authorized to Commercialize the Owned Software, other than through the licence agreements listed in Section (t)(viii) of the Company Disclosure Letter, where “**Commercialize**” means Sell, resell, license or otherwise distribute.
- (ix) *Customer Licenses and Other Agreements.* All end-user customers of the Business have non-transferable, non-exclusive, single-site licenses (meaning that the customer is not permitted to use the Software at more than one location without purchasing one or more additional licenses) to use only object code versions of the Owned Software. Except as set forth in Section (t)(ix) of the Company Disclosure Letter, no Business Contract for the provision of software maintenance services by the Company or its Subsidiaries has a term greater than 12 months, and neither the Company nor any of its Subsidiaries has agreed with any end-user customer to limit future increases in software maintenance fees or other fees.

- (x) *Software Defects.* As of the Effective Date, there are no known recurring problems or defects in the Software including bugs, logic errors or failures which would prevent the Software from operating in material conformance with its published documentation or specifications.
- (xi) *Disabling Devices.* As of the Effective Date, the Software does not contain any known disabling mechanisms, backdoors or protection features which are designed to disrupt, prevent the use of the Software or gain access to the Software, including time locks or computer viruses.
- (xii) *Development Plans.* Section (t)(xii) of the Company Disclosure Letter accurately describes the current development plans for the Software as of the Effective Date. Neither the Company nor any of its Subsidiaries has made any written commitments to release or develop any updates, versions or releases of the Software, except as may be expressly provided for in the applicable Business Contracts.
- (xiii) *Distributors.* No Person, including a reseller or original equipment manufacturer, has or had any rights of any nature or kind whatsoever to market, distribute or license the Software, other than through a licensing agreement in the Ordinary Course. Except as disclosed in Section (t)(xiii) of the Company Disclosure Letter, no Person has been guaranteed pricing for the Software other than pursuant to the applicable Business Contract.
- (u) **Infringement of Intellectual Property.** To the knowledge of the Company, none of the Company, its Subsidiaries, the Owned Software or any of the other Owned Intellectual Property is infringing or misappropriating any Intellectual Property owned by any third party. Neither the Company nor any of its Subsidiaries has received any written notice of any actual, alleged, possible or potential infringement, misappropriation of any Intellectual Property owned by any third party by the Company or any of its Subsidiaries, the Owned Software or any of the Owned Intellectual Property. There are no proceedings pending or, to the knowledge of the Company, threatened that allege a claim of infringement of any Intellectual Property owned by any third party by the Company or any of its Subsidiaries or any of their products. There are no proceedings pending, or, to the knowledge of the Company, threatened, nor has any Claim been made against the Company or any of its Subsidiaries that challenge the legality, validity, enforceability or ownership of any item of the Owned Intellectual Property. Except as noted in Schedule C, neither the Company nor any of its Subsidiaries has entered into any agreement to indemnify any other Person against any charge of infringement by the Owned Intellectual Property.
- (v) **PCI Compliance.** As of the Effective Date, except as listed in the Section (v) of the Company Disclosure Letter, the Software is compliant with the most recently issued: (A) Payment Application Data Security Standard (“**PA-DSS**”) and (B) the Payment Card Industry Data Security Standard of the Payment Card Industry Security Standards Counsel (“**PCI-DSS**”). As of the Effective Date, the Software

is PCI-DSS and PA-DSS validated. Except as listed in the Section (v) of the Company Disclosure Letter, the Software and any payments made using it are compliant with the six control objectives and the 12 requirements and all associated test procedures under PCI-DSS and PA-DSS. Except as listed in the Section (v) of the Company Disclosure Letter, there is certification in place in relation to compliance with PCI-DSS and PA-DSS by reference to transaction volumes and any other relevant criteria.

- (w) **Processing Personal Data.** The Company posts a policy with respect to Personal Data in its possession or Processed on its behalf on each website operated by the Company or any of its Subsidiaries. Written public-facing privacy policies accurately disclose how the Company and its Subsidiaries Processes Personal Data. The Company and its Subsidiaries are, and in the past have made themselves, in compliance, in all material respects with: (i) all applicable privacy Laws; (ii) all of the Company's and its Subsidiaries' written public-facing policies regarding privacy (the "**Privacy Policies**"); and (iii) any then effective written contractual commitment made by the Company or any of its Subsidiaries with respect to Personal Data. The Company or its Subsidiaries have contractually obligated all third-party service providers, outsourcers, processors, or other third parties Processing Personal Data, in each case on behalf of the Company or its Subsidiaries to (i) comply with applicable privacy Laws; and (ii) take reasonable steps to protect and secure Personal Data from loss, theft, unauthorized access, use, modification, disclosure or other misuse.
- (x) **Data Security Measures.** The Company has implemented and maintains all necessary organizational, physical, administrative, and technical measures (the "**Security Measures**") applicable to data including Personal Data that (i) comply with applicable privacy Laws (ii) as of the Effective Date, any existing and currently effective written contractual commitment made by the Company or any of its Subsidiaries that is applicable to data including Personal Data, and (iii) any Privacy Policy, in each case (i), (ii) and (iii) that are intended to protect the security of the Company's information technology systems (and data therein) against loss, theft, unauthorized access or acquisition, modification, disclosure, corruption, or other misuse. The Company and its Subsidiaries use commercially reasonable efforts to inform all Company Employees of, and consultants to, the Company or its Subsidiaries who have access to or Process data, including Personal Data of the Company's or its Subsidiaries' of the applicable current Security Measures and Privacy Policy. The Company has delivered or made available to the Purchaser, true and complete copies of all current Security Measures and Privacy Policies.
- (y) **Data Breaches.** Except as disclosed in Section (y) of the Company Disclosure Letter, to the knowledge of the Company, there have not been any incidents of, or third party claims alleging, (i) Security Breaches, unauthorized access or unauthorized use of any of the Company's or its Subsidiaries' information technology systems or (ii) loss, theft, unauthorized access or acquisition, modification, disclosure, corruption, or other misuse of confidential data

including Personal Data owned by the Company or its Subsidiaries (or provided to the Company or its Subsidiaries by its customers) or otherwise in the Company's or its Subsidiaries' possession. The Company has not been notified, or to the knowledge of the Company, been required by applicable Law or a Governmental Authority to notify in writing, any Person of any Security Breach. To the knowledge of the Company, the Company has not received any notice of any claims, investigations (including investigations by a Governmental Authority), or alleged violations of Laws with respect to Personal Data possessed by the Company or its Subsidiaries.

- (z) **Contracts.** Section (z) of the Company Disclosure Letter sets forth a complete and correct list of all Material Contracts. Each Business Contract is a valid, binding and enforceable Contract and will continue to be so upon the completion of the transactions contemplated in this Agreement, subject to applicable bankruptcy and insolvency laws and to equitable remedies generally. The Business Contracts, in each case, represent the entire agreement of the Company or its Subsidiaries, as the case may be, and the respective parties to such Business Contract in respect of the subject matters of such Business Contract. Neither the Company nor, to the knowledge of the Company, any other party to any Business Contract (including, where applicable, the related requests for proposals and proposals) is in breach of, or in default under any Business Contract. To the knowledge of the Company, there has not occurred an event or condition that with the passage of time or giving of notice (or both) would constitute a default under, or permit the termination of, any Business Contract. No party to a Business Contract has provided notice to the Company that it intends to terminate any Business Contract or otherwise materially reduce its business with the Company or any of its Subsidiaries. The Company has not received notice of the intention of any party to a Business Contract to make any warranty claims in respect of the Software materially in excess of current reserves provided in respect thereof. Neither the Company nor any of its Subsidiaries is a party to or bound by any Contract which materially limits the freedom of the Company or any of its Subsidiaries to compete in any line of business or any geographic area, or to acquire goods or services from any supplier, or establish the prices at which it may sell any goods or services. The unfilled orders listed in Part II of Section (z) of the Company Disclosure Letter are the only obligations owing by the Company or its Subsidiaries to end users of the Software in respect of prepaid but unutilized training and support services of the Company or its Subsidiaries and the estimated costs listed in Part II of Section (z) of the Company Disclosure Letter are a reasonable estimate of the resources needed to satisfy such unfilled orders.
- (aa) **Trade Allowances and Pricing Policies.** Except as set out in the applicable Business Contract, no customer of the Company or its Subsidiaries is entitled to or customarily receives discounts, allowances, volume rebates or similar reductions in price or other trade terms arising from any Contract. Section (aa) of the Company Disclosure Letter sets forth a complete and correct summary of all marketing and pricing policies relating to the Business which are currently in effect.

- (bb) **Non-Disclosure.** The Company has taken all reasonable steps required to protect the Company's rights in confidential information and trade secrets associated with the Company's assets. All Company Employees and all consultants and independent contractors of the Company or its Subsidiaries, including Developers, have signed a proprietary rights and confidentiality agreement in the Company's standard form, as certified by the Company and delivered to the Purchaser and, to the knowledge of the Company, no Company Employee or consultant or independent contractor of the Company or its Subsidiaries, including any Developer, has breached his or her obligations of confidentiality owed to the Company or its Subsidiaries. To the knowledge of the Company, the employment by the Company or its Subsidiaries of any Company Employees does not violate any non-disclosure or non-competition agreement between such employee and a third party.
- (cc) **Litigation and Orders.** Other than as disclosed in Section (cc) of the Company Disclosure Letter:
- (i) there are no Actions in progress or, to the knowledge of the Company, threatened against or adversely affecting, or which could materially adversely affect, the Company, any of its Subsidiaries or any of their assets (including the Owned Intellectual Property, the Licensed Intellectual Property or the Software), before or by any federal, state, provincial, municipal or other governmental court, department, commission, board, bureau, agency or instrumentality, domestic or foreign, whether or not insured, or which might involve the possibility of any lien, charge, encumbrance or any other right of another against the Company, any of its Subsidiaries or any of their assets (including the Owned Intellectual Property, the Licensed Intellectual Property or the Software), and, so far as the Company is aware, no Action is pending or threatened by or against a Person for whose acts or defaults the Company or any of its Subsidiaries may be vicariously liable;
 - (ii) to the knowledge of the Company, there are no existing grounds on which any such Action might be commenced with any reasonable likelihood of success;
 - (iii) neither the Company nor any of its Subsidiaries is subject to any order, judgement, award, writ, injunction or decree of a Governmental Authority in respect of an Action; and
 - (iv) there are no actions, suits, Claims or proceedings pending or, to the knowledge of the Company, threatened against or adversely affecting, or which could adversely affect the Company, any of its Subsidiaries or any of their assets, whether or not insured, that challenge the validity of the transactions contemplated in this Agreement.

Details of all material Actions relating to the Company and its Subsidiaries that have occurred during the two (2) years preceding the date of this Agreement and which are known to the Company are disclosed in Section (cc) of the Company Disclosure Letter.

- (dd) **No Encumbrances.** Except as disclosed in Section (dd) of the Disclosure Letter, all assets of the Company are owned exclusively by the Company, free and clear of all Liens other than Permitted Liens.
- (ee) **Equipment.** Section (ee) of the Company Disclosure Letter sets forth a complete and correct list of equipment owned by the Company and its Subsidiaries or used in the Business, except for minor items having an aggregate value not exceeding \$5,000. Section (ee) of the Company Disclosure Letter indicates whether the particular item of equipment is owned or leased by the Company and its Subsidiaries. All such equipment has been properly maintained and is in good working order for the purposes of on-going operation of the Business, subject to ordinary wear and tear for machinery and equipment of comparable age.
- (ff) **Inventory.** The inventory of the Company and its Subsidiaries is in good and merchantable condition free from defects, or is upgradeable within six (6) months of the Effective Date in order for such inventory to be considered in good and merchantable condition free from defects, and is capable of being processed and sold in the Ordinary Course at normal profit margins. The inventory is in the physical possession of the Company or its Subsidiaries. The inventory levels of the Company and its Subsidiaries have been maintained at levels sufficient for the continuation of the Business in the Ordinary Course. All inventories of the Company and its Subsidiaries have been determined and valued in accordance with IFRS.
- (gg) **Customers and Suppliers.** Section (gg) of the Company Disclosure Letter sets out a true, correct and complete list of the ten largest customers and the ten largest suppliers of the Company by dollar amount for the year to date period ending October 31, 2019. Such list includes the value of the sales and purchases for each such customer and supplier during that time. No such customer or supplier has indicated that it intends to modify its relationship with the Company in a manner substantially different than as existing prior to the date of this Agreement.
- (hh) **Environmental Matters.**
 - (i) The Company and its Subsidiaries are and have been, and the Business is and has been, in compliance with all applicable Environmental Laws and the properties of the Company, including the Leased Properties, have been and are currently being used by the Company and its Subsidiaries in compliance with all applicable Environmental Laws; (A) there is no Claim relating to or arising under Environmental Laws that is pending or, to the knowledge of the Company, threatened against or affecting the Company or its Subsidiaries, the Business or any real property currently or formerly

owned or leased by the Company or its Subsidiaries; (B) the Company has not received notice of or entered into or assumed (by contract or operation of Law or otherwise), any obligation, liability, order or settlement relating to or arising under Environmental Laws; (C) no facts, circumstances or conditions exist that would reasonably be expected to result in the Company, its Subsidiaries or the Business incurring Environmental Liabilities; (D) there is no investigation known to the Company, nor any Claim or Action pending or, to the knowledge of the Company, threatened against or affecting the Company or its Subsidiaries pursuant to any applicable Environmental Laws and (E) none of the Company nor any of its Subsidiaries has cause or permitted any Release and there have been no Releases of Hazardous Materials on properties, including the Leased Premises, since they were owned, operated or leased by the Company or its Subsidiaries or used by the Business (or, to the knowledge of the Company, previously).

- (ii) The Company has obtained and currently maintains all permits necessary under Environmental Laws for the operations of the Business (“**Environmental Permits**”); (A) there is no investigation known to the Company, nor any Claim or Action pending or threatened against or affecting the Company or its Subsidiaries or any real property owned, operated or leased by the Company or its Subsidiaries to revoke such Environmental Permits; (B) the Company has not received any written notice from any Person to the effect that there is lacking any Environmental Permit required under Environmental Law for the current use or operation of any property owned, operated or leased by the Company or its Subsidiaries in connection with the Business; and (C) neither the execution and delivery of this Agreement by the Company, nor the consummation by the Company of the transactions contemplated hereby, nor compliance by the Company with any of the provisions hereof, will result in the termination or revocation of, or a right of termination or cancellation under, any Environmental Permit.
- (iii) None of the properties, buildings or products of the Company or its Subsidiaries, any of their predecessors or the Business, have contained or currently contain any Hazardous Materials which could give rise (whether on the relevant site or elsewhere) to any actual or potential liability on the part of the Company or its Subsidiaries under Environmental Laws.
- (iv) True, correct and complete copies of all environmental report, survey, assessment, investigation or recommendation in the possession or control of the Company have been made available to the Purchaser.
- (ii) **Hazardous Substances.** To the knowledge of the Company, there are no Hazardous Substances located on, at or under any of the properties leased by the Company or its Subsidiaries and there are no Claims or Actions pending or likely

to be asserted against the Company or its Subsidiaries with regard to Hazardous Substances or compliance with any applicable Environmental Laws.

(jj) Employment Matters.

- (i) Section (jj)(i) of the Company Disclosure Letter sets forth a complete and correct list of all employment-related Contracts between the Company or its Subsidiaries, as the case may be, and the Company Employees. Section (jj)(i) of the Company Disclosure Letter correctly sets out whether such Contracts are in writing and the Company Employee's most recent salary with the Company or its Subsidiaries (including particulars of all profit sharing, incentive and bonus arrangements applicable to the Company Employee), and his or her start date with the Company or its Subsidiaries. Section (jj)(i) of the Company Disclosure Letter also sets forth a complete and correct list of the Contracts between the Company or its Subsidiary, as the case may be, and independent contractors. To the knowledge of the Company, the employment or engagement by the Company or its Subsidiaries of any of such Company Employees and independent contractors does not violate any non-disclosure or non-competition agreement between such individual and any third party.
- (ii) Other than disclosed in Section (jj)(ii) of the Company Disclosure Letter, no current or former director, officer, shareholder, Company Employee or independent contractor of the Company or its Subsidiaries or any Person not dealing at arm's length with any of the foregoing is indebted to the Company or any of its Subsidiaries.
- (iii) Section (jj)(iii) of the Company Disclosure Letter sets forth a complete and correct list of all Benefit Plans. All Benefit Plans have been duly registered where required by, and are, in all material respects, in compliance with and in good standing under, all applicable Laws and all required employer contributions under any such Benefit Plans have been made in accordance with the terms of the Benefit Plans. There are no Claims or Actions pending or, to the knowledge of the Company, threatened against or otherwise involving any Benefit Plan, by or on behalf of any participant, beneficiary or Governmental Authority (other than routine Claims for benefits), nor are there any pending or, to the knowledge of the Company, threatened Claims or Actions by or on behalf of any of the Benefit Plans.
- (iv) All filings required to have been filed and all premiums or taxes required to be withheld, paid or remitted, by the Company or any of its Subsidiaries as the case may be in respect of each of the Benefit Plans, have been made in a timely fashion in accordance with the terms of such Benefit Plan and all applicable Laws.

- (v) All data necessary to administer each Benefit Plan is in the possession of or available to the Company or its Subsidiaries and is in a form which is sufficient for the proper administration of such Benefit Plan in accordance with its terms and all applicable Laws and such data is complete and correct.
- (vi) Subject to applicable Laws, nothing prohibits or limits the ability of the Company or its Subsidiaries to terminate any Benefit Plan concurrently with, or subsequent to, the completion of the transactions contemplated in this Agreement.
- (vii) Except as disclosed in Section (jj)(vii) of the Company Disclosure Letter, none of the Benefit Plans provides for retiree or post-employment medical, disability, life insurance or other welfare benefits to any Person and none of the Company nor any of its Subsidiaries has any obligation to provide such benefits.
- (viii) None of the Benefit Plans is a registered pension plan (within the meaning of subsection 248(1) of the Tax Act, or other applicable Law).
- (ix) None of the Benefit Plans, or any insurance contract relating thereto, require or permit a retroactive increase in premiums, contributions or payments, or require additional premiums or payments on termination of the Employee Plan or any insurance contract relating thereto.
- (x) No work stoppage or other labour dispute in respect of the Company, its Subsidiaries or the Business is pending or, to the knowledge of the Company, is threatened.
- (xi) As of the Effective Date, the Company and its Subsidiaries have satisfied all of the Company's or the Subsidiary's legal and financial obligations in respect of any terminations of Company Employees and from and after the Closing neither the Company nor any of its Subsidiaries will be obligated to make any payments or fulfill any other obligations with respect to such Company Employees.
- (xii) Except as disclosed in Section (jj)(xiii) of the Company Disclosure Letter, in the past three (3) years (A) no allegations of harassment, sexual or otherwise, have been made against any director or officer of the Company or its Subsidiaries, or any Company Employee who, directly or indirectly, supervises at least five (5) employees, and (B) neither the Company nor any of its Subsidiaries has entered into any settlement agreement related to allegations of harassment, sexual harassment or sexual misconduct by an employee, contractor, director, officer or other agent of the Company or its Subsidiaries.
- (xiii) The Company and its Subsidiaries are in material compliance with all terms and conditions of employment and all Laws respecting employment,

including wages, hours of work, overtime, vacation, human rights and workplace safety and health.

- (xiv) All amounts due or accrued for all salary, wages bonuses, commissions, vacation pay and benefits under Benefit Plans, have either been paid or are accurately reflected in all material respects in the books and records of the Company and its Subsidiaries.
- (xv) Section (jj)(xv) of the Company Disclosure Letter sets forth a true and complete list of all material Company Employee related claims, complaints, investigations or orders under any such Law now pending or, to the knowledge of the Company, threatened against the Company or any of its Subsidiaries by or before any Governmental Authority and no such claims, complaints, investigations or orders could reasonably be expected to have a Company Material Adverse Effect.
- (xvi) Except as disclosed in Section (jj)(xvi) of the Company Disclosure Letter, there are no change of control payments, golden parachutes, severance payments, retention payments, contracts or other agreements with current or former Company Employees providing for cash or other compensation or benefits upon the consummation of, or relating to, the Arrangement, including a change of control of the Company or any of its Subsidiaries.
- (xvii) There are no material outstanding assessments, penalties, fines, liens, changes, surcharges or other amounts due or owing pursuant to any workplace safety, workers compensation or insurance legislation and none of the Company nor any of its Subsidiaries has been reassessed in any material respect under such legislation during the past three (3) years and, to the knowledge of the Company, no audit of the Company or any of its Subsidiaries is currently being performed pursuant to any applicable workplace safety, workers compensation or insurance legislation.

(kk) Collective Agreement and Bargaining Rights.

- (i) Neither the Company nor any of its Subsidiaries is a party, either directly or by operation of Law, to any collective agreement.
- (ii) No trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any Company Employees by way of certification, interim certification, voluntary recognition, or successor rights, or has, to the knowledge of the Company, applied or threatened to apply to be certified as the bargaining agent of any such Company Employees.
- (iii) To the knowledge of the Company, there have been no union organizing efforts conducted within the last three (3) years with respect to the Company Employees.

(ll) **Compliance with Laws.** The Company and each of its Subsidiaries is currently conducting and has at all times conducted the Business in material compliance with all applicable Laws of all jurisdictions in which they conduct the Business, and is not and has not been in breach of any such Laws. The Company or its Subsidiaries have obtained each federal, provincial, state, country, municipal, local or foreign governmental consent, license, permit, grant or other authorization of a Governmental Authority (“**Governmental Consent**”) that is required or necessary for the operation of the Business and all Governmental Consents are in full force and effect. The Corporation has not received written or verbal notice of, any violation or suspected violation of applicable Laws or failure to obtain or comply with the terms of any Governmental Consent, except for failures to comply or violations that have not had or would not be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(mm) **Taxes.**

- (i) To the knowledge of the Company, the Company and each of its Subsidiaries has duly and timely filed all Tax Returns required to be filed by them and all such Tax Returns are complete and correct in all material respects.
- (ii) The Company and each of its Subsidiaries has paid on a timely basis all Taxes that are or have been due and payable by the Company or any of its Subsidiaries.
- (iii) There are no outstanding agreements extending or waiving the statutory period of limitations applicable to any claim for, or the period for the collection or assessment or reassessment of Taxes due from the Company or any of its Subsidiaries, for any taxable period and no request for any such waiver or extension is currently pending.
- (iv) The Company and each of its Subsidiaries has withheld, deducted or collected all amounts required to be withheld, deducted or collected by it on account of Taxes, has remitted all such amounts to the appropriate Governmental Authority when required by Law to do so, and complied with all applicable Laws relating to reporting of such Taxes.
- (v) No claim has ever been made by any Governmental Authority in a jurisdiction where the Company or its Subsidiaries do not file Tax Returns that the Company or its Subsidiaries are or could be subject to taxation by that jurisdiction.
- (vi) There are no Liens (other than Permitted Liens) with respect to Taxes upon any of the assets of the Company or any of its Subsidiaries.
- (vii) The Company and each of its Subsidiaries has made available to the Purchaser true, correct and complete copies of all material Tax Returns,

examination reports and statements of deficiencies for taxable periods, or transactions completed, for which the applicable statutory periods of limitations have not expired.

- (viii) Posera Software Inc., a Subsidiary of the Company, will as of the Effective Date have filed all Tax Returns required to be filed by it for the fiscal year 2018 (both federal and provincial, which includes, but is not limited to, the Quebec e-business tax credit claim, the T106 forms, etc.) and all such Tax Returns will be complete and correct in all material respects.
- (ix) The Company and its Subsidiaries are duly registered with the appropriate Governmental Authority for GST/HST, QST and PST purposes pursuant to applicable Law. All input tax credits, input tax refunds and rebates claimed for GST/HST, QST and PST purposes were calculated and claimed in accordance with applicable Law. The Company and its Subsidiaries have complied with all registration, reporting, payment, collection and remittance obligations in respect of GST/HST, QST and PST in accordance with applicable Law.
- (nn) **Insurance.** Section (nn) of the Company Disclosure Letter sets forth a complete and correct list of all insurance policies maintained by the Company or its Subsidiaries and also specifies the insurer, the amount of the coverage, the type of insurance and the policy number, such insurance being appropriate to the Business and its assets in such amounts and against such risks as are customarily carried and insured against by owners of comparable businesses and assets. Neither the Company nor any of its Subsidiaries has received notice of cancellation with respect to any current insurance policy applicable to the Company, its Subsidiaries or the Business, and, to the knowledge of the Company, there is no basis for the insurer thereunder to terminate any such current insurance policy. There are no Claims or Actions relating to the Company, its Subsidiaries or the Business that are pending under any of the insurance policies applicable to the Company, its Subsidiaries or the Business, and, to the knowledge of the Company, no events or incidences have occurred prior to the date of this Agreement that would be reasonably likely to give rise to any such Claim or Action in the future.
- (oo) **Transactions with Related Parties.** Except as disclosed in Section (oo) of the Company Disclosure Letter, there are no Contracts, obligations or other arrangements of any nature or kind whatsoever between or among the Company or any of its Subsidiaries, on the one hand, and any current or former shareholder, director or officer of the Company or any of its Subsidiaries or a related party of the Company or any of its Subsidiaries, on the other. Neither the Company or any of its Subsidiaries is a guarantor or otherwise liable for any liability of any nature or kind whatsoever of any related party of the Company or any of its Subsidiaries.

- (pp) **No Brokers.** Except as disclosed in Section (pp) of the Company Disclosure Letter, (i) neither the Company nor any of its Subsidiaries has engaged any broker, finder or similar intermediary in connection with the transactions contemplated in this Agreement, and (ii) no Person or entity is entitled to any fee or other compensation from the Company or any of its Subsidiaries with respect to this Agreement or the transactions contemplated herein.
- (qq) **Solvency.** Neither the Company nor any of its Subsidiaries is insolvent nor has either the Company or any of its Subsidiaries: (i) proposed a compromise or arrangement to any of its creditors generally, (ii) had any petition or receiving order in bankruptcy filed against it, (iii) taken any proceeding with respect to a compromise or arrangement or become subject to such proceeding, (iv) taken or become subject to any proceeding to have it liquidated, dissolved, declared bankrupt or wound-up, (v) taken any proceeding or become subject to any proceeding to have a receiver appointed over any part of its assets, (vi) had any encumbrancer take possession of any of its property or (vii) had any execution or distress become enforceable or become levied upon any of its property.
- (rr) **Other Events, Conditions or Facts.** Neither this Agreement nor any ancillary agreement contemplated in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading. To the knowledge of the Company, there is no fact which has not been disclosed herein and which would have a Company Material Adverse Effect.
- (ss) **Assets.**
- (i) The assets of the Company and its Subsidiaries are sufficient for the Company and its Subsidiaries to continue to fulfill its obligations under the Business Contracts and otherwise carry on its affairs in the Ordinary Course.
 - (ii) There is no Contract binding upon or which at any time in the future may become binding upon the Company to sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber any of its assets.
- (tt) **Assets and Revenues in Canada.** The aggregate value of all assets in Canada of the Company and corporations controlled by the Company or the annual gross revenues from sales in and from Canada generated from all such assets do not exceed, in either case, \$92 million as determined pursuant to Section 110 of the *Competition Act* (Canada).
- (uu) **Anti-corruption Compliance.** Neither the Company nor any representative of the Company in its capacity as such has violated the anticorruption laws of any jurisdiction where the Company does business. The Company has at all times

complied with all applicable Laws relating to export control and trade sanctions or embargoes.

SCHEDULE D

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

- (a) **Organization and Qualification.** The Purchaser is a corporation duly amalgamated, validly existing and in good standing under the Laws of the Province of Québec.
- (b) **Corporate Authorization.** The Purchaser has the requisite power, authority and right to enter into and deliver and perform its obligations under this Agreement. The execution, delivery and performance by the Purchaser of its obligations under this Agreement and the consummation of the transactions contemplated in this Agreement have been duly authorized and approved by all necessary corporate action on the part of the Purchaser, and no other approval or consent from, or filing with, or notice to, any Governmental Authority or other Person is required on the part of the Purchaser in connection with the execution, delivery and performance by the Purchaser of its obligations under this Agreement.
- (c) **Execution and Binding Obligation.** This Agreement has been, and all other Contracts to be executed by the Purchaser at or prior to the Effective Date pursuant to this Agreement will be, duly and validly executed and delivered by the Purchaser, and this Agreement constitutes, and each such Contract will constitute, a valid and legally binding obligation of the Purchaser enforceable against it in accordance with its terms subject only to applicable bankruptcy and insolvency laws and to equitable remedies generally.
- (d) **Security Ownership.** The Purchaser does not beneficially own any securities of the Company or any of its affiliates.
- (e) **Affiliated Entities.** The Purchaser is an affiliate of 9402-7307 Québec Inc. and Payfacto USA, Inc.
- (f) **Sufficient Funds.** The Purchaser has sufficient cash available to satisfy the aggregate Consideration (including the deposit of the Escrow Amount) payable by itself, 9402-7307 Québec Inc. and Payfacto USA, Inc., in accordance with the terms of the Plan of Arrangement.
- (g) **Proceeds of Crime.** The funds representing the aggregate Consideration payable by the Purchaser are not proceeds of crime as defined in the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the “**PCMLTFA**”). None of the funds representing the Consideration to be provided by the Purchaser (i) have been or will be derived from or related to any activity that is deemed criminal under the laws of Canada or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity (A) with whom the Purchaser would be prohibited from dealing with under applicable money laundering, terrorist financing, economic sanctions, criminal or other similar laws or regulations or (B) who has not been identified to the Purchaser.

AMENDMENT TO ARRANGEMENT AGREEMENT

THIS AGREEMENT is made as of December 13, 2019,

BETWEEN:

PAYFACTO PAYMENTS INC., a corporation existing under the laws of Québec (the “**Purchaser**”)

- and -

POSERA LTD., a corporation existing under the laws of Ontario (the “**Company**”)

WHEREAS the Purchaser and the Company are entered into an arrangement agreement dated November 25, 2019 (the “**Arrangement Agreement**”);

AND WHEREAS pursuant to the Arrangement Agreement, the parties agreed to implement a plan of arrangement (the “**Plan of Arrangement**”), a form of which was appended to the Arrangement Agreement;

AND WHEREAS the parties wish to enter into this amendment to the Amalgamation Agreement (the “**Amendment**”) amend, among other things, the definition of Consideration in the Arrangement Agreement and the Plan of Arrangement and the definition of Company Option Consideration in the Plan of Arrangement;

NOW THEREFORE, in consideration of the premises and mutual agreements herein contained, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each party), the parties agree as follows:

1. Capitalized words and expressions used in this Amendment shall have the meanings ascribed thereto in the Arrangement Agreement, unless otherwise expressly stated herein.
2. The definition of “**Consideration**” in the Arrangement Agreement and the Plan of Arrangement is hereby deleted in its entirety and replaced with the following:

“**Consideration**” means, with respect to each Company Share, \$0.1126907498 to be initially paid in cash, plus, if any amounts are available to be distributed to Shareholders under the Escrow Agreement, being an amount up to \$0.0083474629 to be paid in cash following the expiry of the Escrow Period, pursuant to the Plan of Arrangement, plus the per Company Share cash value of any cash balance remaining with the Company as at the Effective Time (currently estimated to be an amount approximately between \$0.0005083779 and \$0.0086271204 per Company Share), plus, if any amounts are available to be distributed to Shareholders from the collection of the DLT Loan under the Loan Administration Agreement, being an amount up to \$0.0200786282 to be paid in cash within 24 months of the completion of the Arrangement, pursuant to the Plan of Arrangement.

3. The definition of “**Company Option Consideration**” in the Arrangement Agreement and the Plan of Arrangement is hereby deleted in its entirety and replaced with the following:

“**Company Option Consideration**” means an amount equal to the product obtained by multiplying (a) the amount by which the (i) \$0.1126907498 to be paid in cash, plus the (ii) per Company Share cash value of any cash balance remaining with the Company as at the Effective Time (currently estimated to range approximately between \$0.0005083779 and \$0.0086271204 per Company Share) portion of the Consideration exceeds the exercise price per Company Share of such Company Option by (b) the number of unexercised Company Shares underlying such Company Option.

4. Other than as amended by this Amendment, all terms, provisions and conditions of the Arrangement Agreement and the Plan of Arrangement shall remain in full force and effect. This Amendment is to be read and construed together with, and forms part of and shall have the same effect as though incorporated into, the Arrangement Agreement and the Plan of Arrangement.
5. All capitalized terms which are used herein without being specifically defined herein shall have the meaning ascribed thereto in the Arrangement Agreement as amended hereby.
6. On and after the date of this agreement, each reference in the Arrangement Agreement or the Plan of Arrangement to “this Arrangement Agreement”, “this Plan of Arrangement”, “this Agreement”, “hereunder”, “hereof”, or words of like import referring to the Arrangement Agreement or the Plan of Arrangement and each reference in any related document to the “Arrangement Agreement”, “Plan or Arrangement”, “thereunder”, “thereof”, or words of like import referring to the Arrangement Agreement or Plan of Arrangement, shall mean and be a reference to the Arrangement Agreement and Plan of Arrangement as amended hereby.
7. This Amendment shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.
8. If any provision of this Amendment is inconsistent or conflicts with any provision of the Arrangement Agreement, the relevant provision of this Amendment shall prevail and be paramount.
9. This Amendment will be governed by and construed in accordance with the Laws of the Province of Ontario and the Laws of Canada applicable therein without regard to the conflict of law provisions thereof.
10. For the purpose of all legal proceedings, this Amendment will be deemed to have been performed in the Province of Ontario and subject to the terms of Section 8.1 of the Arrangement Agreement, the courts of the Province of Ontario will have jurisdiction to entertain any action arising under this Amendment.

11. This Amendment may be executed in one or more counterparts, each of which shall conclusively be deemed to be an original but all of which taken together shall be deemed to constitute one and the same agreement. A facsimile or electronic transmission of the Amendment bearing a signature on behalf of a party shall be legal and binding on such party.

[Remainder of page intentionally left blank. Signature pages follow.]

IN WITNESS WHEREOF the Parties have executed this Amendment on the date first written above.

PAYFACTO PAYMENTS INC.

By: <Martin Leroux>
Name: Martin Leroux
Title: CEO and President

POSERA LTD.

By: <Akash Sahai>
Name: Akash Sahai
Title: EVP, Strategy & Business
Development

**Appendix “D”
Interim Order**

See attached.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE	)	TUESDAY, THE 17 th
	)	
JUSTICE CONWAY	)	DAY OF DECEMBER, 2019

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT* (ONTARIO), R.S.O. 1990, CHAPTER B. 16, AS AMENDED, AND AN APPLICATION UNDER RULE 14.05(2) AND RULE 14.05(3)(f) AND RULE 38 OF THE *RULES OF CIVIL PROCEDURE*

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT INVOLVING POSERA LTD.

INTERIM ORDER

THIS MOTION made by the Applicant, Posera Ltd. (“**Posera**”), for an interim order for advice and directions pursuant to section 182 of the *Business Corporations Act*, R.S.O. 1990, c. B. 16, as amended (the “**OBCA**”) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Notice of Application issued on December 16, 2019 and the affidavit of Akash Sahai, sworn December 14, 2019, (the “**Sahai Affidavit**”), including the Plan of Arrangement, which is attached as Schedule B to the draft management information circular of Posera (the “**Information Circular**”), which is attached as Exhibit A to the Sahai Affidavit, and on hearing the submissions of counsel for Posera and counsel for Payfacto Payments Inc. (“**Payfacto**”).

Definitions

1. THIS COURT ORDERS that all definitions used in this Interim Order shall have the meaning ascribed thereto in the Information Circular or otherwise as specifically defined herein.

The Meeting

2. **THIS COURT ORDERS** that Posera is permitted to call, hold and conduct a special meeting (the “**Meeting**”) of the holders of voting common shares (the “**Shareholders**”) in the capital of Posera to be held at the 333 Bay Street, suite 2400, Toronto, Ontario on January 22, 2020 at 11:00 a.m. (Toronto time) in order for the Shareholders to consider and, if determined advisable, pass special resolutions authorizing, adopting and approving, with or without variation, the Arrangement and the Plan of Arrangement (collectively, the “**Arrangement Resolution**”).

3. **THIS COURT ORDERS** that the Meeting shall be called, held and conducted in accordance with the OBCA, the notice of meeting of Shareholders, which accompanies the Information Circular (the “**Notice of Meeting**”) and the articles and by-laws of Posera, subject to what may be provided hereafter and subject to further order of this court.

4. **THIS COURT ORDERS** that the record date (the “**Record Date**”) for determination of the shareholders entitled to notice of, and to vote at, the Meeting shall be December 16, 2019.

5. **THIS COURT ORDERS** that the only persons entitled to attend or speak at the Meeting shall be:

- a) the Shareholders or their respective proxyholders;
- b) the officers, directors, auditors and advisors of Posera;
- c) representatives and advisors of Payfacto;
- d) the Director; and
- e) other persons who may receive the permission of the Chair of the Meeting.

6. **THIS COURT ORDERS** that Posera may transact such other business at the Meeting as is contemplated in the Information Circular, or as may otherwise be properly before the Meeting.

Quorum

7. **THIS COURT ORDERS** that the Chair of the Meeting shall be determined by Posera and that the quorum at the Meeting shall be two persons present in person holding or representing by proxy not less than 20% of the Common Shares entitled to be voted at the meeting.

Amendments to the Arrangement and Plan of Arrangement

8. **THIS COURT ORDERS** that Posera is authorized to make, subject to the terms of the Arrangement Agreement, and paragraph 9, below, such amendments, modifications or supplements to the Arrangement and the Plan of Arrangement as it may determine without any additional notice to the Shareholders, or others entitled to receive notice under paragraphs 12 and 13 hereof and the Arrangement and Plan of Arrangement, as so amended, modified or supplemented shall be the Arrangement and Plan of Arrangement to be submitted to the

Shareholders at the Meeting and shall be the subject of the Arrangement Resolution. Amendments, modifications or supplements may be made following the Meeting, but shall be subject to review and, if appropriate, further direction by this Honourable Court at the hearing for the final approval of the Arrangement.

9. **THIS COURT ORDERS** that, if any amendments, modifications or supplements to the Arrangement or Plan of Arrangement as referred to in paragraph 8, above, would, if disclosed, reasonably be expected to affect a Shareholder's decision to vote for or against the Arrangement Resolution, notice of such amendment, modification or supplement shall be distributed, subject to further order of this Honourable Court, by press release, newspaper advertisement, prepaid ordinary mail, or by the method most reasonably practicable in the circumstances, as Posera may determine.

Amendments to the Information Circular

10. **THIS COURT ORDERS** that Posera is authorized to make such amendments, revisions and/or supplements to the draft Information Circular as it may determine and the Information Circular, as so amended, revised and/or supplemental, shall be the Information Circular to be distributed in accordance with paragraphs 12 and 13.

Adjournments and Postponements

11. **THIS COURT ORDERS** that Posera, if it deems advisable and subject to the terms of the Arrangement Agreement, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders respecting the adjournment or postponement, and any

such adjournment or postponement of the Meeting shall not change the Record Date, and notice of any such adjournment or postponement shall be given by such method as Posera may determine is appropriate in the circumstances. This provision shall not limit the authority of the Chair of the Meeting in respect of adjournments and postponements.

Notice of Meeting

12. **THIS COURT ORDERS** that, in order to effect notice of the Meeting, Posera shall send the Information Circular (including the Notice of Application and this Interim Order), the Notice of Meeting, the form of proxy and the letter of transmittal, along with such amendments or additional documents as Posera may determine are necessary or desirable and are not inconsistent with the terms of this Interim Order (collectively, the “Meeting Materials”), to the following:

- a) the registered Shareholders at the close of business on the Record Date, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting, by one or more of the following methods:
 - i) by pre-paid ordinary or first class mail at the addresses of the registered Shareholders as they appear on the books and records of Posera, or its registrar and transfer agent, at the close of business on the Record Date and if no address is shown therein, then the last address of the person known to the Corporate Secretary of Posera;
 - ii) by delivery, in person or by recognized courier service or inter-office mail, to the address specified in (i) above; or

- iii) by facsimile or electronic transmission to any registered Shareholder, who is identified to the satisfaction of Posera, who requests such transmission in writing and, if required by Posera, who is prepared to pay the charges for such transmission;
- b) non-registered Shareholders by providing sufficient copies of the Meeting Materials to intermediaries and registered nominees in a timely manner, in accordance with National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer*, of the Canadian Securities Administrators; and
- c) the respective directors and auditors of Posera, by delivery in person, by recognized courier service, by pre-paid ordinary or first class mail or by facsimile or electronic transmission, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting;

and that compliance with this paragraph shall constitute sufficient notice of the Meeting.

13. **THIS COURT ORDERS** that, in the event that Posera elects to distribute the Meeting Materials, Posera is hereby directed to distribute the Information Circular (including the Notice of Application, and this Interim Order), and any other communications or documents determined by Posera to be necessary or desirable (collectively, the “**Court Materials**”) to the holders of Posera options by any method permitted for notice to Shareholders as set forth in paragraphs 12(a) or 12(b), above, concurrently with the distribution described in paragraph 12 of this Interim Order. Distribution to such persons shall be to their addresses as they appear on the books and records of Posera or its registrar and transfer agent at the close of business on the Record Date.

14. **THIS COURT ORDERS** that accidental failure or omission by Posera to give notice of the meeting or to distribute the Meeting Materials or Court Materials to any person entitled by this Interim Order to receive notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of Posera, or the non-receipt of such notice shall, subject to further order of this Honourable Court, not constitute a breach of this Interim Order nor shall it invalidate any resolution passed or proceedings taken at the Meeting. If any such failure or omission is brought to the attention of Posera, it shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

15. **THIS COURT ORDERS** that Posera is hereby authorized to make such amendments, revisions or supplements to the Meeting Materials and Court Materials, as Posera may determine in accordance with the terms of the Arrangement Agreement (“**Additional Information**”), and that notice of such Additional Information may, subject to paragraph 9, above, be distributed by press release, newspaper advertisement, pre-paid ordinary mail, or by the method most reasonably practicable in the circumstances, as Posera may determine.

16. **THIS COURT ORDERS** that distribution of the Meeting Materials and Court Materials pursuant to paragraphs 12 and 13 of this Interim Order shall constitute notice of the Meeting and good and sufficient service of the within Application upon the persons described in paragraphs 12 and 13 and that those persons are bound by any orders made on the within Application. Further, no other form of service of the Meeting Materials or the Court Materials or any portion thereof need be made, or notice given or other material served in respect of these proceedings and/or the Meeting to such persons or to any other persons, except to the extent required by paragraph 9, above.

Solicitation and Revocation of Proxies

17. **THIS COURT ORDERS** that Posera is authorized to use the letter of transmittal and proxies substantially in the form of the drafts accompanying the Information Circular, with such amendments and additional information as Posera may determine are necessary or desirable, subject to the terms of the Arrangement Agreement. Posera and Payfacto are each authorized at its expense, to solicit proxies, directly or through its officers, directors or employees, and through such agents or representatives as they may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may determine. Posera may waive generally, in its discretion, the time limits set out in the Information Circular for the deposit or revocation of proxies by Shareholders, if Posera deems it advisable to do so.

18. **THIS COURT ORDERS** that Shareholders shall be entitled to revoke their proxies in accordance with section 110(4) of the OBCA (except as the procedures of that section are varied by this paragraph) provided that any instruments in writing delivered pursuant to section 110(4)(a) of the OBCA: (a) may be deposited with the Secretary of the Company, at 341 Talbot Street, London, Ontario N6A 2R5; and (b) any such instruments must be received by Posera before 11:00 a.m., Toronto time, on the second last business day preceding the date of the Meeting or any adjournment thereof.

Voting

19. **THIS COURT ORDERS** that the only persons entitled to vote in person or by proxy on the Arrangement Resolution, or such other business as may be properly brought before the Meeting, shall be those Shareholders who hold voting common shares of Posera as of the close of business on the Record Date. Illegible votes, spoiled votes, defective votes and

abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

20. **THIS COURT ORDERS** that votes shall be taken at the Meeting on the basis of one vote per common share and that in order for the Plan of Arrangement to be implemented, subject to further Order of this Honourable Court, the Arrangement Resolution must be passed, with or without variation, at the Meeting by:

- (i) an affirmative vote of at least two-thirds (66 $\frac{2}{3}$ %) of the votes cast in respect of the Arrangement Resolution at the Meeting in person or by proxy by the Shareholders; and
- (ii) a simple majority of the votes cast in respect of the Arrangement Resolution at the Meeting in person or proxy by the Shareholders, other than the votes attached to Common Shares required to be excluded pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*.

Such votes shall be sufficient to authorize Posera to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement on a basis consistent with what is provided for in the Information Circular without the necessity of any further approval by the Shareholders, subject only to final approval of the Arrangement by this Honourable Court.

21. **THIS COURT ORDERS** that in respect of matters properly brought before the Meeting pertaining to items of business affecting Posera (other than in respect of the Arrangement Resolution), each Shareholder is entitled to one vote for each voting common share held.

Dissent Rights

22. **THIS COURT ORDERS** that each registered Shareholder shall be entitled to exercise Dissent Rights in connection with the Arrangement Resolution in accordance with section 185 of the OBCA (except as the procedures of that section are varied by this Interim Order and the Plan of Arrangement) provided that, notwithstanding subsection 185(6) of the OBCA, any Shareholder who wishes to dissent must, as a condition precedent thereto, provide written objection to the Arrangement Resolution to Posera in the form required by section 185 of the OBCA and the Arrangement Agreement, which written objection must be received by Posera not later than 48 hours excluding Saturdays, Sundays and statutory holidays in the Province of Ontario preceding the Meeting, and must otherwise strictly comply with the requirements of the OBCA. For purposes of these proceedings, the “court” referred to in section 185(18) of the OBCA means this Honourable Court.

23. **THIS COURT ORDERS** that, notwithstanding section 185(4) of the OBCA, Payfacto, not Posera, shall be required to offer to pay fair value, as of the day prior to approval of the Arrangement Resolution, for voting common shares held by Shareholders who duly exercise Dissent Rights, and to pay the amount to which such Shareholders may be entitled pursuant to the terms of the Arrangement Agreement or Plan of Arrangement.

24. **THIS COURT ORDERS** that any Shareholder who duly exercises such Dissent Rights set out in paragraph 22 above and who:

- i) is ultimately determined by this Honourable Court to be entitled to be paid fair value for his, her or its voting common shares, shall be deemed to have transferred those voting common shares as of the Effective Time, without any further act or formality and

free and clear of all liens, claims, encumbrances, charges, adverse interests or security interests to Payfacto for cancellation in consideration for a payment of cash from Payfacto equal to such fair value; or

ii) is for any reason ultimately determined by this Honourable Court not to be entitled to be paid fair value for his, her or its voting common shares pursuant to the exercise of the Dissent Right, shall be deemed to have participated in the Arrangement on the same basis and at the same time as any non-dissenting Shareholder;

but in no case shall Posera, Payfacto or any other person be required to recognize such Shareholders as holders of voting common shares of Posera at or after the date upon which the Arrangement becomes effective and the names of such Shareholders shall be deleted from Posera's register of holders of voting common shares at that time.

Hearing of Application for Approval of the Arrangement

25. **THIS COURT ORDERS** that upon approval by the Shareholders of the Plan of Arrangement in the manner set forth in this Interim Order, Posera may apply to this Honourable Court for final approval of the Arrangement.

26. **THIS COURT ORDERS** that distribution of the Notice of Application and the Interim Order in the Information Circular, when sent in accordance with paragraphs 12 and 13 shall constitute good and sufficient service of the Notice of Application and this Interim Order and no other form of service need be effected and no other material need be served unless a Notice of Appearance is served in accordance with paragraph 27.

27. **THIS COURT ORDERS** that any Notice of Appearance served in response to the Notice of Application shall be served on the solicitors for Posera, with a copy to counsel for Payfacto, as soon as reasonably practicable, and, in any event, no less than four (4) days before the hearing of this Application at the following addresses:

Attn: Zohar Levy
Fasken Martineau DuMoulin LLP
333 Bay Street, 24th Floor
Toronto, Ontario M5H 2T6
Lawyers for Posera

Attn: Gary Rivard
BCF Business Law
1100 René-Lévesque Blvd. West
Montreal, Quebec H3B 5C9
Lawyers for Payfacto

28. **THIS COURT ORDERS** that, subject to further order of this Honourable Court, the only persons entitled to appear and be heard at the hearing of the within application shall be:

- i) Posera;
- ii) Payfacto; and
- iii) any person who has filed a Notice of Appearance herein in accordance with the Notice of Application, this Interim Order and the Rules of Civil Procedure.

29. **THIS COURT ORDERS** that any materials to be filed by Posera in support of the within Application for final approval of the Arrangement may be filed up to one day prior to the hearing of the Application without further order of this Honourable Court.

30. **THIS COURT ORDERS** that in the event the within Application for final approval does not proceed on the date set forth in the Notice of Application, and is adjourned, only those persons who served and filed a Notice of Appearance in accordance with paragraph 27 shall be entitled to be given notice of the adjourned date.

Precedence

31. **THIS COURT ORDERS** that, to the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating, governing or collateral to the voting common shares, Posera options, or other rights to acquire voting common shares of Posera, or the articles or by-laws of Posera, this Interim Order shall govern.

Extra-Territorial Assistance

32. **THIS COURT** seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States or other country to act in aid of and to assist this Honourable Court in carrying out the terms of this Interim Order.

Variance

33. **THIS COURT ORDERS** that Posera shall be entitled to seek leave to vary this Interim Order upon such terms and upon the giving of such notice as this Honourable Court may direct.

(signed) "*Conway J.*"

Justice of the Ontario Superior Court of Justice
Commercial List

IN THE MATTER OF AN APPLICATION UNDER SECTION
182 OF THE *BUSINESS CORPORATIONS ACT* (ONTARIO),
R.S.O. 1990, CHAPTER B. 16, AS AMENDED, AND UNDER
RULE 14.05(2) AND RULE 14.05(3)(f) AND RULE 38 OF THE
RULES OF CIVIL PROCEDURE

POSERA LTD.

Applicant

Court File No.: CV-19-632906-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST
Proceedings commenced at
Toronto**

INTERIM ORDER

FASKEN MARTINEAU DuMOULIN LLP

Barristers and Solicitors
333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Samuel R. Rickett (LSO: 14947B)

srickett@fasken.com
Tel: 416 868 3436

Zohar R. Levy (LSO: 59861O)

zlevy@fasken.com
Tel: 416 868 7877

Lawyers for the applicant

**Appendix “E”
Notice of Application**

See attached.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

COMMERCIAL LIST

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT* (ONTARIO), R.S.O. 1990, CHAPTER B. 16, AS AMENDED, AND AN APPLICATION UNDER RULE 14.05(2) AND RULE 14.05(3)(f) AND RULE 38 OF THE *RULES OF CIVIL PROCEDURE*

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT INVOLVING POSERA LTD.

POSERA LTD.

Applicant

NOTICE OF APPLICATION

TO THE RESPONDENT(S)

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicants. The claim made by the applicants appears on the following page.

THIS APPLICATION will come on for a hearing on Friday, January 24, 2020 at 10:00 a.m., at 330 University Avenue, 8th Floor, Toronto, Ontario, M5G 1R7.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the applicants' lawyer or, where the applicants do not have a lawyer, serve it on the applicants, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicants' lawyer or, where the applicants do not have a lawyer, serve it on the applicants, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO

OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID
MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Dated: December 16, 2019

Issued by "Victoria Smithson"
Local Registrar

Address of
court office: 330 University Avenue
9th Floor
Toronto, Ontario
M5G 1R7

TO: **BCF Business Law**
Barristers and Solicitors
25th Floor
1100 René-Lévesque Blvd. West
Montreal, Quebec
H3B 5C9

Gary Rivard
Tel: 514.397.6838
Email: gary.rivard@bcf.ca
Fax: 514 397-8515
Lawyers for Payfacto Payments Inc.

APPLICATION

1. The applicant, Posera Ltd. (“**Posera**”) makes application for:
 - (a) An interim order for directions pursuant to section 182(5) of the *Business Corporations Act*, R.S.O. 1990, c. B. 16, as amended (the “**OBCA**”);
 - (b) An order approving the proposed plan of arrangement of Posera under section 182 of the OBCA; and
 - (c) Such further and other relief as this Honourable Court may deem just.
2. The grounds for the application are:
 - (a) All statutory requirements under the OBCA have been fulfilled;
 - (b) The proposed plan of arrangement is in the best interests of, and fair to, the Securityholders of Posera;
 - (c) Section 182 of the OBCA;
 - (d) Rules 14.05(2), 14.05(3)(f), 38 and 39 of the Rules of Civil Procedure; and
 - (e) Such further and other grounds as to this Honourable Court may seem just.
3. The following documentary evidence will be used at the hearing of the application:
 - (a) The affidavit of Akash Sahai, the Executive Vice-President of Business Development of Posera, sworn on December 14, 2019, and the exhibits annexed thereto;

- (b) A supplementary affidavit to be sworn following completion of the special meeting of the Securityholders of Posera proposed for January 20, 2020; and
- (c) Such further and other evidence as counsel may advise and this Honourable Court may permit.

4. The Applicant relies on Rule 17.02(n) and 17.02(o) of the *Rules of Civil Procedure* with respect to the service of this Notice of Application outside of Ontario. All Securityholders of Posera are approving the proposed plan of arrangement by way of resolution and are proper parties to this Application. Many of those Securityholders reside in Ontario, and Posera is an OBCA corporation with its registered and principal office in Ontario.

December 16, 2019

FASKEN MARTINEAU DuMOULIN LLP
Barristers and Solicitors
333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Samuel R. Rickett (LSO: 14947B)
srickett@fasken.com
Tel: 416 868 3436

Zohar R. Levy (LSO: 59861O)
zlevy@fasken.com
Tel: 416 868 7877

Lawyers for the applicant

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF
THE *BUSINESS CORPORATIONS ACT* (ONTARIO), R.S.O. 1990,
CHAPTER B. 16, AS AMENDED, AND UNDER RULE 14.05(2) AND
RULE 14.05(3)(f) AND RULE 38 OF THE *RULES OF CIVIL PROCEDURE*

POSERA LTD.

Applicant

Court File No.: CV-19-00632906-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST
Proceedings commenced at
Toronto**

NOTICE OF APPLICATION

FASKEN MARTINEAU DuMOULIN LLP

Barristers and Solicitors
333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Samuel R. Rickett (LSO: 14947B)

srickett@fasken.com
Tel: 416 868 3436

Zohar R. Levy (LSO: 59861O)

zlevy@fasken.com
Tel: 416 868 7877

Lawyers for the applicant

Appendix “F” Risk Factors

See attached.

RISK FACTORS

In evaluating whether to approve the Arrangement Resolution, Shareholders should carefully consider the following risk factors.

Risks Related to the Company

If the Arrangement is not completed, the Company will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects. Such risk factors are set forth and described in the Company's annual financial statements and annual information form for the year ended December 31, 2018, which have been filed on SEDAR at www.sedar.com.

Risks Relating to the Arrangement

Conditions to completion of the Arrangement may not be fulfilled

The completion of the Arrangement is subject to a number of conditions, including the receipt of all regulatory approvals and in addition to the Required Shareholder Approval. There can be no certainty, nor can the Company provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. A substantial delay in obtaining satisfactory approvals could have an adverse effect on the business, financial condition or results of operations of the Company or could result in the termination of the Arrangement Agreement. If the Arrangement is not completed, the Company expects that the market price of the Common Shares will be adversely affected. If the Arrangement is not completed and the Board decides to seek another transaction, there can be no assurance that it will be able to find a party willing to pay consideration for the Common Shares that is equivalent to, or more attractive than, the Consideration payable pursuant to the Arrangement.

The Company will incur costs in connection with the Arrangement

Certain costs related to the Arrangement, such as legal, accounting and certain financial advisor fees, must be paid by the Company even if the Arrangement is not completed.

The pending Arrangement may divert the attention of the Company's management

The Arrangement could cause the attention of the Company's management to be diverted from the Company's day-to-day operations, and customers or suppliers may seek to modify or terminate their business relationships with the Company. These disruptions could be exacerbated by a delay in the completion of the Arrangement and could have an adverse effect on the business, operating results or prospects of the Company.

The Required Shareholder Approval may not be obtained

There can be no certainty, nor can the Company provide any assurance, that the Required Shareholder Approval for the Arrangement Resolution will be obtained. The requisite approval for the Arrangement Resolution is (i) at least 66⅔% of the votes cast in favour of the Arrangement Resolution by Shareholders present in person or represented by proxy at the Meeting and (ii) a majority of the votes cast on the Arrangement Resolution by Shareholders present in person or represented by proxy at the Meeting other than the votes excluded pursuant to MI 61-101. If the Required Shareholder Approval is not obtained and the Arrangement is not completed, it could have a material adverse effect on the business, operating results or prospects of the Company.

While the Arrangement is pending, the Company is restricted from taking certain Actions.

The Arrangement Agreement restricts the Company from taking specified actions until the Arrangement is completed. This may adversely affect the ability of the Company to execute certain business strategies. These restrictions may prevent the Company from pursuing attractive business opportunities that may arise prior to the completion of the Arrangement.

The Company may become liable to pay the Posera Termination Fee

Each of the Company and the Purchaser has the right, in certain circumstances, in addition to termination rights relating to the failure to satisfy the conditions of closing, to terminate the Arrangement Agreement. Accordingly,

there can be no certainty, nor can the Company provide any assurance, that the Arrangement Agreement will not be terminated by either the Company or the Purchaser prior to the completion of the Arrangement. The Company's business, financial condition or results of operations could also be subject to various material adverse consequences, including that the Company would remain liable for significant costs relating to the Arrangement including, among others, legal, accounting and printing expenses.

If the Arrangement Agreement is terminated under certain circumstances, the Company may be required to pay the Posera Termination Fee to the Purchaser. Moreover, if the Company is required to pay the Posera Termination Fee under the Arrangement Agreement and the Company does not enter into or complete an alternative transaction, the financial condition of the Company may be materially adversely affected. See "*The Arrangement Agreement – Termination of Arrangement Agreement*" in the Circular.

The Posera Termination Fee may discourage other parties from proposing a significant business transaction with the Company

Under the Arrangement Agreement, the Company is required to pay the Posera Termination Fee in the event that the Arrangement is terminated in certain circumstances related to a possible alternative transaction to the Arrangement. While the Board has determined that the Posera Termination Fee is reasonable, it may nevertheless discourage other parties from attempting to propose a significant business transaction with the Company, even if a different transaction could provide better value to Shareholders than the Arrangement. The Board is also limited in its ability to change its recommendation with respect to arrangement-related proposals. See "*The Arrangement Agreement – Termination of Arrangement Agreement*".

Completion of the Arrangement is subject to the condition that no Company Material Adverse Effect has occurred.

The completion of the Arrangement is subject to the condition that, among other things, on or after November 25, 2019, (the date the Arrangement Agreement was entered into), there shall not have occurred a Company Material Adverse Effect. There can be no assurance that a Company Material Adverse Effect will not occur prior to the Effective Time. If such a Company Material Adverse Effect occurs and the Purchaser does not waive same, the Arrangement would not proceed. See "*Summary of the Arrangement – Conditions to Completion of the Arrangement*" and "*The Arrangement Agreement – Conditions to Closing*".

Uncertainty surrounding completion of the Arrangement may impact the Company's existing relationships and its ability to attract and retain key personnel

As the Arrangement is dependent upon satisfaction of a number of conditions precedent, its completion is uncertain. In response to this uncertainty, the entities which do business with the Company may delay or defer decisions concerning the Company. Any delay or deferral of those decisions by such entities could adversely affect the business and operations of the Company, regardless of whether the Arrangement is ultimately completed.

Uncertainty from the Arrangement may also adversely affect the Company's ability to attract or retain key personnel. In the event the Arrangement Agreement is terminated, the Company's relationships with business partners, suppliers, employees and other stakeholders may be adversely affected. Changes in such relationships could adversely affect the business and operations of the Company.

Certain of the Senior Officers and directors have interests in the Arrangement that are different from the interests of Shareholders generally

As disclosed herein, there are certain agreements, commitments or understandings existing between the Company and certain of its directors and Senior Officers and/or entities controlled by or beneficially owned by the foregoing persons pursuant to which such persons may receive certain payments or other benefits upon completion of the Arrangement. Such payments and benefits constitute interests that are different from, or in addition to, the interests of the Shareholders generally. These interests may cause certain of the Company's directors and Senior Officers to view the Arrangement more favourably than other Shareholders. See "*The Arrangement – Interests of Certain Persons in the Arrangement*".

On Closing of the Arrangement, Shareholders will not be shareholders of the Company

At the Effective Time, each Shareholder will cease to hold such Shareholder's Common Shares and to have any rights as a holder of such Common Shares other than the right to be paid the Consideration by the Purchaser or, in the case of Shareholders who have validly exercised Dissent Rights, be paid the fair value of such Shareholder's Common Shares, in each case in accordance with the Plan of Arrangement. After the Effective Time, the sole shareholder of the Company will be the Purchaser. See "*The Arrangement – Dissenting Holders' Rights*".

Consideration funds held in connection with the Escrow Agreement may not become payable to Shareholders

The Purchaser and Company have agreed to enter into the Escrow Agreement, pursuant to which the Purchaser shall deposit a portion of the Consideration in the amount of \$1 million into an escrow account for the Escrow Period. The remainder of these funds, if any, being up to \$0.0079530 per Common Share tendered under the Arrangement, will be released as part of the Consideration upon the expiry of such Escrow Period, unless the Purchaser incurs certain damages that flow from the Arrangement. In the event that such damages are incurred by the Purchaser, the Purchaser shall be entitled to recover from the escrowed funds for such damages on a dollar for dollar basis. It is possible that no escrowed funds will remain available as part of the Consideration upon the termination of the Escrow Period.

Appendix “G”
Fairness Opinion

See attached.



Tel: 416 865 0200
Fax: 416 865 0887
www.bdo.ca

BDO Canada LLP
222 Bay Street, Suite 2200
Toronto, ON M5K 1H1

December 10, 2019

The Board of Directors
Posera Ltd.
341 Talbot Street
London, ON N6A 2R5
Canada

Members of the Board of Directors:

INTRODUCTION AND PURPOSE

BDO Canada LLP ("BDO") understands that Payfacto Payments Inc. ("Payfacto") has agreed to acquire the issued and outstanding common shares ("Shares") of Posera Ltd. ("Posera" or "Company") by way of a plan of arrangement ("Proposed Transaction") for purchase consideration of \$14,500,000, on a cash-free, debt-free basis. The Proposed Transaction is set out in an arrangement agreement ("Arrangement Agreement") dated November 25, 2019 by and between Payfacto and Posera. Posera will call a special shareholder meeting to approve the Proposed Transaction, and subject to shareholder approval, court approval and other customary closing conditions, the Proposed Transaction is expected to close in January 2020. Pursuant to the Proposed Transaction, the shareholders of the Company ("Shareholders") will receive a payout price per share based on an upfront cash payment of \$13,500,000, plus any cash remaining in an escrow account holding the balance of the cash purchase price (initially in the range of \$0.9 million to \$1.0 million) to satisfy any damages as a result of claims that may arise from the Company prior divestitures of two divisions for a period of up to 24 months pursuant to conditions outlined in the Arrangement Agreement, plus any of Posera's cash (net of closing costs) on hand (if any).

The total equity value implied by the Proposed Transaction excluding the secured interest bearing loan in the aggregate principal amount of \$2.2 million made by Posera to an affiliate of DLT Global Ltd. ("DLT Loan") is in the range of \$14,433,000 to \$15,703,000 or \$0.120 to \$0.131 per Share¹ ("Purchase Consideration"). The total equity value implied by the Proposed Transaction including the DLT Loan is in the range of \$14,433,000 to \$18,208,000 or \$0.120 to \$0.152 per Share.

BDO understands that each of the directors and senior officers of the Company, in their respective capacities as Shareholders, (collectively holding approximately 8.98% of the Shares) have entered into voting support agreements under which such Shareholders will agree to support the Proposed Transaction, subject to the terms and conditions of the voting support agreements.

BDO has been engaged by the Board of Directors ("Board") of the Company to provide the Board with an opinion ("Fairness Opinion") as to the fairness of the Proposed Transaction, from a financial point of view, to the Shareholders as at December 10, 2019 ("Valuation Date"). BDO was not engaged to prepare and did not prepare a formal valuation in connection with the Fairness Opinion, as defined under applicable Canadian securities laws and regulations and the Fairness Opinion should not be construed as such.

BDO understands that the Fairness Opinion will be used for securities or regulatory purposes and it will be included in an information circular (or equivalent) that the Company may issue in connection with the Proposed Transaction, which will be filed with the applicable Canadian securities regulatory authorities and the court and mailed to Shareholders.

All dollar amounts referred to herein are expressed in Canadian Dollars unless otherwise specifically noted.

¹ Per section 2.11 of the Arrangement Agreement, any stock options of the Company that have not yet vested in accordance with their terms ("Stock Options") shall be accelerated such that these Stock Options will become exercisable and shall be disposed of to the Company in consideration of a cash payment by the Company. As such, for the purpose of the Fairness Opinion, we have assumed all Stock Options will be cancelled or disposed of and the number of Shares outstanding will be based on the basic number of Shares outstanding as at the Valuation Date.

ENGAGEMENT OF BDO CANADA LLP

The BDO Corporate Finance Team was engaged by the Company pursuant to an engagement letter dated February 27, 2019, as a financial advisor in connection with the strategic review process to provide the Board with various financial advisory services in connection with, among other things, any proposal involving the acquisition of control of the Company.

The BDO Valuations Team was also engaged by the Company to provide the Board with its opinion as to the fairness, from a financial point of view, of the Consideration to be received by Shareholders under the Proposed Transaction. The BDO Valuations Team that prepared the Fairness Opinion does not have any present or contemplated interest in the business, assets, liabilities, or ownership interests being valued. The fees quoted for the Fairness Opinion are not contingent upon the BDO Valuations Team's conclusion, findings, or any other event. However, the BDO Corporate Finance Team has been engaged by the Company to act as a financial advisor for the Proposed Transaction and the fees for this corporate finance engagement are contingent on the sale of the assets of the Company or its Shares. The Company has also agreed to reimburse the BDO Valuations Team and Corporate Finance Team for reasonable out-of-pocket expenses and to indemnify them against certain liabilities.

CREDENTIALS OF BDO CANADA LLP

The firms of the BDO global network provide industry-focused assurance, tax, and specialist advisory services to enhance value for clients and their stakeholders. More than 80,000 people in 162 countries across our network share their expertise and thought leadership to develop practical solutions for clients. In Canada, BDO and its related entities have more than 4,100 partners and staff in over 125 offices across the country. The firm's specialist advisory capabilities include significant experience advising on mergers & acquisitions and valuation matters for both public and privately held businesses. BDO's Fairness Opinion expressed herein represents the opinion of BDO, and the form and content thereof has been approved for release by partners of BDO, each of whom is a member of the Chartered Professional Accountants of Canada and the Canadian Institute of Chartered Business Valuators, and have experience in mergers, acquisitions, divestitures, valuations, fairness opinions, and related matters.

INDEPENDENCE OF BDO

The BDO Valuations Team preparing the Fairness Opinion does not have any present or contemplated interest in the business, asset, liability, or ownership interest being valued. The fees quoted for the Fairness Opinion are not contingent upon our conclusion, our findings, or any other event.

As discussed earlier, the BDO Corporate Finance Team has been engaged by the Company to act as a financial advisor for the Proposed Transaction and the fees related to that engagement are contingent on the sale of the Company.

DEFINITIONS

For the purpose of the Fairness Opinion, fair market value ("FMV"), as defined by Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*, is the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other and under no compulsion to act. FMV as defined above is a concept of value, which may or may not equal the purchase or sale price in an actual market transaction. Within the marketplace, there may exist "special purchasers" who may be willing to pay higher prices, as a result of reduced or eliminated competition, ensured source of sales, cost savings arising on business combinations following acquisitions, or other strategic advantages that could be realized by the purchaser. Given the nature and stated purpose of this engagement, we will not expose any of the Shares to the marketplace to determine whether some special purchasers, for their own reasons, might perceive a value different from that considered by us in arriving at our Fairness Opinion. We have not considered the potential value to the shareholders of the Company of any other transaction that might be undertaken as an alternative to the Proposed Transaction. In arriving at the Fairness Opinion conclusion, BDO considered whether the Purchase Consideration to be received as part of the Proposed Transaction is greater than or equal to the FMV of the Shares to be given up.

SCOPE OF REVIEW:

In connection with preparing and rendering this Fairness Opinion, BDO has reviewed, and where it considered appropriate, relied upon, or undertaken, among other things, the following:

- (a) Corporate and management organizational charts;
- (b) Consolidated financial statements of Posera, as audited by PricewaterhouseCoopers LLP for the fiscal years ended December 31, 2016 to 2018;
- (c) Unaudited interim consolidated financial statements of Posera for the 9 months ended September 30, 2019;
- (d) Unaudited internal financial statements of Maitre'D ("MD") and SecureTablePay ("STP") prepared by the Company's management ("Management") for the fiscal years ended December 31, 2016 to 2018 and for the period ended September 30, 2019;
- (e) Financial projections of MD and STP prepared by Management for the fiscal years ending December 31, 2019 to 2024;
- (f) DLT Loan analysis as at November 30, 2019, as prepared by Management;
- (g) Posera investor presentation dated November 2018;
- (h) STP investor presentation dated November 2018;
- (i) Corporate tax return of Posera for the taxation year ended December 31, 2018;
- (j) Certain publicly available information on the Company;
- (k) Certain internal information, primarily financial in nature, concerning the business and operations of the Company prepared by Management;
- (l) Arrangement Agreement between Posera and Payfacto dated November 25, 2019;
- (m) Summary of public company costs for the year ended December 31, 2018 and for the 9 months ended September 30, 2019, as prepared by Management;
- (n) Summary of purchase price adjustments, including calculation of transaction, legal, and other expenses, as prepared by Management;
- (o) Financial information and related materials of Posera that were contained in the Data Room;
- (p) Discussions with Management, including the Executive Vice President, Strategy and Business Development and the Chief Financial Officer, concerning the strategic, financial, and operational plans for Posera;
- (q) Discussions with the Executive Vice President, Strategy and Business Development and the Chief Financial Officer regarding, among other matters, the process undertaken by the Board with respect to the Proposed Transaction;
- (r) Certain publicly available financial information and stock market data relating to selected public companies that we considered might have relevance to our Fairness Opinion;
- (s) Financial terms, to the extent publicly available, of certain corporate acquisition transactions that we considered might have relevance to our Fairness Opinion;
- (t) Independent research concerning the point-of-sale ("POS") software developers industry;
- (u) Independent research concerning the current economic conditions and outlook for the North American economy;
- (v) Various reports published by equity research analysts and industry sources BDO considered relevant;
- (w) A letter of representation from Posera as to certain factual matters and the completeness and accuracy of certain information upon which the Fairness Opinion is based on;
- (x) Other industry, financial, and market information and analyses considered necessary or appropriate in the circumstances; and
- (y) Conducted other studies, analyses, and inquiries as we deemed necessary or appropriate.

BDO's work consisted primarily of inquiry, consideration, analysis and discussion of this information. Our reliance on this information is based, in part, on Management's representations as to the completeness and accuracy of the information provided by Posera.

MAJOR ASSUMPTIONS:

In connection with preparing and rendering this Fairness Opinion, BDO has reviewed, and where it considered appropriate, relied upon, or undertaken, among other things, the following:

- (a) All assets and liabilities of Posera as at December 31, 2018 and September 30, 2019 were recorded in accordance with generally accepted accounting principles in its respective financial statements;
- (b) All revenues and expenses of Posera were recorded, in accordance with generally accepted accounting principles in its respective financial statements for the fiscal year ended December 31, 2018 and for the period ended September 30, 2019;
- (c) The reported earnings of Posera contain no material non-recurring or unusual items of sales and expense, except as noted herein;
- (d) There were no significant non-arm's length transactions (at other than FMV) during the period under review, except as noted herein;
- (e) The balance sheets of Posera as at December 31, 2017 to December 31, 2018 and as at September 30, 2019 contained no material unrecorded, undisclosed or contingent assets, liabilities or commitments in accordance with applicable generally accepted accounting principles;
- (f) The balance sheet of Posera as at September 30, 2019 contained no redundant assets (liabilities), except as noted herein;
- (g) The market values of the tangible assets owned by Posera were not materially different at the Valuation Date than the amounts as indicated in this Fairness Opinion, except as noted herein;
- (h) The financial projections, including estimates for working capital requirements and capital expenditures, represent Management's best estimate of future results as at the Valuation Date;
- (i) There are no strategic initiatives or contemplated transactions that have not been disclosed to us, which would reasonably be expected to impact our conclusions; and
- (j) All offers to purchase Posera during the 24 months preceding the Valuation Date have been fully disclosed to us.

BDO's work consisted primarily of inquiry, consideration, analysis and discussion of this information. Our reliance on this information is based, in part, on Management's representations as to the completeness and accuracy of the information provided by Posera.

ASSUMPTIONS AND LIMITATIONS

This Fairness Opinion has been prepared for the Board and, except as explicitly permitted herein, is not to be used or relied upon by any person, other than the Board, for any purpose other than as stated herein, and except as provided in this paragraph, is not intended for general circulation, nor is it to be published or made available to other parties in whole or in part without BDO's prior written consent. BDO expressly disclaims any liability because of the use of this Fairness Opinion by any person other than the Board and does not assume any responsibility for losses resulting from the unauthorized or improper use of this Fairness Opinion.

BDO has relied upon the completeness, accuracy and fair presentation of all of the financial and other information, data, advice, opinions or representations obtained from public sources and the Company ("Information"). The Fairness Opinion is conditional upon the completeness, accuracy, and fair presentation of such Information. Subject to the exercise of professional judgment, we have not attempted to verify independently the completeness, accuracy, or fair presentation of any of the Information.

BDO has assumed that the projections provided to it by Management represent the best estimate of the most probable results for the Company for the periods presented therein. In preparing the Fairness Opinion, BDO has made certain assumptions in addition to those noted herein, which it considered reasonable and appropriate in the circumstances.

In preparing the Fairness Opinion, BDO has assumed that the Arrangement Agreement will not differ in any material respect from the drafts that we reviewed, and that the Proposed Transaction will be consummated in accordance with the terms and conditions of the Arrangement Agreement without waiver of, or amendment to, any term or condition that is in any way material to BDO's analyses.

The Fairness Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise of the Company, as they were reflected in the Information and as they have been represented to us in discussions with management. In our analyses and in preparing the Fairness Opinion, we made assumptions with respect to industry performance, general business and economic conditions and other matters.

The Fairness Opinion is provided to the Board for its exclusive use only in considering the Proposed Transaction and may not be used or relied upon by any other person or for any other purpose without BDO's prior written consent. The Fairness Opinion does not constitute a recommendation to the Board as to whether they should approve, or recommend approval of, the Arrangement Agreement or the Proposed Transaction. The Fairness Opinion in entirety or a summary thereof (in a form acceptable to BDO), is not to be reproduced, disseminated, quoted from or referred to (in whole or in part) without the prior written consent of BDO.

The Fairness Opinion is not, and should not be construed as, advice as to the price at which the Shares may be sold at any time and no recommendation is made to Shareholders with respect to the Proposed Transaction, including how they should vote in respect of the Proposed Transaction. BDO has not been engaged to review, and does not express any view or opinion on, any legal, tax, accounting or regulatory aspects of the Proposed Transaction and the Fairness Opinion does not address any such matters. BDO has relied upon, without independent verification, the assessment of the Company and its legal counsel with respect to such matters. In addition, the Fairness Opinion does not address the relative merits of the Proposed Transaction as compared to any other strategic alternatives that may be available to the Company. The Fairness Opinion is limited solely to the Purchase Consideration to be paid pursuant to the Proposed Transaction and does not address any other aspect of the Proposed Transaction.

The Fairness Opinion is rendered as of the date hereof and BDO disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Fairness Opinion which may come or be brought to the attention of BDO after the date hereof. Without limiting the foregoing, if BDO learns that any of the information it relied upon in preparing the Fairness Opinion was inaccurate, incomplete or misleading in any material respect, BDO reserves the right to, but shall not be under an obligation to, change or withdraw the Fairness Opinion.

BDO has based the Fairness Opinion upon a variety of factors considered in aggregate. Accordingly, BDO believes that its analyses must be considered as a whole. Selecting portions of its analyses or the factors considered by BDO, without considering all factors and analyses together, could create a misleading view of the process underlying the Fairness Opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

BDO has relied upon and assumed the completeness, accuracy and fair presentation of all the financial and other information, data, advice opinions, presentation and other material obtained by it from public sources or provided to it by, on behalf of, or at the request of the Company and the Fairness Opinion is conditional upon such completeness, accuracy and fair presentation. Subject to the exercise of professional judgment, BDO has not attempted to independently verify the completeness, accuracy or fair presentation of any of the information.

In connection with the preparation of the Fairness Opinion, BDO's mandate did not include the solicitation of interest from any other party with respect to any other extraordinary transaction involving the Company or to evaluate alternatives to the Proposed Transaction.

In preparing the Fairness Opinion, BDO has made important assumptions, including that all final versions of all agreements and documents to be executed and delivered in respect of or in connection with the Proposed Transaction will conform in all material respects to the drafts and summaries provided to BDO, that all conditions precedent to the Proposed Transaction can be satisfied, that all approvals, authorizations, consents, permissions, exemptions or orders of relevant regulatory authorities required in respect of or in connection with the Proposed

Transaction will be obtained, without adverse condition or qualification, that all steps or procedures being followed to implement the Proposed Transaction are valid and effective.

PRIOR VALUATIONS

The Company has represented to BDO that, to the best of its knowledge, information and belief after due inquiry, there are no independent appraisals or valuations or material non-independent appraisals or valuations relating to the Company or any of its respective material assets or liabilities that have been prepared during the 24 months preceding the Valuation Date and that have not been provided to us.

CORPORATE OVERVIEW

Posera is publicly-traded food-services technology company with operations based out of London, Canada. Posera operates as the parent company to essential product/service lines, notably, MD and STP. The Company develops and deploys POS system software, and enterprise management tools to restaurant operators. These services include managing transactions between customers and merchants with POS payment systems, kitchen display systems with order details for chefs and food preparation, direct table payment systems for restaurant-goers, as well as cloud-based reporting systems with extensive insights for restaurant operators. The Company's customers are primarily located in Canada, the United States (US), France, and the United Kingdom.

MD provides full-service restaurant management solutions with kitchen display systems (software and hardware), "dashboard" products, POS solutions, back office support, mobile and enterprise solutions with real-time reporting, and multiple interfaces and integrations. MD solutions are known to work and integrate well across all types of restaurants. The use of MD products help enable restaurant operators to optimize standard restaurant functions. For example, MD kitchen display systems physically allow orders to be placed and tracked with efficient communication between customers, waiters, chefs, and final payments. Specifically, the kitchen display ensures orders are placed by waiters, displayed for chefs' preparation, and are monitored to minimize the time lag from customer order to food serving, and accurately tracking items for payment.

STP is a POS software application housed within various POS terminals. Specifically, STP is a semi-integrated, EMV² certified pay-at-the-table solution that integrates with 20+ of the top existing POS systems. Integration with the numerous POS systems, major payment devices, and processors, helps ease new customers' adoption of STP software.

ECONOMIC AND INDUSTRY CONDITIONS

Posera operates within the POS software developers market. This industry develops POS software, which manages and facilitates sales at the physical location goods are sold. POS software varies significantly depending on the type of business using it and can provide extended features such as sales analysis and history, appointment scheduling and inventory management. Posera's primary focus is within POS software development for foodservice operators specifically. For the purposes of the Fairness Opinion, we have considered the POS market in the US as a proxy for Canada. In this regard, we have deemed the US industry to be similar in terms of industry structure as well as socioeconomic, demographic, political and other factors within the region.

Economic Overview³

Canada

Canada's real GDP growth will slow to an estimated 1.6% in 2019, and the pace of economic expansion will remain below its long-term trend in 2020, at 1.7%. Despite lower interest rates, high household debt levels will continue to weigh on private consumption growth next year, although solid growth in government spending will help to cushion the impact. Uncertainty generated by the US-China trade war and the deteriorating global economy has slowed

² EMV originally stood for "Europay, Mastercard, and Visa", the three companies that created the standard.

³ Economist Intelligence Unit (November 2019). Country Reports: United States of America and Canada.

business sentiment and investment activity. Export growth will moderate in 2020 because of softer economic growth in the US, Canada's main export market, but will regain momentum from 2021. The renegotiation of the United States Mexico Canada Agreement (USMCA) reduces some of the downside risk in the real GDP forecast; however, the ratification could be delayed until after the US presidential election in 2020. Economist Intelligence Unit (EIU) expects real GDP growth to pick up to an average of 2.4% per year in 2021 to 2024.

The pace of economic expansion is expected to pick up again in 2021, supported by continued public investment in infrastructure and stronger export growth stemming from recovering demand in the US and enhanced trade tie with the European Union (EU) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) members.

The Bank of Canada ("BoC") raised its policy rate three times in 2018, to 1.75%. The EIU expects the BoC to keep rates on hold in 2019. At its latest interest rate announcement in October, the BoC provided a relatively gloomy assessment of domestic and global economic trends, which it attributed in part to ongoing trade conflicts. Cuts in policy rate are expected in 2020 due to the further weakening in US and Canadian growth. As the economic growth picks up in 2021, the BoC will gradually begin to tighten monetary policy.

Continued subdued economic growth and soft oil prices will cause inflation to ease from an estimated average of 1.9% in 2019 to an average of 1.8% in 2020, taking it further below the mid-point of the BoC's 1-3% target rate. Inflation rate is expected to pick up from 2021 as the economy regains momentum, the unemployment rate starts to fall again and the rate of the federal carbon tax is increased.

Lower oil prices and slowing growth weighed on the currency earlier in 2019, although the Canadian dollar has firmed against its US counterpart. The Canadian currency will nevertheless depreciate slightly this year, to C\$1.33:US\$1 on average. Downward pressure on the dollar will be mitigated by interest-rate cuts from the U.S. Federal Reserve and the currency is expected to appreciate again to around CAD\$1.30:USD\$1.00 in 2024.

United States

The US' real GDP growth is forecasted to fall back to 2.2% in 2019, down from 2.9% in 2018, due to trade protectionism weighing on business investment. Furthermore, real GDP growth is expected to slow further in 2020, to 1.6%, as consumer spending is expected to slow and unemployment is forecast to rise slightly. In 2021 to 2024, the economy is expected to return to a more sustainable growth rate, averaging at 1.9% per year, assuming the next administration lifts some import tariffs in order to ease pressure on US firms and attempts to implement a more stable policy environment in order to stimulate new investment.

The Federal Reserve cut rates for the first time in a decade in July, and again in September 2019. The EIU expects two more cuts, in December and then in March 2020, to shore up growth in the face of continued trade policy uncertainty.

The US dollar has appreciated against the euro since mid-June of this year, and the EIU expects it to remain firm in 2020 as economic growth in the euro zone continues to lag that of the US. The dollar is forecasted to depreciate gradually in 2021 to 2024 as euro zone economies recover.

Several risks could compound the slowdown and potentially cause a recession. These include a possible crash in high-value tech stocks, which could potentially be a side effect of US and China's competition for technological dominance, an oil price spike caused by outright conflict between Saudi Arabia and Iran, or a move by the US to impose tariffs on the EU or Mexico. However, the EIU maintains its forecast that the US will avoid an outright recession in 2020, owing in part to monetary stimulus.

POS Developers Software Industry⁴

Historical Performance

The POS Software Developers industry has experienced strong growth over the five years to 2018. During the period, revenue was anticipated to increase at an annualized rate of 16.9% to reach \$2.3 billion, including 9.4% growth in 2018 alone. This industry has benefited from growing reliance on computers in downstream markets, including retailers, wholesalers and hospitality and foodservice businesses. Trends such as near-field communications (NFC), self-checkout counters, sensors, data analytics and the integration POS systems with back-end software systems have provided the industry with a platform for robust growth.

The industry has experienced significant merger and acquisition activity over the past five years. Major players and smaller operations alike have acquired or merged with competitors both within the POS Software Developers industry and other software companies as a way of diversifying their software portfolio and maintaining a high rate of innovation.

Key External Drivers

Key external drivers for the US POS Software Developers industry are discussed below:

Percentage of services conducted online – The percentage of services conducted online are only expected to increase in the future. With this in mind, many businesses require POS software with internet integration to allow customers to do things such as ordering online, or making online reservations.

Number of businesses – The number of businesses within downstream industries correlates with the demand for POS software products and services. The number of businesses is expected to have grown through 2018 as projected by IBISWorld, indicating a positive outlook for POS developers. It is worth noting that business activity deceleration presents a threat to the industry's growth.

Number of mobile internet connections – As the number of devices (tablets and smart phones) continues to increase, demand within the POS industry is expected to increase. Many smaller firms in the industry rely upon the use of mobile devices for payment processing.

Corporate profit – When corporate profits are generally high, it is more likely for firms to allocate resources to capital investments. This in turn leads to increased adoption of POS software products. IBISWorld has projected corporate profits to have risen through 2018, indicating a positive outlook for the POS industry. It is worth noting that capital expenditures tend to lag increased profits by about nine months, while profit declines result in immediate capital expenditure decreases.

Future Outlook

Moving forward, industry revenue is projected to increase at a lower annualized rate of 5.8% to US\$3.0 billion over the five years to 2023. This growth will continue to be supported by technological computing advancements and increased capabilities of POS providers to integrate back-office functions, analytics, insights, and other areas. Additionally, it is expected that both the number of new businesses and disposable income will rise. These factors are expected to increase consumer spending on accommodation and food services, thus driving industry revenue higher. It is also worth noting that industry growth is expected to fall significantly relative to the recent growth experienced as the number of new business in the US are expected to slow. Furthermore, as estimated by IBISWorld, growth in private investment in computers and software and the percentage of services conducted online will slow as well. New revenue opportunities are expected to emerge at a more moderate rate because of these key indicators.

⁴ IBISWorld Industry Report OD5897 Point of Sale Software Developers in the US, December 2018.

FINANCIAL OVERVIEW

Historical Results

The following table summarizes certain financial results of the Company for the fiscal years ended December 31, 2017 to 2018, and for the nine months ended September 30, 2019.

	Fiscal Year Ended December 31		9 Months Ended September 30
	2017	2018	2019
Revenue	10,674,447	9,984,120	5,740,550
% <i>growth</i>	<i>n/a</i>	(6.5%)	<i>n/a</i>
Normalized EBITDA (*)	214,014	(258,215)	(987,755)
% <i>sales</i>	2.0%	(2.6%)	(17.2%)

(*) Represents earnings before interest, taxes, depreciation, and amortization ("EBITDA"), including normalization adjustments.

Revenues decreased from 2017 of \$10,674,447 to 2018 of \$9,984,120 because of the Company's exit from certain business units during fiscal 2017, namely, BizPro, Century Cash Register and A&A Point of Sale Systems due to their unprofitability, combined with lower sales in the Company's European operations. Normalized EBITDA margin decreased from 2.0% in 2017 to (2.6%) in 2018 due to one-time non-recurring expenditures associated with corporate acquisition and divestiture activities and separation payments, partially offset by a reduction in technology costs and operating/support costs that were previously incurred to support the unprofitable Biz Pro, Century Cash Registers and A&A Point of Sale Systems businesses.

Financial Position

The following table summarizes the Company's balance sheet as at December 31, 2017, 2018 and September 30, 2019. With exception of cash, net of estimating closing costs, which is discussed later in this Fairness Opinion, we have assumed that there are no material changes in financial position from September 30, 2019 to the Valuation Date.

	As at December 31,		As at September 30,
	2017	2018	2019
	[2]	[2]	[3]
Assets			
Current assets			
Cash and cash equivalents	11,766,994	6,413,647	3,556,069
Cash and cash equivalents – restricted cash	386,671	-	-
Accounts receivable	1,580,659	1,307,288	1,031,775
Current portion of lease and other receivables	31,804	2,839	-
Inventory	638,847	253,293	193,571
Note receivable	-	1,703,191	1,006,108
Investment credits receivable – refundable	678,801	470,301	300,183
Income taxes receivable	-	-	35,089
Prepaid expenses and deposits	141,776	196,981	192,920
Total current assets	15,225,552	10,347,540	6,315,715
Property, plant and equipment	198,031	86,898	122,311
Deposit on leased premises	45,560	43,278	43,282
Lease and other receivables	3,011	-	-
Right of use assets	-	-	197,883
Investment tax credits receivable – non-refundable	862,469	603,653	627,240
Deferred income tax assets	5,294	176,057	260,155
Intangible assets	835,343	728,418	618,897
Goodwill	3,934,613	4,229,475	4,122,228
Total assets	21,109,873	16,215,319	12,307,711
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	2,575,926	1,991,870	1,370,840
Transaction payable	386,671	-	-
Current portion of vehicle loans and capital leases	9,000	6,853	7,008
Current portion of lease liabilities	-	-	95,974
Income taxes payable	262,855	79,069	-
Deferred revenue	1,158,631	526,913	725,816
Total current liabilities	4,393,083	2,604,705	2,199,638
Lease liabilities	-	-	105,892
Deferred income tax liability	-	164,440	118,620
Vehicle loans and capital leases	14,512	7,659	2,383
Total liabilities	4,407,595	2,776,804	2,426,533
Shareholders' equity			
Share capital	61,804,578	62,143,008	62,143,008
Contributed surplus	7,946,279	7,956,123	7,997,750
Deficit	(53,665,746)	(57,484,457)	(60,901,938)
Accumulated other comprehensive income	617,167	823,841	642,358
Total shareholders' equity	16,702,278	13,438,515	9,881,178
Total liabilities and shareholders' equity	21,109,873	16,215,319	12,307,711

Net Cash

Cash, net of estimated transaction, legal and other closing costs (“Net Cash”) as at the Valuation Date is as follows, as estimated by Management:

	Low	High
Cash as at the Valuation Date	3,556,000	3,556,000
Estimated transaction, legal, and other closing costs	(3,495,000)	(2,322,000)
Net Cash as at the Valuation Date	61,000	1,234,000

Based on the above, for the purposes of the Fairness Opinion, Net Cash is expected to be in the range of \$61,000 to \$1,234,000.

Tax Loss Carry-Forward Balance

Given the Company’s historical losses, it has accumulated a non-capital loss carry-forward balance (“LCF”) of approximately \$19.2 million as at the Valuation Date, available to be applied to future income. The FMV of LCF is estimated to be in the range of \$Nil to \$1,437,000.

PROJECTIONS

For the purposes of the Fairness Opinion, Management has provided projections for MD and STP. Each of these is discussed in further detail below.

MD

In the table below, BDO has summarized Management's projections for MD for the one month ending 2019, and for the fiscal years ending December 31, 2019 to December 31, 2024.

	1 Month Ending	Fiscal Year Ending December 31					
	2019F	2019F	2020P	2021P	2022P	2023P	2024P
Revenue	647,000	7,620,000	8,001,000	8,401,050	8,653,082	8,912,674	9,180,054
% growth	n/a	(16.1%)	5.0%	5.0%	3.0%	3.0%	3.0%
EBITDA	7,111	7,973	422,066	621,885	745,517	823,456	904,845
% sales	1.1%	0.1%	5.3%	7.4%	8.6%	9.2%	9.9%

Management expects MD to complete fiscal 2019 below budget, with revenue of \$7,620,000 and EBITDA of \$7,973 including approximately \$400,000 of corporate costs and excluding corporate overhead and public company costs that are expected to be eliminated (discussed in EBITDA section later). Management expects revenue to grow at 5.0% in 2020, 5.0% in 2021, 3.0% from 2022 to 2024, and 2.0% thereafter. EBITDA margins are expected to increase from 0.1% in 2019F to 5.3% in 2020 and 9.9% by 2024, mainly from plans to scale or take advantage of MD's fixed operating cost structure.

STP

In the table below, BDO has summarized Management's projections for STP for the one month ending 2019, and for the fiscal years ending December 31, 2019 to December 31, 2024.

	1 Month Ending	Fiscal Year Ending December 31					
	2019F	2019F	2020P	2021P	2022P	2023P	2024P
Revenue	31,667	380,000	1,500,000	1,650,000	1,765,500	1,853,775	1,909,388
% growth	n/a	(19.0%)	n/a	10.0%	7.0%	5.0%	3.0%
EBITDA	(56,989)	(675,089)	310,620	424,832	507,579	565,399	593,391
% sales	(180.0%)	(177.7%)	20.7%	25.7%	28.7%	30.5%	31.1%

Management expects STP to complete fiscal 2019 below budget with revenue of \$380,000 and EBITDA of approximately (\$675,000). Management expects revenue to grow significantly to \$1.5 million in 2020, which is largely driven by the expected deployment of STP's new products in the US and potential synergies from the Proposed Transaction. Revenue is expected to continue to grow at 10.0% in 2021, 7.0% in 2022, 5.0% in 2023, 3.0% in 2024, and 2.0% thereafter. EBITDA margins are expected to increase to 20.7% in 2020 and to 31.1% by 2024, mainly from plans to scale or take advantage of MD's fixed operating cost structure.

APPROACH

The assessment of fairness, from a financial point of view, must be determined in the context of each particular transaction. BDO has based this Fairness Opinion on methods and techniques that it considered appropriate in the circumstances as well as a number of factors relating to the Proposed Transaction, which it considered to be relevant.

As discussed earlier, the preparation of a fairness opinion is a complex process and it is not necessarily susceptible to partial analysis or a summary description. Accordingly, BDO's analyses must be considered as a whole and the selection of portions of BDO's analyses or the factors considered by us, without considering all factors and analyses together, could create a misleading view of the approaches underlying this Fairness Opinion. This Fairness Opinion is not to be construed as a recommendation to any holder of the Shares to support or reject the Proposed Transaction.

Valuation Considerations

In order to assess the fairness of the Proposed Transaction, from a financial point of view to the Shareholders, BDO principally considered the following business valuation methodologies and analyses of the Company:

1. Intrinsic Value;
2. Market Capitalization; and
3. Internal Rate of Return ("IRR").

Intrinsic value of the Company is determined based on the sum of the following components:

1. Business enterprise value ("BEV") of the Company using the methodologies below:
 - (a) A discounted cash flow ("DCF") analysis of each line of business (MD and STP);
 - (b) An analysis of the financial multiples of selected comparable companies whose securities are publicly traded; and
 - (c) An analysis of the financial multiples, to the extent publicly available, of selected precedent M&A transactions.
2. Plus: Net Cash of \$61,000 to \$1,234,000 (see Net Cash section earlier);
3. Plus: FMV of LCF in the range of \$Nil to \$1,437,000; and
4. Minus: Lease liabilities of \$211,000.

A summary of the range of intrinsic value of the Company is provided in the table below, as at the Valuation Date.

(\$CAD)

	Discounted Cash Flow Method		Comparable Public Companies Method		Precedent M&A Transactions Method	
	Low	High	Low	High	Low	High
Purchase consideration ⁵	14,433,000	15,703,000	14,433,000	15,703,000	14,433,000	15,703,000
Equity value	6,636,000	10,754,000	7,365,000	12,180,000	7,365,000	12,180,000
Premium (\$)	7,797,000	4,949,000	7,068,000	3,523,000	7,068,000	3,523,000
Premium (%)	117.5%	46.0%	96.0%	28.9%	96.0%	28.9%

Discounted Cash Flow Method

Under the DCF method, unlevered free cash flows are discounted at a specific rate to determine the present value. The present value of a terminal value, representing the value of unlevered free cash flows beyond the end of the projection period, is added to arrive at the BEV. Net Cash and the FMV of LCF are added, and lease liabilities are deducted to arrive at equity value. The equity value is then divided by the number of Shares outstanding to arrive at an implied price per Share.

⁵ Purchase Consideration is calculated as an upfront cash payment of \$13.5 million, plus cash in escrow in the range of \$0.9 million to \$1.0 million to be paid in 24 months pursuant to conditions outlined in the Arrangement and discounted at two-year risk free rate of 1.61%, plus expected Net Cash in the range of \$61,000 to \$1,234,000, as the Valuation Date.

EBITDA

Management's financial projections form the basis for estimating the Company's anticipated future cash-flow streams.

In applying the DCF method, BDO reviewed and relied upon the projections of MD and STP, which were prepared and provided by Management, for the one-month ending December 31, 2019 and the years ending December 31, 2020 to 2024. The projections provided by Management did not include corporate overhead or public company costs, which had a current annual run-rate in the range of \$2.5 million to \$3.5 million. BDO included \$400,000 of these corporate costs into the projections provided by Management (allocated to MD and STP based on fiscal 2019 revenue), based on its understanding that approximately \$2.0 million to \$3.0 million of these expenses could be avoided by a potential purchaser in a take-private transaction.

Cash Taxes

Taxes are calculated for each line of business (MD and STP) based on a 26.5% tax rate, consistent with the relevant corporate tax rate in Ontario, Canada. In this regard, BDO notes that the FMV of LCF is estimated to be in the range of \$Nil to \$1,437,000 (see Tax Losses Carry Forward Balance section for details).

Capital Expenditures

Management has estimated the requisite level of annual capital expenditures to range from \$80,000 to \$90,000 from 2020 to 2024 for MD, and \$15,000 to \$19,000 from 2020 to 2024 for STP, respectively, as consistent with historical results.

Working Capital

Working capital investment required for operations was based on negative 5.0% of revenue for MD and STP.

Terminal Value

To account for the value of the unlevered after-tax free cash flows after the discrete projection period ending December 31, 2024, BDO developed terminal enterprise value for each line of business by applying a terminal growth rate of 2.0% to the EBITDA in the Terminal Year.

BDO selected a terminal growth rate of 2.0% based on the outlook for long-term inflation and growth prospects for MD and STP beyond the discrete projection period. Purchase Consideration has also been given to the implied terminal BEV/EBITDA multiple resulting from each analysis.

Capital expenditures and working capital requirements are applied consistent with the discrete projection period.

For purposes of calculating the terminal year cash flow, we have separately considered and added the present value of undepreciated capital cost ("UCC") benefits in arriving at the BEV of MD and STP.

Unlevered After-Tax Free Cash Flows

The following table is a summary of the unlevered after-tax free cash flow projections used in the DCF analysis of MD, as at the Valuation Date:

(\$CAD)

	Reference	1 Month Ending December 31,	Fiscal Year Ending December 31,					Terminal Year
		2019	2020	2021	2022	2023	2024	
Revenue		647,000	8,001,000	8,401,050	8,653,082	8,912,674	9,180,054	9,363,655
<i>Growth</i>			5.0%	5.0%	3.0%	3.0%	3.0%	2.0%
EBITDA		7,111	422,066	621,885	745,517	823,456	904,845	922,942
<i>EBITDA (%)</i>		1.1%	5.3%	7.4%	8.6%	9.2%	9.9%	9.9%
Income taxes		(1,884)	(111,848)	(164,800)	(197,562)	(218,216)	(239,784)	(244,580)
Net operating income		5,226	310,219	457,086	547,955	605,240	665,061	678,362
<i>Free cash flow adjustments:</i>								
Incremental net working capital requirements		54,343	19,050	20,003	12,602	12,980	13,369	9,180
Capital expenditures, net of tax shield		(5,210)	(64,428)	(67,650)	(69,679)	(71,770)	(74,895)	(76,393)
Debt free cash flow		54,359	264,841	409,439	490,877	546,450	603,535	611,150
Terminal multiple								9.1X
Terminal value								5,555,906

The following table is a summary of the unlevered after-tax free cash flow projections used in the DCF analysis of STP, as at the Valuation Date:

(\$CAD)

	Reference	1 Month Ending December 31,	Fiscal Year Ending December 31,					Terminal Year
		2019	2020	2021	2022	2023	2024	
Revenue		31,667	1,500,000	1,650,000	1,765,500	1,853,775	1,909,388	1,947,576
<i>Growth</i>			n/a	10.0%	7.0%	5.0%	3.0%	2.0%
EBITDA*		(56,257)	310,620	424,832	507,579	565,399	593,391	605,259
<i>EBITDA (%)</i>		(177.7%)	20.7%	25.7%	28.7%	30.5%	31.1%	31.1%
Income taxes		-	(82,314)	(112,581)	(134,508)	(149,831)	(157,249)	(160,394)
Net operating income		(56,257)	228,306	312,252	373,071	415,568	436,142	444,865
<i>Free cash flow adjustments:</i>								
Incremental net working capital requirements		2,182	56,358	7,500	5,775	4,414	2,781	1,909
Capital expenditures, net of tax shield		-	(12,657)	(13,923)	(14,897)	(15,642)	(16,309)	(16,635)
Debt free cash flow		(54,076)	272,006	305,829	363,948	404,340	422,614	430,140
Terminal multiple								6.9X
Terminal value								2,966,481

Weighted-Average Cost of Capital (WACC)

A description of the weighted-average cost of capital ("WACC") and its components is discussed below for each line of business.

Description of WACC

The cash flow stream for the discrete projection period and the terminal value are discounted to their present value by applying an appropriate discount rate. The WACC is the implied rate of return an investor would require for an investment in a company with similar risk and business characteristics to MD and STP. The WACC is determined by examining market information for comparable companies and using this information to estimate an equity cost of capital using the Capital Asset Pricing Model ("CAPM"). The applicable cost of debt is determined, and a weighted-average of the two rates is calculated.

MD and STP's assumed optimal capital structures of 15.0% and 10.0% debt-to-capital, respectively, were determined based on their actual debt-to-capital structures.

Components of WACC

The following is a summary of the assumptions and calculations BDO used to estimate the cost of equity and WACC for MD, as at the Valuation Date:

	Low	High
Cost of equity		
<i>Systematic risk factors:</i>		
Risk free rate	2.07%	2.07%
Levered equity beta	1.03	1.03
Equity risk premium	5.50%	5.50%
Country risk premium	0.00%	0.00%
Cost of equity (before unsystematic risk)	7.73%	7.73%
<i>Unsystematic risk factors:</i>		
Size premium	5.37%	5.37%
Company specific risk premium	1.00%	2.50%
Cost of equity	14.10%	15.60%
Cost of debt		
Pre-tax cost of debt	5.55%	5.55%
Tax rate	26.50%	26.50%
After-tax cost of debt	4.08%	4.08%
Weight		
Debt-to-capital	15.00%	15.00%
Equity-to-capital	85.00%	85.00%
Weighted-average cost of capital (WACC)	12.60%	13.87%
Selected WACC		13.00%

Assumptions applied in the foregoing analysis are described below:

- (a) **Risk Free Rate of Return** — At the Valuation Date, the risk-free return, as measured by the yield on long-term (20-year) US Treasury Bonds, was 2.07%.
- (b) **Beta** — We have examined the rates of return demanded by investors in public companies that are in a similar industry as MD. An unlevered beta of 0.91 for MD was calculated based on the beta of a pool of public company comparables.
- (c) **Equity Risk Premium** — An equity risk premium of 5.50% was applied based on BDO's review of recently published articles, academic studies, and surveys that attempt to quantify the expected equity risk premium for US common stocks, as well as the range of equity risk premiums used by other major accounting or valuations firms in the marketplace.
- (d) **Country Risk Premium** — A country risk premium of 0.00% was selected, based on the Duff & Phelps International Valuation Handbook for a company operating in the US or Canada.
- (e) **Size Premium** — The size premium is based on the 2018 Duff & Phelps Valuation Handbook (decile 10) of 5.37%.
- (f) **Company-Specific Risk Premium** — In addition to the risk reflected through the beta and equity risk premium we added a specific risk premium of 1.00% to 2.50% to account for the following positive and negative factors specific to MD:

Positive Factors:

- The MD POS has been successfully deployed for 20 years and has performed well;
- MD is a tried and tested solution with over 20,000 customers worldwide;
- MD product offers advanced suite of third-party integrations; and
- Potential upside with respect to higher revenue under the new subscription-based model, currently not reflected in the MD valuation.

Negative Factors:

- A majority of revenues are reliant on dealers; and
 - Considerable projection risk as MD is currently behind budget for the 9 Months Ended September 30, 2019.
- (g) **Cost of Debt** — A pre-tax cost of debt of 5.55% was determined based on the 20-year corporate yield for BB rated securities in the information technology industry.

The following is a summary of the assumptions and calculations BDO used to estimate the cost of equity and WACC for STP, as at the Valuation Date:

	Low	High
Cost of equity		
<i>Systematic risk factors:</i>		
Risk free rate	2.07%	2.07%
Levered equity beta	0.99	0.99
Equity risk premium	5.50%	5.50%
Country risk premium	0.00%	0.00%
Cost of equity (before unsystematic risk)	7.51%	7.51%
<i>Unsystematic risk factors:</i>		
Size premium	5.37%	5.37%
Company specific risk premium	4.00%	6.00%
Cost of equity	16.88%	18.88%
Cost of debt		
Pre-tax cost of debt	5.55%	5.55%
Tax rate	22.71%	22.71%
After-tax cost of debt	4.29%	4.29%
Weight		
Debt-to-capital	10.00%	10.00%
Equity-to-capital	90.00%	90.00%
Weighted-average cost of capital (WACC)	15.62%	17.42%
Selected WACC		16.50%

Assumptions applied in the foregoing analysis are described below:

- See MD WACC section above for details on all the components of WACC with the exception of the Company-Specific Risk Premium discussed in detail below.
- Company-Specific Risk Premium** – In addition to the risk reflected through the beta and equity risk premium we added a specific risk premium of 4.00% to 6.00% to account for the following positive and negative factors specific to STP:

Positive Factors:

- The technology is certified with major payment devices, POS systems, and processors;
- The technology is tested and has been deployed in the Canadian market for over ten (10) years; and
- The technology is integrated with over twenty leading POS systems.

Negative Factors:

- A majority of revenues are reliant on dealers; and
- Considerable projection risk as the projections include significant growth in the short-to-medium term.

Summary of WACC Computation

Based on the foregoing factors, we determined the MD WACC to be in the range of 12.60% to 13.87% and the STP WACC to be in the range of 15.62% to 17.42%. These ranges appear reasonable based on our experience in valuing similar companies within the information technology industry.

Summary of the Intrinsic Value of the Company (DCF)

The following table provides a summary of the FMV range of the Company's BEV resulting from the analysis. Net Cash and the FMV of LCF are added, and lease liabilities are deducted to arrive at equity value. The equity value is then divided by the number of Shares outstanding to arrive at an implied price per Share.

(\$CAD)

	Posera Ltd.	
	Low	High
Business enterprise value (BEV) (MD)	4,429,000	5,413,000
Business enterprise value (BEV) (STP)	2,357,000	2,881,000
Plus: Net cash	61,000	1,234,000
Plus: FMV of LCF	-	1,437,000
Minus: Lease liabilities	(211,000)	(211,000)
Equity value	6,636,000	10,754,000
Number of Shares outstanding	119,796,880	119,796,880
FMV per Share	0.055	0.090
Implied BEV/LTM revenue multiple	0.8X	1.0X
Implied terminal revenue multiple (MD)	0.6X	0.6X
Implied terminal revenue multiple (STP)	1.7X	1.7X
Implied BEV/LTM EBITDA multiple	NMF	NMF
Implied terminal EBITDA multiple (MD)	6.5X	6.5X
Implied terminal EBITDA multiple (STP)	5.4X	5.4X
WACC (MD)	12.6%	13.9%
WACC (STP)	15.6%	17.4%

*NMF = Not meaningful

Sensitivity Analyses (DCF)

As part of the DCF analyses, BDO performed sensitivity analyses of the calculated MD/STP values for changes in several key factors, as shown below:

MD — SENSITIVITY ANALYSIS	Sensitivity	Change in Valuation	
		Low	High
WACC	+0.5%	(198,000)	(242,000)
	-0.5%	217,000	265,000
Revenue (FY 2020 to FY 2024)	+2.5%	4,014,000	4,906,000
	-2.5%	(3,680,000)	(4,498,000)
EBITDA margin (FY 2020 to FY 2024)	+5.0%	2,654,000	3,244,000
	-5.0%	(2,654,000)	(3,244,000)

STP — SENSITIVITY ANALYSIS	Sensitivity	Change in Valuation	
		Low	High
WACC	+0.5%	(80,000)	(98,000)
	-0.5%	87,000	106,000
Revenue (FY 2020 to FY 2024)	+2.5%	537,000	657,000
	-2.5%	(504,000)	(616,000)
EBITDA margin (FY 2020 to FY 2024)	+5.0%	415,000	507,000
	-5.0%	(414,000)	(507,000)

Comparable Public Companies Method

BDO compared selected financial data of MD and STP with similar data for selected publicly traded companies operating within the same industry. Specifically, BDO considered the market multiples of BEV-to-revenue and BEV-to-EBITDA over the last twelve months (“LTM”), as appropriate.

The market multiples were based on the selected companies’ closing share prices on November 30, 2019 and on other publicly available information. The following table represents the results of this analysis.

Company	BEV / LTM Revenue
Net Element, Inc.	0.4X
Mobi724 Global Solutions Inc.	2.7X
VIQ Solutions Inc.	1.5X
iLOOKABOUT Corp.	2.5X
RenoWorks Software Inc.	2.2X
Smart Employee Benefits Inc.	0.6X
Anixa Biosciences, Inc.	NMF
Ipsidy Inc.	NMF
Interlink Electronics, Inc.	NMF
Electro-Sensors, Inc.	0.4X
ClearSign Technologies Corporation	NA
Know Labs, Inc.	NMF
Image Sensing Systems, Inc.	1.4X
Average	1.5X
Median	1.4X
1st quartile	0.6X
2nd quartile	1.4X
3rd quartile	2.2X
4th quartile	2.7X

**NMF = Not meaningful*

The BEV of MD and the BEV of STP were then adjusted for Net Cash, FMV of LCF, and lease liabilities. A summary of the intrinsic value of the Company as determined based on the comparable public companies method is shown in the table below.

(\$CAD)

	Posera Ltd.	
	Low	High
Business enterprise value (BEV) (MD)	5,715,000	7,620,000
Business enterprise value (BEV) (STP)	1,800,000	2,100,000
Plus: Net cash	61,000	1,234,000
Plus: FMV of LCF	-	1,437,000
Minus: Lease liabilities	(211,000)	(211,000)
Equity value	7,365,000	12,180,000
Number of shares outstanding	119,796,880	119,796,880
FMV per Share	0.061	0.102
Implied BEV/LTM revenue multiple (MD) ⁽¹⁾	0.8X	1.0X
Implied BEV/NTM revenue multiple (STP) ⁽²⁾	1.2X	1.4X

1. Based on our review of market multiples and experience with the valuation of software companies of a similar size, scale, breadth of operations and growth potential, we selected the range of market multiples in the range of 0.8X to 1.0X.

2. As STP is expected to deploy new products in US market in FY 2020, we considered STP's next twelve months ("NTM") revenue for the purpose of this analysis. Based on our review of market multiples and experience with the valuation of software companies of a similar size, scale, breadth of operations and growth potential of STP, particularly in the US, we selected the range of market multiples in the range of 1.2X to 1.4X.

3. The Purchase Consideration of \$14,433,000 to \$15,703,000 implied a BEV/LTM revenue multiple in the range of 1.6X to 1.8X. In this regard, we note that the LTM Revenue of \$8.0 million is comprised of the following: (a) MD - \$7.6 million, and (b) STP at \$0.4 million.

4. The Purchase Consideration of \$14,433,000 to \$15,703,000 implied a BEV/recurring revenue multiple in the range of 4.0X to 4.4X based on LTM recurring revenue of \$3.3 million.

Precedent M&A Transactions Method

BDO compared selected financial data of MD and STP with precedent M&A transactions involving companies operating within the same industry. For each of the selected M&A transactions, BDO considered the multiple of BEV-to-revenue and BEV-to-EBITDA over the last twelve months, as appropriate.

The multiples were based on the implied EV and other publicly available information as at the closing date of each transaction. BDO applied a discount in the range of 20.0% to 60.0% to the unadjusted market multiples based on its review of the selected companies and its experience with the valuation of software companies of a similar size, scale, breadth, growth, and risk profile. The following table represents the results of this analysis.

Target	Purchaser	Close Date	Unadjusted BEV/LTM Revenue
Heartland Payment Systems, Inc.	Global Payments Inc.	April 22, 2016	1.7X
VeriFone Systems, Inc.	Francisco Partners Management, LP.; British Columbia Investment Management Corporation	August 20, 2018	1.8X
Average			1.8X
Median			1.8X
Median @ 20% Discount			1.4X
Median @ 60% Discount			0.7X

The BEV of MD and BEV of STP were then adjusted for Net Cash, the FMV of LCF, and lease liabilities. A summary of the implied intrinsic value of the Company as determined based on the precedent M&A transactions method is provided in the table below.

(\$CAD)

	Posera Ltd.	
	Low	High
Business enterprise value (BEV) (MD)	5,715,000	7,620,000
Business enterprise value (BEV) (STP)	1,800,000	2,100,000
Plus: Net cash	61,000	1,234,000
Plus: FMV of LCF	-	1,437,000
Minus: Lease liabilities	(211,000)	(211,000)
Equity value	7,365,000	12,180,000
Number of Shares outstanding	119,796,880	119,796,880
FMV per Share	0.061	0.102
Implied BEV/LTM revenue multiple (MD) ⁽¹⁾	0.8X	1.0X
Implied BEV/NTM revenue multiple STP) ⁽²⁾	1.2X	1.4X

1. Based on our review of market multiples and experience with the valuation of software companies of a similar size, scale, breadth of operations and growth potential, we selected the range of market multiples in the range of 0.8X to 1.0X, which represents approximately 40% to approximately 60% discount to the unadjusted market multiples.

2. As STP is expected to deploy new products in the US market in FY 2020, we considered STP's NTM revenue for the purpose of this analysis. Based on our review of market multiples and experience with the valuation of software companies of a similar size, scale, breadth of operations and growth potential of STP, particularly in the US, we selected the range of market multiples in the range of 1.2X to 1.4X, which represents a 20% to 30% discount to the unadjusted multiples.

Market Capitalization

On a market basis, the Purchase Consideration represents a premium of approximately 143.7% to the Company's market capitalization as at November 24, 2019 (pre-announcement date). A summary of the market capitalization is provided in the table below.

(\$CAD)

	Low	High
Purchase Consideration	14,433,000	15,703,000
Equity value	6,182,000	6,182,000
Premium (\$)	8,251,000	9,521,000
Premium (%)	133.5%	154.0%

The determination of the Company's equity value based on the terms of the Arrangement Agreement and the Company's market capitalization as at November 24, 2019 is provided in the table below. More specifically, the Arrangement Agreement indicates that any repayment of principal, interest, or other costs associated with the DLT Loan shall be for the benefit of the existing shareholders. Therefore, we have deducted it from the market capitalization of the Company to arrive at equity value in comparing it to the Purchase Consideration.

(\$CAD)

Market capitalization	7,187,810
DLT Loan	(1,006,108)
Equity value (Rounded)	6,182,000

Internal Rate of Return

Based on the cash flow projections of MD and STP provided by Management, the BEV implied by the Purchase Consideration⁶ of \$13,702,000 (midpoint) implied an IRR of approximately 8.8%. In assessing the reasonableness of the IRR, we considered the following factors:

- (a) The extensive customer base operating on the MD and the STP platform;
- (b) The Company's access to a network of 82+ global dealers for the small and medium sized enterprise market;
- (c) The lack of historical profitability of the Company;
- (d) Projected cash flows of the Company are reliant on the expected growth and risk profile of MD and STP and the assumed level of potential synergies to be achieved by a market participant purchaser of the Company under a take-private scenario; and
- (e) The prevailing rates of return for alternative investments.

Other Considerations

In addition to the aforementioned business valuation methodologies, BDO also considered the following:

- (a) The process undertaken by the Board;
- (b) The proposed terms of the Proposed Transaction;
- (c) The price performance of the Shares; and
- (d) The relative liquidity of the Shares.

⁶ Purchase Consideration is calculated as an upfront cash payment of \$13.5 million, plus cash in escrow in the range of \$0.9 million to \$1.0 million to be paid in 24 months pursuant to conditions outlined in the Arrangement and discounted at two-year risk free rate of 1.61%, plus expected Net Cash in the range of \$61,000 to \$1,234,000, as the Valuation Date..

The Process Undertaken by the Board

The sale process was the responsibility of Management and was overseen by the Board. A summary of the sale process is described below.

- On October 3, 2019, BDO was made aware of Payfacto's interest in the acquisition of the Company through another process participant with whom BDO was engaged with.
- On October 9, 2019, a meeting was held in Toronto between members of Payfacto's management and BDO for the purposes of signing the non-disclosure agreement and to discuss the investment opportunity in greater detail. Payfacto expressed their interest in proceeding to the next step in the process.
- The Board was advised of Payfacto's intention and authorized Management and BDO to entertain any offers.
- On October 17, 2019, a meeting was held in Montreal between members of Payfacto's and Management for the purposes of discussing next steps. It was decided that the Payfacto would complete operational, financial, tax and legal due diligence in conjunction with providing a draft of the Arrangement Agreement. It was also decided by the Company that exclusivity would be granted upon the first turn of the Arrangement Agreement.
- Payfacto initiated due diligence which was followed by management meetings in October and November 2019.
- Concurrent with addressing due diligence follow up sent by Payfacto, discussions were initiated by Management with other parties potentially interested in acquiring the Company's remaining businesses (i.e., MD and STP and each individual asset).
- On November 11, 2019, Payfacto's external legal counsel submitted a revised version of the Arrangement Agreement after which they were granted exclusivity and discussions with other parties ended.
- Both parties continued the due diligence and Arrangement Agreement drafting processes.
- On November 25, 2019 (also referred to as the "Announcement Date"), both parties entered into the Arrangement Agreement pursuant to which Payfacto will acquire all of the Company's issued and outstanding common shares for \$14.5 million on a cash free, debt free basis, in an all cash transaction with an upfront cash payment of \$13,500,000, plus cash in escrow in the range of \$0.9 million to \$1.0 million to be paid in 24 months pursuant to conditions outlined in the Arrangement Agreement, plus cash on hand (if any), minus closing costs .

To our knowledge, no logical potential purchaser was specifically excluded from the process. The Purchase Consideration reflects the broad canvassing of the market and contemporaneous negotiations with several potential purchasers.

The Proposed Terms of the Proposed Transaction

The Proposed Transaction is an all cash offer, subject to the terms and conditions as discussed earlier and as stated in the Arrangement Agreement. Consequently, by accepting the Proposed Transaction, the Shareholders do not incur any additional risk associated with future stock market fluctuations.

The Price Performance of the Shares

During the past twelve-months leading up to November 24, 2019 ("Pre-Announcement Date"), approximately 100% of the Shares that traded did so at a price significantly below the Purchase Consideration, with a 52-week high of \$0.120 and a 52-week low of \$0.045.

During the past six months leading up the Pre-Announcement Date, approximately 100% of the Shares that traded did so at a price below the Purchase Consideration, with a 26-week high of \$0.110 and a 26-week low of \$0.045.

The average 1-month, 3-months, and 6-months Share price were \$0.058, \$0.064, and \$0.075, respectively. The Share price increased by approximately 127% to \$0.13 on the Announcement Date, whereby it is reasonable to assume that predominantly all of this increase was strictly related to the Proposed Transaction.

The Relative Liquidity of the Shares

In our view, the Shares are relatively thinly-traded as compared to select public company comparables. The total volume of Shares traded in the past twelve months to November 24, 2019 was approximately 22.1 million shares, which represents approximately 19.7% of the public float. Further, the Shares are not covered by any nationally recognized investment banking equity analysts, which likely has a negative impact on liquidity, extent, and strength of momentum and general market perception.

FAIRNESS OPINION

Approach to Fairness

In arriving at its opinion as to whether the Purchase Consideration to be received by the Company pursuant to the Proposed Transaction is fair from a financial point of view to the Shareholders, BDO considered a number of factors including, but not limited to, the fact that the Purchase Consideration to be received by Shareholders pursuant to the Proposed Transaction, falls within the range of FMV of the Shares.

Fairness Opinion Conclusion

Subject to the assumptions, limitations and qualifications set out herein, BDO is of the opinion that, as of the date hereof, the Purchase Consideration to be received by Shareholders pursuant to the Proposed Transaction is fair from a financial point of view to the Shareholders.

Yours very truly,

A handwritten signature in black ink that reads "BDO Canada LLP". The letters are cursive and slightly slanted to the right.

BDO Canada LLP

Appendix “H”
Independent Fairness Opinion

See attached.



Grant Thornton
An instinct for growth™

The Board of Directors
Posera Ltd.
341 Talbot Street
London, ON N6A 2R5

Attention: Akash Sahai, EVP

Grant Thornton LLP
11th Floor
200 King Street West, Box 11
Toronto, ON
M5H 3T4
T +1 416 366 0100
F +1 416 360 4949

December 10, 2019

Dear Board of Directors:

FAIRNESS OPINION

Grant Thornton LLP ("GT", "we", "us", or "our") understands that Payfacto Payments Inc. ("Payfacto" or the "Purchaser") has agreed to make a tender offer to acquire the issued and outstanding common shares ("Shares") of Posera Ltd. ("Posera", the "Company" or the "Vendor") ("Proposed Transaction"). The Proposed Transaction will be implemented by way of a statutory plan of arrangement (the "Arrangement") under the Business Corporations Act (Ontario). Pursuant to an arrangement agreement, dated November 25, 2019, between Payfacto and Posera (the "Arrangement Agreement"), the shareholders of the Company ("Shareholders") will receive \$14.5 million, on a cash-free debt-free basis, including an escrow amount up to \$1.0 million ("Escrow") to be released after 24 months following the close of the Proposed Transaction (the "Effective Date"), net of any claims borne by the Purchaser. Additionally, the Shareholders will be eligible to receive within 24 months a pro rata per share payment of any funds that are collected from an interest bearing secured loan in an aggregate principal amount of \$2.2 million that was made available to an affiliate of DLT Global Ltd. ("DLT Labs") by Posera (the "Consideration").

Posera will call a special shareholder meeting to approve the Proposed Transaction, and subject to shareholder approval, court approval and other customary closing conditions, the Proposed Transaction is expected to close in January 2020.

The board of directors of the Company (the "Board") has requested that GT, acting independently and objectively, prepare and deliver to the Board an opinion as to whether the Consideration to be received by the Shareholders pursuant to the Proposed Transaction is fair, from a financial point of view (the "Fairness Opinion").

GT understands that the Fairness Opinion will be used for securities or regulatory purposes, it will be included in the management information circular (or equivalent) that the Company may issue

in connection with the Proposed Transaction, which will be filed with the applicable Canadian securities regulatory authorities and the court and mailed to Shareholders of the Company.

This Fairness Opinion has been prepared in conformity with the Practice Standards for fairness opinions of The Canadian Institute of Chartered Business Valuators (“CICBV”), but the CICBV has not been involved in the preparation or review of this opinion letter.

All dollar amounts referred to herein are expressed in Canadian Dollars unless otherwise specifically noted.

Engagement of Grant Thornton LLP

GT was retained by the Board pursuant to an Engagement Letter dated November 29, 2019 (the “Engagement Agreement”). The fixed fee to be received in relation to GT’s preparation of the Fairness Opinion is based on the professional time required for GT to render the Fairness Opinion. In addition, GT is entitled to recover reasonable out of pocket costs and expenses incurred in the provision of our services. GT’s compensation for rendering the Fairness Opinion is not contingent on the result of, or on any action or event resulting from the use of, the Fairness Opinion. The effective date of our Fairness Opinion is December 10, 2019 (the “Report Date” or the “Opinion Date”).

GT has not been engaged to prepare, and has not prepared, a formal valuation or appraisal with respect to any securities of Posera, or any of its assets or liabilities, and the Fairness Opinion should not be construed as such. Similarly, GT was not engaged to review any legal, tax or accounting aspects of the Proposed Transaction.

Credentials of Grant Thornton LLP

GT is the Canadian member firm of Grant Thornton International Ltd (“GTIL”), one of the world’s leading organizations of independent audit, tax, and advisory firms.

In Canada, we serve a broad range of clients, including privately-held and publicly-listed companies, financial institutions, governmental agencies, and civic and religious organizations. Our core industry focuses include technology; energy; financial services; manufacturing and distribution; construction, real estate and hospitality; mining; professional services; and charity and not-for-profit.

Internationally, we are a firm with revenues of \$5.45 billion, employ in excess of 53,000 people, which are spread out over approximately 500 offices in 135 countries.

The valuation practitioners involved in providing the Fairness Opinion are professionally trained, and hold Chartered Professional Accountant and Chartered Business Valuator designations.

Independence of Grant Thornton LLP

This report was prepared in conformity with the Practice Standards of the Canadian Institute of Chartered Business Valuators (“CICBV”), and in doing so the authors have acted independently and objectively.

From time to time GT may have undertaken accounting, tax and advisory assignments for parties that may be involved in the Proposed Transaction.

GT has completed an internal search of its records and determined that the authors are independent of Board, Payfacto and Posera (the “Interested Parties”) for the purposes of providing our Fairness Opinion. None of GT, its affiliates or associates, is an insider, an associate or affiliate of any of the Interested Parties. We have no material ownership position in, nor are we the current auditor of any of the Interested Parties.

Our fees in this respect for the Fairness Opinion are not contingent of upon the outcome of the Proposed Transaction.

Other than as set forth above, there are no understandings, agreements or commitments between GT and any of the Interested Parties with respect to any future business dealings which would be material to the Fairness Opinion. However, in the future, GT may, in the normal course of its businesses, provide financial advisory or other services to any of the Interested Parties from time to time. The principal staff involved in the preparation of the Fairness Opinion acted independently and objectively in completing this engagement.

GT confirms that, to the best of our knowledge, after all due and reasonable inquiry, GT has disclosed to you all material facts that could reasonably be considered relevant to our qualifications and independence for the purposes of this engagement and confirms no conflict of interest exists with GT as it relates to the Proposed Transaction.

Assumptions and Limitations

In arriving at our Fairness Opinion, we have relied upon the following statements:

- a GT has relied upon the completeness, accuracy and fair presentation of all the financial and other factual information, data, advice, opinions or representations obtained from public sources, or that was provided to GT by Posera, the Board or any of their affiliates, associates, advisors or otherwise (collectively the “Information”). Our conclusions are conditional upon the completeness, accuracy and fair presentation of such Information. Subject to the exercise of professional judgment, GT has not attempted to verify independently the accuracy, completeness or fair presentation of the Information. The Fairness Opinion is conditional upon such completeness and accuracy.
- b The financial statements referred to under “Scope of Review” are complete in all material respects. The financial statements contain all, and reflect only those, revenues, expenses, assets and liabilities of Posera, and the relevant operating subsidiaries.
- c Parts of the Information were received or obtained by GT directly or indirectly, and in various ways (oral, written, inspection), from third parties (i.e. individuals or entities other than Posera, and its directors, officers and employees). GT has assumed that the Information is complete, accurate, and not misleading and does not omit any material facts.

- d At the date of this report, there were no contingent or unrecorded assets or liabilities, environmental liabilities, litigation pending or threatened in writing, other than in the ordinary course of business, disclosed by Posera, or contained in the public record.
- e In preparing the Fairness Opinion, GT has relied upon written letters of representation from the Company management stating that, among other things:
 - i To the best of their knowledge, and without independent inquiry, all of the Information provided, orally or in writing, to GT, is complete, true and correct in all material respects and does not contain any untrue statement of a material fact in respect of Posera, its operating assets, or the Proposed Transaction;
 - ii Following the time that Information was provided to GT, there have been, to the best of their knowledge, and without independent inquiry in respect of the subject matter, no material changes in the Information, or in factors surrounding the Proposed Transaction or any part thereof which would have, or other material intervening event which would reasonably be expected to have, a material effect on the conclusions contained herein; and
 - iii They have reviewed the full text of GT's draft Fairness Opinion dated December 10, 2019, and, to the best of their knowledge, they are not aware of any errors, omissions or misrepresentations of facts therein relating to Posera which would reasonably be expected to have a significant impact on the conclusions contained herein.
- f The Fairness Opinion is based on the securities markets, economic, general business and financial conditions prevailing as of the Opinion Date and the conditions and prospects, financial or otherwise, of Posera as they were reflected in the Information reviewed by GT. In preparing the Fairness Opinion, GT made numerous assumptions with respect to financial performance, general business, economic and market conditions, and other matters, the outcome of which are beyond the control of GT, Posera or any party involved with Posera in connection with the Proposed Transaction.
- g Acting in our capacity as financial advisors, GT has not conducted an audit or review of the financial affairs of Posera, nor has GT sought external verification, unless otherwise noted herein, of the Information or that which was extracted from public sources. GT accepts no responsibility or liability for any losses occasioned by any party as a result of our reliance on the financial and non-financial information that was provided to GT or that GT has obtained from third parties.
- h The Fairness Opinion is limited to the fairness, from a financial point of view, of the Consideration to be received by the Shareholders pursuant to the Proposed Transaction as at the Opinion Date and not the strategic merits of the Proposed Transaction. The Fairness Opinion does not provide assurance that the best possible price or transaction

was or would be obtained. It represents an impartial expert judgment, not a statement of facts.

- i The Fairness Opinion has been provided for the use of the Board in connection with the Proposed Transaction, including the court approval process, and should not be construed as a recommendation to vote in favour of the Proposed Transaction. Except as provided herein, the Fairness Opinion may not be used by any other person or relied upon by any other person without the express prior written consent of GT. GT will not be held liable for any losses sustained by any person should the Fairness Opinion be circulated, distributed, published, reproduced or used contrary to the provisions of this paragraph. In addition, pursuant to the Engagement Agreement, GT's liability is limited, and GT will be indemnified under certain circumstances.
- j The Fairness Opinion is given as of the Opinion Date only and GT disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Fairness Opinion which may come or be brought to GT's attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter after the date hereof, GT reserves the right to change, modify or withdraw the Fairness Opinion.
- k The Fairness Opinion is rendered as at the Opinion Date. It must be recognized that Fair Market Value ("FMV"), and hence fairness from a financial point of view, changes from time to time, not only as a result of internal factors, but also because of external factors such as changes in the economy, competition and changes in consumer/investor preferences.
- l Nothing contained herein is to be construed as a legal interpretation, an opinion on any contract or document, or a recommendation to invest or divest.
- m The reader must consider the Fairness Opinion in its entirety, as selecting and relying on only a specific portion of the analysis or factors considered by GT, without considering all factors and analyses together, could create a misleading view of the processes underlying the Fairness Opinion. The preparation of the Fairness Opinion is a complex process and it is not appropriate to extract partial analyses or make summary descriptions. Any attempt to do so could lead to undue and incorrect emphasis on any particular factor or analysis.
- n Our Fairness Opinion does not constitute a calculation, estimate or comprehensive valuation (as defined by the CICBV, also known as a valuation opinion) of the Company, nor the common shares.
- o Our Fairness Opinion is in regards to the Shareholders as a group, and does not conclude on the fairness to each individual shareholder as the tax attributes to each individual shareholder are expected to be diverse and the information cannot be known to us for the purpose of our analysis. Other than as described herein, we are not aware of the financial

or tax circumstances of the Shareholders and consideration of such is beyond the scope of our review.

Scope of Review

The Scope of Review describes the extent of, and the process of, collecting, confirming and reporting data. In connection with rendering our Fairness Opinion, we have reviewed and relied upon, or carried out, among other things, those items listed below. We were provided full access to records and personnel, with no restrictions to information requested.

- a Arrangement Agreement between Payfacto Payments Inc. and Posera Ltd., dated November 25, 2019.
- b Externally prepared audited annual financial statements of Posera for the fiscal years ended December 31, 2017 and 2018 as prepared by PWC LLP.
- c Internally prepared interim financial statements of Posera for the 9 months ended September 30, 2018 and 2019.
- d Unaudited internal financial statements of Maitre'D ("MD") and SecureTable Pay ("STP") prepared by the Company's management ("Management") for the fiscal years ended December 31, 2016 to 2018 and for the 9 months ended September 30, 2019.
- e Internal management forecasts of MD and STP, prepared by or on behalf of Management.
- f Management's discussion and analysis for the nine months ended September 30, 2019.
- g T2 Corporate tax return of Posera for the fiscal years ended December 31, 2018.
- h Corporate and management organizational charts.
- i STP investor presentation dated November 2018.
- j DLT Loan analysis as at November 30, 2019, as prepared by Management.
- k Posera investor presentation dated November 30, 2018.
- l Summary of public company costs for the year ended December 31, 2018 and for the 9 months ended September 30, 2019, as prepared by Management.
- m Summary of purchase price adjustments, including calculation of transaction, legal, and other expenses, as prepared by Management.
- n Summary of sales by dealers and direct customers for MD.

- o Certain internal financial, operating, corporate and other information prepared or provided by or on behalf of Posera, relating to the business, operations and financial condition of Posera as provided by management or advisors of Posera.
- p Certain publicly available financial information and stock market data of Posera and selected public companies that we considered are relevant.
- q Certain publicly available transaction data and financial terms relevant to Posera.
- r Independent research concerning the point-of-sale (“POS”) software developers industry.
- s Independent research concerning the current economic conditions and outlook for the North American economy.
- t Various discussions and communications with Posera management and its advisors, as represented by Akash Sahai, Executive VP and Kevin Mills, CFO & Corporate Secretary, relating to Posera’s current business plan, prospects, financial condition and the background leading up to the Proposed Transaction.
- u Various discussions with and communications with Management and BDO LLP in their capacity as financial advisors to Posera, regarding the Company’s sales process.
- v A letter of representation from the senior officers of Posera, addressed to GT and dated the date hereof, as to matters of fact related to the Proposed Transaction and as to the completeness and accuracy of the Information upon which this Fairness Opinion is based.

GT has not, to the best of its knowledge, been denied access by Posera management to any information requested by GT. GT did not meet with the auditors of Posera and has assumed the accuracy and fair presentation of the audited comparative consolidated financial statements of Posera and the reports of the auditors thereon.

General Assumptions

The Fairness Opinion is based on several assumptions including the following, any changes to which could have a significant impact on our conclusion as stated in the Fairness Opinion:

- a The Proposed Transaction will or would be completed substantially on the terms as described herein, consistent with the documents and agreements, listed as draft where appropriate, as noted in the Scope of Review section.
- b All contracts and agreements, including drafts, as outlined in the Scope of Review, will be executed and enforceable in accordance with their terms and that all parties will comply with the provisions of their respective agreements.

- c There have been no material changes in the operations or financial positions of Posera from the draft interim audited financial statements as at September 30, 2019, unless otherwise noted herein.
- d GT's conclusions are based on the latest financial and operational information available for Posera at the Opinion Date.
- e Posera management has made available to GT all information they believe is relevant to the preparation of the Fairness Opinion.
- f Posera has no material unrecorded assets or un-accrued liabilities, unless otherwise noted herein.
- g There will be no change to the consideration in the event that the working capital and/or cash balances are higher or lower at closing.
- h Posera has no material outstanding litigation or contingencies, positive or negative, unless otherwise noted herein.

We have made assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of GT and any party involved in the Proposed Transaction. We have rendered our Fairness Opinion on the basis of prevailing market and industry conditions and expectations, and on the condition that prospects, financial and otherwise, have been represented to GT in discussions with Management and their representatives and factored into information and analysis provided.

The preparation of a fairness opinion is a complex process and our opinion was arrived at giving consideration to our analyses viewed as a whole and is not susceptible to partial analysis.

We understand that our Fairness Opinion will be for the use of the Board and will be one factor, among others, the Board will consider in determining whether to approve and recommend the Proposed Transaction. Subject to the limitations noted herein, we further understand that the Fairness Opinion, as set out herein, and references thereto or summaries thereof may be included in a management information circular related to the Proposed Transaction. We also understand that the copy of the Fairness Opinion included in the management information circular will be mailed to shareholders in connection with the annual and special meeting called to approve the Proposed Transaction.

Our report has been prepared to provide an opinion as to whether the Consideration is fair, from a financial point of view, to the Shareholders. Our report is to be used in contemplation of this stated purpose only, and may not be relied upon by any person other than the Board, Posera, and the Shareholders, or for any other purpose without our prior written consent. The Fairness Opinion is not intended for general circulation or publication. We do not assume any responsibility or liability for losses occasioned by Posera (including its subsidiaries), the Board, the Shareholders, or any other parties as a result of the circulation, reproduction, or use of our report, or its contents, in a manner contrary to the provisions of this paragraph.

The Fairness Opinion does not constitute a recommendation as to how any Board member or shareholder representative should vote or act on any matter relating to the Proposed Transaction. It is not to be interpreted as a recommendation to accept or reject the Proposed Transaction nor does it provide assurance that the best possible price was obtained.

No opinion, advice or interpretation is intended in matters that require legal or other appropriate professional advice, and we have not provided such advice to the Shareholders or to the Board. It is assumed that such opinions, counsel or interpretations have been or will be obtained from the appropriate professional sources.

GT disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Fairness Opinion which would have been known or expected to be known as at the date of the Fairness Opinion, but which may come to our attention after the Report Date. We reserve the right (but will be under no obligation) to review our Fairness Opinion and, if we consider it necessary, to revise, modify, or withdraw our conclusion in light of any information existing at our Report Date that becomes subsequently known to us, or if we learn that any information we relied upon in preparing our conclusions was inaccurate, incomplete or misleading in any material respect.

Corporate Overview - Posera Ltd.

Background

Posera Ltd., a hospitality technology company, manages merchant transactions with consumers and facilitates payments. Posera was founded in 2001 and is headquartered in London, Canada. The Company was formerly known as Posera-HDX Ltd. and changed its name to Posera Ltd. in January 2016.

The Company operates through two segments, Point of Sale (POS) and Payments. The Company's solutions are deployed in the full spectrum of restaurants, from large chains and independent table service restaurants to international quick service chains worldwide; and its products are translated into eight languages.

Products & Services

The Company develops and deploys touch screen Point of Sale (POS) system software and associated enterprise management tools, as well as POS applications. It also provides system hardware integration, merchant staff training, system installation, and post-sale software and hardware support services. In addition, the Company distributes electronic cash registers to a network of value added resellers in Canada.

Maitre'D

The Company licenses, distributes and markets its hospitality POS software, known as Maitre'D (MD), throughout the Americas, Europe and Asia. MD point-of-sale and corporate solution is a customizable restaurant POS system that offers hardware integration, merchant staff training, system installation, and post-sale software, and hardware customer support services. It also offers agnostic POS and payments integration applications.

SecureTablePay

The Company's full service solutions include SecureTablePay (STP), which is an EMV compliant pay-at-the-table (PATT) application that is integrated with over 20 leading restaurants POS systems. The application that resides within the payment device allows a customer to pay at the table.

Economic Overview¹

Canada

Canada's economy rebounded in the second quarter, emerging from a six month slump as oil-production restraints eased and the housing market got on the road to recovery. Having reset, the economy is likely to expand at a more sustainable 1.6% pace in the second half of the year.

The economy is expected to maintain this pace in 2020 on the strength of the consumer. Canada's unemployment rate remains at four-decade lows and companies are having difficulty finding skilled workers. As a consequence, wage growth, a missing ingredient among earlier indicators of labour-market strength, jumped to average 4% in the three months ending August.

The recent drop in interest rates has reduced pressure on household balance sheets. Debt-service costs, which were at a record high in early 2019, will moderate in line with the decline in interest rates. Market interest rates are down a half to three-quarters of a percent, meaning renewal rates are broadly the same as when the mortgages were negotiated five years ago.

After a tough 18 months, the housing market is expected to stay on a modest upward trajectory with buyers having adjusted to the mortgage stress test and other market-cooling measures.

Canada's currency has held up reasonably well given the uncertain backdrop and investors' rising risk aversion, which normally benefits the US dollar. The main driver of the Canadian dollar's performance is the narrowing of short-term interest rates differentials in Canada's favour. Even with the US in the eye of the trade storm, our view is that the market is anticipating too many rate cuts by the Fed. We look for this Fed easing cycle to be short and shallow relative to history which augurs for the US dollar to appreciate as these excess rate cuts are priced out.

United States

The US economy posted strong gains in the first half of 2019 but cracks are showing. Business sentiment has deteriorated amid unrelenting uncertainty about trade. Business investment fell in the second quarter for the first time in three years and exports sagged. So far, the weakness has been concentrated in the manufacturing sector.

Consumer spending conversely surged in the second quarter, supported by the strong labour market. The decline in interest rates over the summer tees up for US consumers to be the key driver of activity in the second half of the year. Companies continue to hire and the unemployment rate recently hit a 50-year low. Labour-market tightness is finally translating into a pickup in

¹ RBC Economics – Macroeconomic Outlook – Trade War Taking wind Out of Global Economy's Sail, September 2019

wages. While fundamentals are still positive for the consumer, the government's protectionist policies pose risks to the outlook. Another tranche of tariffs on Chinese imports coming into effect in mid-December will hit US consumers more directly.

Europe²

The European economy has entered a protracted period of subdued growth and low inflation in the context of high uncertainty, a much less supportive external environment, and structural shifts mainly affecting the manufacturing sector. Global growth is set to fall this year to a pace usually associated with the brink of recession. International trade in goods has been stagnant at best, previously-identified risks of an increase in trade tensions and geopolitical conflicts materialized over the summer, and high uncertainties related to trade policies and Brexit have not receded. Leading indicators suggest that the weakness in global manufacturing will continue in the near term. Hence, the EU economy, which slowed down in the second quarter of 2019, is not likely to rebound in the near term.

Industry Overview³

Historical Performance

The POS Software Developers industry specializes in the facilitation sales of goods and services. Over the five years to 2018, the revenue expected to increase at annualized rate of 16.9% to \$2.3 billion, which includes growth of 9.4% in 2018 alone. The industry as a whole has benefited due to a growing reliance on computers to manage day-to-day tasks in downstream markets, such as wholesalers, retailers, and hospitality and foodservice businesses.

Technological improvements and trends including near-field communications (NFC), self-checkout counters, sensors, data analytics and the integration of POS systems with back-end software systems have provided the industry with a platform for healthy growth.

Within the past five years, the industry overall has undergone a significant amount of merger and acquisition activity. New operators are continuously entering the industry, providing a wide range of cloud-base and mobile based payment solutions for further integration across the supply chain. Larger players and smaller operators have acquired or merged with competitors both within the POS Software Developers industry and other software companies which allows companies to expand their product and service portfolios as well as their geographic reach.

Key External Drivers

Key external drivers for the US POS Software Developers industry are discussed below:

Number of businesses — there is a direct correlation with number of businesses within downstream industries and the demand for POS software products and services. It is worth highlighting that business activity deceleration presents as a threat to the industry's growth.

² European Economic Forecast prepared by European Commission, November 2019

³ IBISWorld Industry Report – Point of Sale Software Developers in the US, December 2018

Number of mobile internet connections — as the reliance on technology such as tablets and smart phones continues to increase, demand in the POS industry is expected to increase. Many smaller entities that the industry caters to rely on the use of mobile devices for payment processing.

Percentage of services conducted online — the percentage of services conducted online are expected to continue to increase in the future posing as a potential opportunity in the industry. Given this fact, there are many businesses that require POS software with internet integration to allow customers to perform certain actions such as online ordering, or reservations.

Corporate profit — when corporate profits are high, companies are more likely to make capital investments, leading to increased adoption of POS software products. Most notably, capital spending tends to trail increased profits by approximately nine months, while a decline in profit will result in a direct capital expenditure decrease.

Future Outlook

Over the next five years to 2023, the industry revenue is expected to increase at a slower pace of 5.8% annually, to \$3.0 billion in 2023. Technological improvements will continue affecting industry products, as POS software developers will increasingly switch to software as a service (SaaS) business model and adapt to mobile computing, creating more personalized marketing and instant sales.

The industry is expected to benefit from the rising number of businesses operating in the US, albeit at a much slower pace than experienced prior to 2018. Furthermore, new industries such as restaurants and hotels are expected to catch up with retailers as they embrace tailored, cloud-based POS systems.

Fairness Opinion Criteria

For the purposes of the Fairness Opinion, we considered that the Proposed Transaction would be fair, from a financial point of view, to the Shareholders if the Arrangement results in consideration between or above the range of fair market value of the Company as determined in our independent valuation analysis.

Approach to Fairness

In considering the fairness of the Proposed Transaction, from a financial point of view to the Shareholders, we have considered a number of matters including, but not limited to, the following:

- a Analyzed the terms and conditions of the Proposed Transaction as set out in various supporting documentation, including but not limited to the draft Plan of Arrangement.
- b Gained an understanding of the process followed by Posera in considering the terms of the Proposed Transaction.
- c Gained an understanding of the rights of the Shareholders.

- d Performed review of the management forecast provided with regards to MD and STP.
- e Performed an independent valuation of Posera and additional valuation analysis and research, as necessary.
- f Performed fair value analysis of the Consideration as set out in the Arrangement Agreement and calculated the price per share in order to assess the fairness of share price offered by Payfacto.
- g Performed research on somewhat comparable companies and precedent transactions to assess the relative value for the Posera common shares against the Consideration.
- h Held discussions with Posera's Board, Management, advisors in the sales process and legal counsel, as appropriate.
- i Considered other factors relevant to the P that could have an impact on the fairness, from a financial point of view, of the consideration to be received by the Shareholders.

The Consideration

Pursuant to the Arrangement Agreement, consideration shall be calculated as \$0.112690749 per Company share or \$13.5 million to be paid in cash, plus the per Company share cash value of any cash balance (net of closing expenses) remaining with the Company as at the Valuation Date, with the remaining \$1.0 million (per Section 4.11 of the Arrangement Agreement) or up to \$0.008 per share to be held in escrow for a period of up to 24 months, subject to any claims that may arise. Additionally, Shareholders will be eligible to receive a pro rata per share payment of any funds that are collected from an interest bearing secured loan in an aggregate principal amount of \$2.2 million made available to an affiliate of DLT Labs Inc. ("DLT Labs") by Posera.

For the purpose of this valuation, we determined the fair market value of the escrow amount in the range \$796.7k to \$890.4k, based on an estimated potential claim of \$50k, escrow period of 24 months and discount rate of 1.6% (Monthly yield of government bonds maturing in 1-3 years).

The cash of \$61k to ~\$1.2 million represents the cash balance net of transaction fees Management expects to have on hand at the Effective Date.

<i>In CAD</i>	Low	High
Cash per balance sheet as at September 30, 2019	3,556,069	3,556,069
Less: Expected utilization of cash up to the Effective Date	(1,666,167)	(1,066,167)
Less: Estimated transaction, legal and other expenses	(1,829,000)	(1,256,400)
Cash, net of transaction fees and other expenses	60,902	1,233,502

The DLT Labs loan receivable of approximately \$2.2 million the Shareholders are eligible to receive has been assumed as 100% collectible in the best case scenario as reflected in the high end, while we have assumed a 0% probability of collection in our low end.

The fair market value of the Consideration is summarized as follows:

<i>In CAD</i>	Low	High
Cash consideration	13,500,000	13,500,000
Fair value of Escrow amount	822,919	919,733
Add: Cash on hand, net of transaction fees	60,902	1,233,502
Fair value of consideration for equity	14,383,821	15,653,235
Number of shares outstanding	119,796,878	119,796,878
Implied price per share (excl. fair value of DLT Loans receivable)	0.120	0.131
Fair value of consideration for equity	14,383,821	15,653,235
Add: fair value of notes receivable (DLT Loans)	-	2,200,000
Fair value of equity including notes receivable from related party	14,383,821	17,853,235
Number of shares outstanding	119,796,878	119,796,878
Implied price per share (incl. fair value of DLT Loans receivable)	0.120	0.149

Considerations Applicable to Fairness Opinion

In preparing our Fairness Opinion, we have considered the following factors that are applicable to the Shareholders:

1. Income valuation approach;
2. Market valuation approach;
3. Stock price analysis; and
4. Sales process.

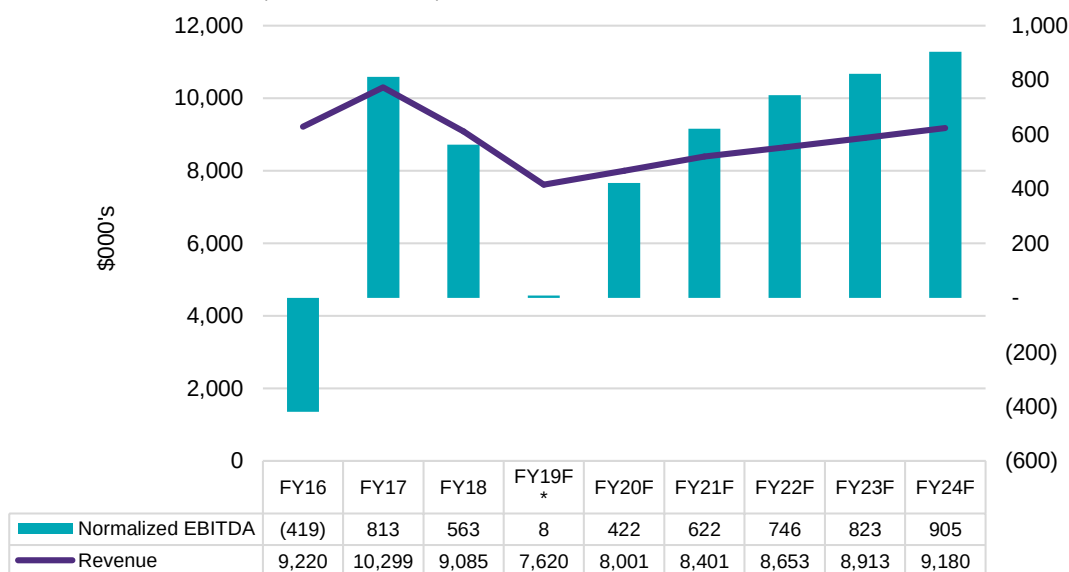
Income Valuation Approach

We considered the fair market value of the common shares by discounting the forecast cash flows to a present value equivalency by applying a risk adjusted discount rate. In applying this method we:

- a) Analyzed Posera's historical financial performance.
- b) Considered the Posera's forecast for the period 2020 to 2024.
- c) Discounted the forecast after-tax free cash flows generated by Posera's established operations, applying a discount rate reflecting the risk of achieving the forecast cash flows flow.

Maitre'D - Historical Results and Financial Forecast

The figure below illustrates the MD's historical and forecasted revenue and EBITDA for the fiscal years ended December 31, 2016 to 2018, and forecast 2024.



* FY19F represents actual 9 months ended September 30, 2019 and forecasted 3 months ended December 31, 2019 as provided by Management. Company's revenue in the 9 months ended September 30, 2019 from MD was ~\$3.8 million. Management expects to generate a further ~\$3.8 million in the last 3 months of 2019.

Revenue fluctuated between FY16 and FY18. We understand, the decrease from FY17 to FY18 was as a result of the Company's exit from certain business units during FY17, such as BizPro, Century Cash Register and A&A Point of Sale Systems due to their unprofitability as well as lower sales in the Company's European operations.

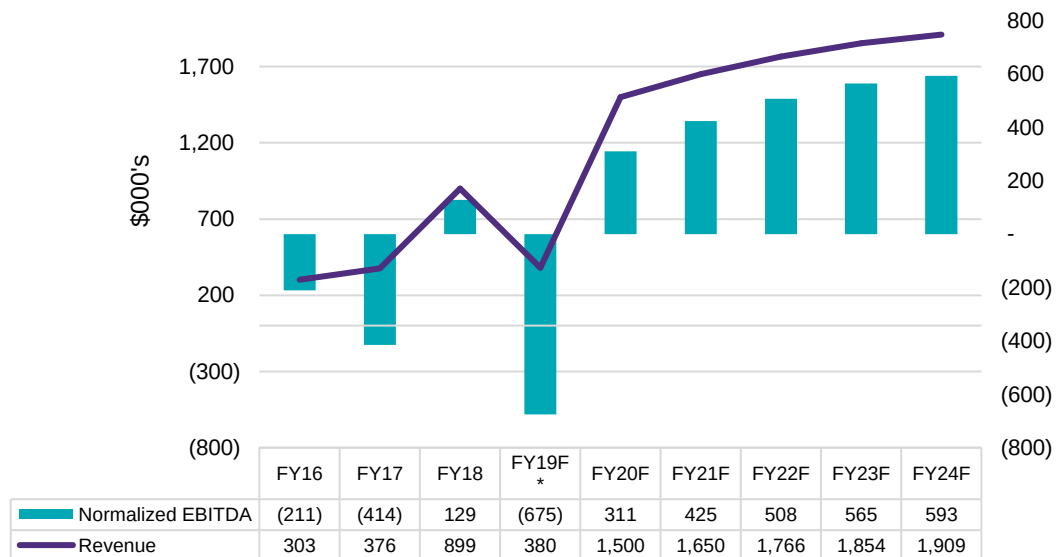
In the 9 months ended September 30, 2019, the Company generated ~\$3.8 million in MD sales, which was ~45% lower relative to the same period last year. According to Management, the decline in sales performance was anticipated as Management was experiencing a general softness in business even prior to 2019. We understand the reason for the softness was the extensively competitive environment in the POS software sector and the Company's reliance on one-time software license sales model as opposed to current market trends that favor SaaS based product offerings that result in recurring revenue.

Given this situation the Company's management were committed to reversing the poor performance and as at the Opinion Date, we understand the Company's management recently completed its largest new product release in the last five years for the MD platform. The new product release introduces the option of full-service POS mobility along with an all-new front-of-house user-interface, which makes the MD product offering competitive with other POS product offerings in the marketplace while still maintaining its differentiating full-feature competitive advantage. We understand the Company is also in the process of launching SaaS based POS software that will help reduce the Company's reliance on one-time sales. The SaaS based product offering, however has not been incorporated in the projections of MD.

MD's EBITDA margin declined in FY18 and FY19, due to the inefficiencies Company's operations, which according to Management were largely caused by the Company's inability to keep up with the changing trends in the industry that required the Company to re-model its offering to a recurring sales model. This resulted in declining sales, while the operating costs which are mostly fixed in nature, eroded the margins. EBITDA is forecasted to improve due to improvement in operations as discontinuation of un-profitable businesses such as Biz-Pro, Century Cash Registers and A&A Point of Sale Systems will result in reduction of technology costs and operating/support costs. The change in business model will also help streamline the operations and result in improvement in margins.

SecureTable Pay - Historical Results and Financial Forecast

The figure below illustrates the STP's historical and forecasted revenue and EBITDA for the fiscal years ended December 31, 2016 to 2024.



* FY19F represents actual 9 months ended September 30, 2019 and forecasted 3 months ended December 31, 2019 as provided by Management. Company's revenue in the 9 months ended September 30, 2019 from STP was ~\$3.8 million. Management expects to generate a further ~\$3.8 million in the last 3 months of 2019.

Over the last three fiscal years, revenue has grown from approximately \$303K to \$899K from FY16 to FY18 mainly due to a successful roll out of STP with its first major US customer in the third quarter of 2018, representing a key milestone in the launch of STP in the US. The Briad Group had chosen STP to be its exclusive PATT solution and will be rolling out STP in its locations across the US. This resulted in \$420k of revenue in FY18, which is non-recurring in nature. STP's 2019 sales performance was poor as compared to FY18, as the Company could not repeat the large non-recurring orders it received in FY18.

Going forward, STP is forecasting revenue growth to \$1.5M in FY20F to \$1.9M in FY24F. We understand that the forecasted growth is attributed to the Company's renewed focus on changing the STP product for the US market. The Company has now completed pilots with the newly e-

signed STP product on the next-generation devices, in the US market with several live installations, as well as a launch of the new STP in the new year.

Similar to MD, STP's EBITDA declined significantly in FY19, as the Company incurred higher costs to support the Company's STP product line in the US, including upcoming new deployments. The increase in 2019 costs were driven by an external third party that was contracted to assist the Company with support and deployment efforts of the STP business.

Going forward, Management expects significant improvement in EBITDA as they expect success in the US market and efficiency in operations due to a more stable and up to date product offering.

Financial Position

Posera Ltd's assets and liabilities as at the September 30, 2019 is set out in the table below:

<i>In CAD</i>	Book Value
Assets	
Current assets	6,315,715
Long-term assets	5,991,996
Total assets	12,307,711
Liabilities	
Current liabilities	2,199,638
Long-term liabilities	226,895
Total liabilities	2,426,533
Net equity	9,881,178

The balance sheet noted above comprises:

- a) Cash of \$3.5 million, considered as redundant for the operations of the Company. Based on our discussions with Management, we understand that until the Proposed Transaction is completed, the Company is going to utilize the cash on hand for operations as well as incur transaction, legal and other expenses related to Proposed Transaction that are going to result in cash in the range of ~\$61k to ~\$1.2 million, as summarized in the Consideration section of the Fairness Opinion.
- b) Note Receivable of \$1.0 million, which represents the fair value of the loans advanced to DLT Labs by the Company.
- c) Net trade working capital (accounts receivable, inventory, prepaid expenses, net of accounts receivable and accrued liabilities) of approximately \$47.4K. With respect to the balances within net working capital, we assumed the amounts therein reasonably represented the fair market value, as they were current in nature and were expected to be converted to cash in the near term.
- d) Debt and debt equivalents of \$211.2K relating to vehicle loans, capital leases and lease liabilities.

Discounted cash flow

We have determined a notional fair market value of the issued and outstanding shares of Posera as at November 30, 2019 ("Valuation Date") by estimating the enterprise value using the discounted cash flow analysis of two of its main businesses i.e. MD and STP. We then added/deducted the redundant assets, debt & debt equivalents and fair market value of tax loss carry-forwards from the total enterprise value in order to determine the notional fair market value of Posera. We have set-out the values and the appropriate explanation for each of the components related to enterprise value, redundant assets, interest-bearing debt and debt equivalents and tax loss carry-forwards.

Pursuant to the DCF methodology, we have estimated MD and STP's discretionary cash flow during the forecast period. The discretionary cash flow determined herein was based on the management prepared financial forecast for 1 month ending December 31, 2019 and the fiscal years FY20 to FY24 (the "Forecast Period").

The projected discretionary cash flows of both MD and STP during the Forecast Period (the forecast period after-tax discretionary cash flow) is then discounted at a rate of return that reflects the risks of achieving the same.

An estimate is then made of the value of the discretionary cash flows of both MD and STP beyond the Forecast Period, which is referred to as the Terminal Value. The Terminal Value is determined by applying a capitalization rate to the expected annual discretionary cash flows to be generated beyond the Forecast Period.

The sum of the present value of the forecast period after-tax discretionary cash flow plus the present value of the Terminal Value for each of MD and STP represents the net present value of the forecasted cash flow for each of the two product lines/businesses.

Forecast Period After-tax Discretionary Cash Flow

In order to determine the after-tax discretionary cash flow over the Forecast Period, we have made the following adjustments to forecasted EBITDA:

- a) Deduct income taxes, based on the combined federal and provincial tax rates applicable to the province in which the Company operates. In this regard, we applied a tax rate of 26.5%, based on the blended federal and provincial tax rates in Ontario.
- b) Deduct the estimated capital expenditures (less the associated tax shield) for MD and STP required to achieve operating cash flows over the Forecast Period.
- c) Deduct the estimated non-cash working capital requirements to achieve operating cash flows for each of MD and STP over the Forecast Period.

The resultant net after-tax discretionary cash flows for MD and STP are then discounted at their applicable nominal discount rates of 13.0% to 15.5% and 15.5% to 18.1% respectively (discussed in the following section – Rate of Return) resulting in the present value of the prospective discretionary cash flows in the Forecast Period of approximately \$1.5 million to \$1.6 million and \$1.1 million to \$1.2 million for MD and STP respectively.

Rate of Return

When applying the Debt-Free DCF methodology, the cash flows expected to be generated by a business are discounted/capitalized by a rate of return, or weighted average cost of capital ("WACC"), that reflects the relative risk of the business' operating environment.

The WACC represents a weighted average of the cost of debt and the cost of equity; the weighting is based on a business' optimal capital structure. The table below illustrates the significant rates and assumptions we used in calculating the WACC.

We determined the WACC for MD and STP to be within a range of approximately 13.0% to 15.5% and 15.5% to 18.1%, as summarized below.

	Maitre'D		STP	
	Low	High	Low	High
Cost of equity	14.7%	17.7%	17.7%	20.7%
Cost of debt	4.4%	4.4%	4.4%	4.4%
Tax rate	26.5%	26.5%	26.5%	26.5%
Weighting				
Equity / Enterprise Value	85.0%	85.0%	85.0%	85.0%
Debt / Enterprise Value	15.0%	15.0%	15.0%	15.0%
Nominal WACC	13.0%	15.5%	15.5%	18.1%
Less: Long-term inflation rate	(2.0%)	(2.0%)	(2.0%)	(2.0%)
Real WACC / Capitalization rate	11.0%	13.5%	13.5%	16.1%

We considered the following in developing the WACC:

- A normalized long-term risk-free rate of 3.0%, equity risk premium of 5.5%, size premium of 5.22%, and industry specific risk premium of negative 0.55% related to SIC 7374 - Computer Processing and Data Preparation And Processing Services, as per the Duff & Phelps Valuation Handbook – Guide to Cost of Capital.
- A specific company risk premium for MD and STP of 1.5% to 4.5% and 4.5% to 7.5% respectively, based on the following considerations:

Maitre'D	STP
Positive factors	Positive factors
• MD has been successfully deployed for 20 years • MD is a tried and tested solution with over 20,000 customers worldwide • MD product offers advanced suite of third-party integrations	• STP has been operating since the last 13 years. The Company bought STP in 2015. • The technology is tested and deployed in Canada for over 10 years • The technology is integrated with over 20 leading POS systems
Negative Factors	Negative factors
• A majority of revenues are reliant on dealers. • Highly competitive industry, with difficulty in differentiating the product/services offerings relative to competition	• A majority of revenues are reliant on dealers. • The inherent risk of achieving the forecasted cash flows.

- c) We adopted a corporate interest rate of 5.95% on bank debt, which is based on the Company's interest rate on revolving debt facility.
- d) We have also assumed an appropriate capital structure for the Company being a debt to total capital ratio of 15%, based on average debt/to total capital ratios for comparable companies to Posera.

STP has been attributed higher company specific risk and WACC, as the technology as at the Valuation Date was still new and untested. The higher risk premium represents risk related to achieving STP's potential in the US market as reflected in its forecasts.

Terminal Period After-tax Discretionary Cash Flow

The terminal value is calculated by applying a capitalization rate to the estimated maintainable discretionary cash flow beyond the Forecast Period. We estimated maintainable EBITDA in the "Terminal Period" (beyond FY24) for MD and STP of approximately \$923k and \$605k respectively, which is based on forecast FY24 EBITDA for MD and STP, adjusted for inflationary long-term growth of 2.0%. To this amount we deducted the estimated:

- a) Income taxes, based on the corporate tax rate applicable to the Company of 26.5%.
- b) Capital expenditures required to achieve the forecast operating cash flows.
- c) Working capital investment required to achieve operating cash flows.

The result is discretionary cash flow of approximately \$610.3k and \$430.5k for MD and STP respectively. These cash flows are divided by capitalization rates in the range of 11.0% to 13.5% and 13.5% to 16.1% for MD and STP respectively, then discounted to the Valuation Date at a nominal WACC of as discussed above resulting in the present value of prospective after-tax discretionary cash flows for the post forecast period of approximately \$2.3 million to \$3.1 million and \$1.2 million to \$1.6 million respectively. The net present value of the cash flows based on the discounted cash flow methodology is in the range of \$3.8 million to \$4.8 million and \$2.5 million to \$2.8 million for MD and STP respectively.

Fair Market Value of Posera

Based on our analysis of MD and STP as set out above, we determined the fair market value of Posera is in the range of \$7.8 million to \$10.6 million. The fair market value on an absolute and on a per share basis relative to the Consideration price per share is summarized below:

<i>In CAD</i>	Low	High
Enterprise Value - MD	3,820,630	4,761,422
Enterprise Value - STP	2,367,378	2,805,531
Add: Tax shield on existing UCC	30,807	30,807
Enterprise value	6,218,814	7,597,760
Add: Redundant net assets	60,902	1,233,502
Less: Interest-bearing debt and debt equivalents	(211,257)	(211,257)
Add: Tax loss carry-forwards	1,750,623	1,934,899
Fair market value of Posera Ltd.	7,819,082	10,554,904
Number of shares outstanding	119,796,878	119,796,878
Fair market per share	\$ 0.065	\$ 0.088
Consideration price per share	\$ 0.120	\$ 0.131
Premium/(discount) \$	\$ 0.055	\$ 0.043
Premium/(discount) %	84.0%	48.3%

Market Valuation Approach

GT considered an analysis of the Consideration as compared to reference ranges per share implied by the analysis of selected precedent transactions and comparable trading analysis.

In order to derive a reference range for the Consideration and for the shares, GT reviewed the purchase prices and transaction multiples paid in selected precedent transactions in respect of publicly traded companies that GT, based on its experience, considered relevant. GT specifically analyzed the implied enterprise value ("EV") multiples, relative to revenue ("EV/revenue") and earnings before interest, tax, depreciation and amortization ("EBITDA") ("EV/EBITDA"), based on the last twelve month ("LTM") data, observed from selected precedent transactions.

The selected precedent transactions considered were.

Date	Target	EV / LTM Revenue	EV / LTM EBITDA
22-Apr-16	Heartland Payment Systems, Inc.	1.70x	21.81x
20-Aug-18	VeriFone Systems, Inc.	1.84x	15.12x
Minimum		1.70x	15.12x
Median		1.77x	18.47x
Average		1.77x	18.47x
Maximum		1.84x	21.81x

Further, in deriving a reference range for the Consideration and the shares, GT performed an analysis of the implied EV/revenue and EV/EBITDA multiples based on the LTM data of publicly traded companies considered comparable to Posera.

Company	EV / LTM Revenue	EV / LTM EBITDA
Net Element, Inc.	0.37x	-
Mobi724 Global Solutions Inc.	2.70x	-
VIQ Solutions Inc.	1.96x	-
iLOOKABOUT Corp.	2.53x	-
RenoWorks Software Inc.	2.18x	-
Smart Employee Benefits Inc.	0.63x	-
Ipsidy Inc.	9.82x	-
Interlink Electronics Inc.	0.42x	11.20x
ClearSign Technologies Corporation	-	-
Know Labs, Inc.	14.05x	-
Image Sensing Systems, Inc.	1.40x	7.64x
Minimum	0.37x	7.64x
Median	2.07x	9.42x
Average	3.61x	9.42x
Maximum	14.05x	11.20x

For the purpose of our valuation analysis utilizing the market approach we utilized the EV/LTM revenue multiple, as there was a lack of data for the EV/LTM EBITDA multiple. This results from the fact that many of the companies were operating at a loss. For the purpose of our analysis, we selected an EV/LTM revenue multiple range of 0.9x to 1.0x. In arriving at this range we considered the following:

- a) The multiples derived from the comparable transactions involved companies (Global Payments Inc. and Francisco Partners Management LP) that were in our view are not directly comparable in terms of size, client base and product offerings. Both of the comparable companies had LTM revenue was in excess of \$1.8 billion US and LTM EBITDA in excess of \$200 million US.
- b) The Company's operations, the industry in which it operates, and the prospective outlook.
- c) The implied EV/LTM revenue multiples of the publicly traded comparable companies, which range from 0.37x to 14.05x.

Based on the foregoing, and our experience conducting valuation of technology companies, we are of the view that 0.9x to 1.0x EV/LTM revenue multiple is appropriate. The fair market value based on the market approach is summarized in the table below.

<i>In CAD</i>	Low	High
Revenue LTM*		
MD	7,604,835	7,604,835
STP	689,800	689,800
	8,294,635	8,294,635
EV/ LTM Revenue Multiple	0.90	1.00
Enterprise Value	7,465,172	8,294,635
Add: Cash, net of transaction, legal and other expenses	60,902	1,233,502
Less: Debt & debt equivalents	(211,257)	(211,257)
FMV of LCF	1,750,623	1,934,899
Equity Value	9,065,439	11,251,779
Number of Shares Outstanding	119,796,878	119,796,878
Share Price	0.076	0.094
Offer Price	0.120	0.131
Premium %	58.67%	39.12%

*Last twelve months as of September 30, 2019

Analysis of Consideration Relative to the Fair Market Value

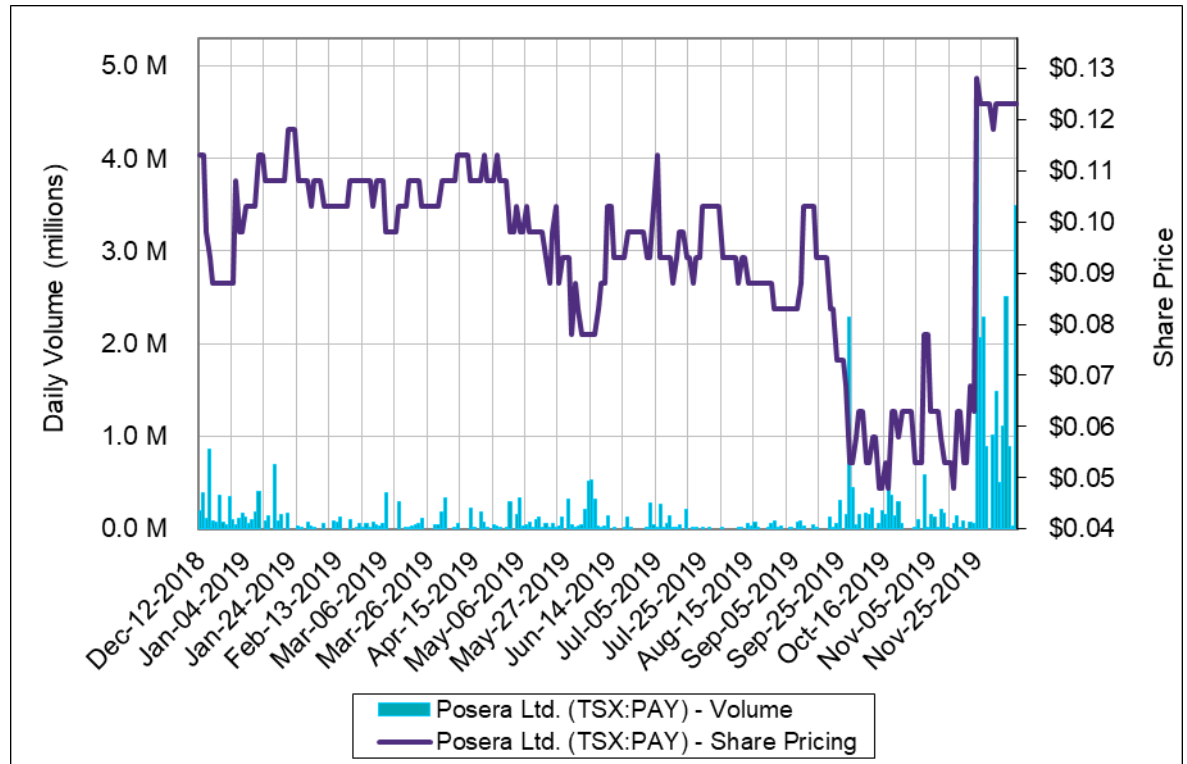
We have estimated the premium/discount arising from the Proposed Transaction, based on the Consideration offered relative to the fair market value of Posera as determined under the income approach and the market approach.

<i>In CAD</i>	Income Approach		Market Approach	
	Low	High	Low	High
Fair market value of Posera	7,819,082	10,554,904	9,065,439	11,251,779
Consideration offered	14,383,821	15,653,235	14,383,821	15,653,235
Fair market value per share	\$ 0.065	\$ 0.088	\$ 0.076	\$ 0.094
Consideration per share	\$ 0.120	\$ 0.131	\$ 0.120	\$ 0.131
Premium/(discount) \$	\$ 0.055	\$ 0.043	\$ 0.044	\$ 0.037
Premium/(discount) %	84.0%	48.3%	58.7%	39.1%

As shown in the table above, the Consideration offers a premium a 39.1% to 84.0% to the Shareholders and therefore seems fair from a financial perspective.

Stock Price Analysis of Posera Ltd.

During the past twelve-months leading up to November 24, 2019 (“Pre-Announcement Date”) the Shares traded between \$0.120 and \$0.045, which is below the Consideration.



	TSX:PAY				
	Nov 24, 2019	30 Day Avg.	90 Day Avg.	6 Mos. Avg.	1 Yr Avg.
Share price	\$0.06	\$0.06	\$0.07	\$0.08	\$0.09
Daily volume (# of shares)	55,000	118,505	95,156	94,434	88,976

The lowest price during this period of \$0.05 occurred on September 30, 2019, when a large block of shares i.e. ~2.29 million was sold by a shareholder.

The highest price during this period of \$0.13 occurred on November 25, 2019, as a result of the Arrangement Agreement between Posera and Payfacto.

In our view, the Shares are relatively thinly-traded, as the average trading volume during the period prior to the Pre-Announcement Date was approximately 100,000, relative to the total outstanding shares of 119,796,878. This impacts liquidity, and the ability for a Shareholder to sell large blocks without negatively impacting the trading price.

Sales Process

GT considered the price the Company will transact at under the Proposed Transaction, which was derived following a sales process that extended approximately three years. During this period of time, the Company entered into discussion with a number of interested parties, with non-binding expressions of interest or letters of intent received from six parties. In each instance the sales process did not proceed for a variety of factors including:

- a) Softness in business.
- b) A potential acquirer's change strategic focus, as it was involved in a significantly larger acquisition concurrent with the discussions being held with Posera,
- c) Performance of due diligence which resulted in parties seeking to adjust the purchase price set out in the expressions of interest and letters intent.

Conclusion

Based upon and subject to the foregoing, we are of the opinion that, as at the date hereof, the Consideration is fair, from a financial point of view, to the Shareholders.

Yours sincerely,

A handwritten signature in black ink that reads "Grant Thornton LLP". The signature is written in a cursive, flowing style.

Grant Thornton LLP

Appendix “I”
Form of Voting Support Agreement

See attached.

VOTING SUPPORT AGREEMENT

THIS VOTING SUPPORT AGREEMENT is made as of ●, 2019 (this “**Agreement**”),

BETWEEN:

PAYFACTO PAYMENTS INC., a corporation existing under the laws of the Province of Québec (the “**Purchaser**”)

- and -

●, an individual residing in ● (the “**Shareholder**”)

WHEREAS the Purchaser has entered into an arrangement agreement (the “**Arrangement Agreement**”) with Posera Ltd. (the “**Company**”) which provides for, among other things, a transaction whereby all of the outstanding common shares of the Company (the “**Company Shares**”) will be acquired by the Purchaser in accordance with the terms of the Arrangement Agreement (the “**Arrangement**”);

AND WHEREAS the Shareholder is the beneficial owner of the securities described in Schedule A hereto;

AND WHEREAS this Agreement sets out the terms and conditions of the agreement of the Shareholder to: (a) vote or cause to be voted the Subject Securities (as defined below) in favour of the Arrangement and any other matter that could reasonably be expected to facilitate the Arrangement; and (b) abide by the restrictions and covenants set forth herein;

AND WHEREAS the Shareholder acknowledges that the Purchaser would not enter into the Arrangement Agreement but for the execution and delivery of this Agreement by the Shareholder;

NOW THEREFORE this Agreement witnesses that, in consideration of the premises and the covenants and agreement herein contained, the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

- 1.1 All capitalized terms used but not otherwise defined herein shall have the respective meaning ascribed to them in the Arrangement Agreement. The term “affiliate” has the meaning ascribed thereto in National Instrument 45-106 *Prospectus Exemptions*. All references herein to the Arrangement Agreement or any portion thereof refer to the Arrangement Agreement as amended or restated from time to time as it may be.
- 1.2 For all purposes of this Agreement, the term “**Subject Securities**” shall include all Company Shares and Company Options beneficially owned or over which control or direction, including voting rights, if applicable, is exercised, directly or indirectly, by the Shareholder as of the date hereof, and any Company Shares acquired or over which ownership, control or direction is acquired by the Shareholder after the date hereof, including Company Shares acquired as a result of any exercise or conversion of securities

exercisable for or convertible into Company Shares, and all shares or other securities into or for which such Company Shares may be converted, exchanged or otherwise changed including, without limitation, Company Shares received or to be received pursuant to any arrangement, reorganization, merger, amalgamation or other transaction involving the Company or any Subsidiary of the Company prior to the acquisition of the Company Shares by the Purchaser under the Arrangement.

- 1.3 The Purchaser hereby acknowledges that the Shareholder is entering into this Agreement only in his or her capacity as the beneficial owner of the Subject Securities and that nothing in this Agreement shall in any way restrict, limit or prohibit the Shareholder from taking any action in his or her capacity as director or officer of the Company that is necessary for him or her to comply with his or her fiduciary duties as a director or officer of the Company that is permitted by the Arrangement Agreement and any such action shall not constitute a violation of this Agreement.

ARTICLE 2 THE ARRANGEMENT

- 2.1 Subject to Section 2.2 below, the Purchaser hereby agrees and confirms to the Shareholder that the Purchaser shall take all steps required of it under the Arrangement Agreement to cause the Arrangement to occur in accordance with the terms and subject to the conditions set forth in the Arrangement Agreement.
- 2.2 The obligation of the Purchaser to complete the Arrangement shall be subject only to the conditions set forth in Article 6 of the Arrangement Agreement.
- 2.3 The Purchaser may, in its sole discretion, modify or waive any term or condition of the Arrangement Agreement, provided that the Purchaser shall not, without the prior written consent of the Shareholder: (a) impose additional conditions to completion of the Arrangement; (b) change the amount or form of consideration per Company Share payable pursuant to the Arrangement (other than to increase the total consideration per Company Share or add additional consideration); or (c) otherwise vary the Arrangement or any terms or conditions thereof in a manner that is material and adverse to holders of Company Shares.
- 2.4 For greater certainty, nothing in this Article 2 shall impose on the Purchaser any obligation to complete the Arrangement not set forth in the Arrangement Agreement.

ARTICLE 3 CERTAIN COVENANTS OF THE SHAREHOLDER

- 3.1 The Shareholder hereby covenants and irrevocably agrees to and for the benefit of the Purchaser that the Shareholder shall, from the date hereof until the termination of this Agreement pursuant to Article 8:
- (a) not, directly or indirectly, through any of the Shareholder's affiliates or their respective Representatives, and shall not permit any such Person to: (i) make, solicit, initiate, or knowingly encourage or otherwise knowingly facilitate

(including by way of furnishing information) any inquiry, proposal or offer from any Person (other than the Purchaser) that constitutes or could reasonably be expected to constitute, an Acquisition Proposal; (ii) enter into or otherwise engage or participate in any negotiations or discussions with any Person (other than the Purchaser) regarding any inquiry, proposal or offer that constitutes or could reasonably be expected to constitute, an Acquisition Proposal; (iii) accept, approve, endorse or recommend any Acquisition Proposal, or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal; (iv) provide any confidential information relating to the Company to any Person or group of Persons in connection with any Acquisition Proposal; or (v) otherwise co-operate in any way with any effort or attempt by any Person or group of Persons (other than the Purchaser) to do or seek to do any of the foregoing;

- (b) immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion or negotiations commenced prior to the date of this Agreement with any Person (other than the Purchaser) with respect to any inquiry, proposal or offer that would constitute an Acquisition Proposal;
- (c) other than pursuant to the terms of the Arrangement Agreement, not option, sell, transfer, pledge, encumber, grant a security interest in, hypothecate or otherwise convey or enter into any forward sale, repurchase agreement or other monetization transaction with respect to any of the Subject Securities, or any right or interest therein (legal or equitable), to or with any Person or group of Persons or agree to do any of the foregoing;
- (d) except as set out in Article 4 of this Agreement, not grant or agree to grant any proxy, power of attorney or other right to vote the Subject Securities, or enter into any voting agreement, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of shareholders or give consents or approval of any kind with respect to any of the Subject Securities;
- (e) exercise the voting rights attaching to the Subject Securities to oppose any proposed action by the Company, its shareholders, any of the Company's Subsidiaries or any other Person or group of Persons, which action could reasonably be expected to prevent or delay the successful completion of the Arrangement or the other transactions contemplated by the Arrangement Agreement and this Agreement or result in a Company Material Adverse Effect;
- (f) not requisition or join in any requisition of any meeting of securityholders of the Company other than the Company Meeting;
- (g) not take any other action of any kind, directly or indirectly, which might reasonably be regarded as likely to reduce the success of, or delay or interfere with the completion of, the Arrangement and the other transactions contemplated by the Arrangement Agreement and this Agreement; and

- (h) not do indirectly that which the Shareholder may not do directly by the terms of this Article 3, including through any Person directly or indirectly owned, controlled or directed by the Shareholder.
- 3.2 The Shareholder hereby covenants and irrevocably agrees to and for the benefit of the Purchaser that the Shareholder shall, from the date hereof until the termination of this Agreement pursuant to Article 8, as soon as practicable and in any event within 24 hours following receipt thereof provide notice to the Purchaser of any Acquisition Proposal, any proposal, inquiry, contract or offer that could lead to an Acquisition Proposal or any request for non-public information relating to the Company or any of the Company's Subsidiaries in connection with an actual or potential Acquisition Proposal or for access to the books and records and information of the Company or any of the Company's Subsidiaries by any Person that informs the Shareholder that it is considering making or has made, an Acquisition Proposal. Such notice to the Purchaser shall be promptly made, first orally and then in writing, shall include the identity of the person making such proposal, inquiry or contact and shall indicate all material terms thereof. The Shareholder shall promptly advise the Purchaser of any material changes to any such proposal, inquiry or contact that have been agreed upon by the Shareholder and such other Person and shall promptly advise the Purchaser of the termination of any such proposal, inquiry or contact.

ARTICLE 4 AGREEMENT TO VOTE

- 4.1 The Shareholder hereby covenants and agrees to and for the benefit of the Purchaser that from the date hereof until the earlier of the Effective Date, and the termination of this Agreement in accordance with Article 8:
- (a) to vote or to cause to be voted the Subject Securities over which it is entitled to exercise voting rights at the Company Meeting (or any adjournment or postponement thereof) in favour of the Arrangement including, without limitation, the Arrangement Resolution and any other matter that could reasonably be expected to facilitate the Arrangement;
 - (b) to vote or cause to be voted the Subject Securities over which it is entitled to exercise voting rights against any Acquisition Proposal and any proposed action by the Company, its shareholders, any of the Company's Subsidiaries or any other Person or group of Persons, which action could reasonably be expected to prevent or delay the successful completion of the Arrangement or the other transactions contemplated by the Arrangement Agreement and this Agreement at any meeting of the shareholders of the Company called for the purpose of considering same;
 - (c) no later than 10 Business Days prior to the date of the Company Meeting, the Shareholder shall deliver or cause to be delivered to the Company a duly executed proxy or proxies (or voting instruction forms, if applicable) directing the holder of such proxy or proxies (or voting instruction forms, if applicable) to vote in favour of the Arrangement including, without limitation, the Arrangement Resolution

and/or any matter that could reasonably be expected to facilitate the Arrangement;
and

- (d) such proxy or proxies described in (c) above shall name as proxyholders those individuals as may be designated by the Company in the Company Circular (with full power of substitution) and shall not be revoked without the prior written consent of the Purchaser.
- 4.2 The Shareholder hereby revokes, and shall take all reasonable steps to revoke, any proxies heretofore given by the Shareholder in respect of the Subject Securities over which it is entitled to exercise voting rights. For greater certainty, this Section 4.2 does not apply to any proxies delivered by the Shareholder in respect of the Company Meeting approving the Arrangement Resolution.
- 4.3 The Shareholder covenants and agrees to and for the benefit of the Purchaser that the Shareholder will not exercise any rights of dissent provided under any applicable Laws or otherwise in connection with the Arrangement or any other corporate transaction considered at the Company Meeting in connection therewith.

ARTICLE 5

COOPERATION/ALTERNATIVE TRANSACTION

- 5.1 If the Purchaser concludes after the date of this Agreement and following consultation with the Shareholder that it is necessary or desirable to proceed with a form of transaction other than pursuant to the Arrangement Agreement, whereby the Purchaser or its affiliates would effectively acquire all of the Subject Securities on economic terms and conditions having consequences to the Shareholder (including tax consequences) that are equivalent to or better than those contemplated by the Arrangement Agreement (any such transaction is referred to as an “**Alternative Transaction**”), then the Shareholder shall support the completion of the Alternative Transaction in the same manner as the Arrangement in accordance with the terms and conditions of this Agreement, including by (A) depositing or causing the deposit of the Subject Securities into an Alternative Transaction conducted by way of take-over bid made by the Purchaser or an affiliate of the Purchaser and not withdrawing them, and/or (B) voting or causing to be voted all of the Subject Securities in favour of, and not exercising rights of dissent in respect of, such Alternative Transaction.
- 5.2 In the event of any proposed Alternative Transaction, any reference in this Agreement to the Arrangement shall refer to the Alternative Transaction, and all covenants, representations and warranties of each of the parties in this Agreement shall be and shall be deemed to have been made, *mutatis mutandis*, in respect of the Alternative Transaction, in each case, to the extent applicable.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF THE SHAREHOLDER

- 6.1 The Shareholder represents, warrants and, where applicable, covenants to the Purchaser as follows and acknowledges that the Purchaser is relying upon these representations,

warranties and covenants in connection with the entering into of this Agreement and the Arrangement Agreement:

- (a) the Shareholder has the requisite power, authority and right to enter into and deliver and perform its obligations under this Agreement;
- (b) the execution, delivery and performance by the Shareholder of its obligations under this Agreement and the consummation of the transactions contemplated by this Agreement have been duly authorized and approved by all necessary action on the part of the Shareholder, and no other approval or consent from, or filing with, or notice to, any Governmental Authority or other Person is required on the part of the Shareholder in connection with the execution, delivery and performance by the Shareholder of its obligations under this Agreement;
- (c) this Agreement has been duly and validly executed and delivered by the Shareholder, and this Agreement constitutes a valid and legally binding obligation of the Shareholder enforceable against it in accordance with its terms subject only to applicable bankruptcy and insolvency laws and to equitable remedies generally;
- (d) the Shareholder is the sole beneficial owner of the Subject Securities;
- (e) the Shareholder has the sole right to vote all the Subject Securities and all the Subject Securities shall, immediately prior to the Effective Time, be beneficially owned solely by the Shareholder with good and marketable title thereto, free and clear of any and all mortgages, liens, charges, restrictions, security interests, adverse claims, pledges, encumbrances and demands or rights of others of any nature or kind whatsoever;
- (f) no Person has any agreement or option, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase, acquisition or transfer from the Shareholder of any of the Subject Securities or any interest therein or right thereto, including without limitation any right to vote, except the Purchaser pursuant to this Agreement;
- (g) none of the execution and delivery by the Shareholder of this Agreement or the completion or performance of the transactions contemplated hereby or the compliance by the Shareholder with the Shareholder's obligations hereunder will result in a breach of: (i) any agreement or instrument to which the Shareholder or any of the Shareholder's affiliates is a party or by which the Shareholder, any of the Shareholder's affiliates or any of the Shareholder's or the Shareholder's affiliates' property or assets is bound; (ii) any of the constating documents of the Shareholder, if any; (iii) to the knowledge of the Shareholder, any judgment, decree, order or award of any Governmental Authority; or (iv) to the knowledge of the Shareholder, any law, statute, ordinance, regulation or rule relevant in the context of the Arrangement or this Agreement;
- (h) (i) the Subject Securities are the only securities of the Company (or securities exchangeable for or convertible into securities of the Company) owned, directly

or indirectly, or over which control or direction is exercised, by the Shareholder; and (ii) the Shareholder has no agreement or option, or right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase or acquisition by the Shareholder or any affiliate thereof of additional Subject Securities (other than any Company Options described in Schedule A); and

- (i) to the knowledge of the Shareholder, there are no legal proceedings in progress or pending before any Governmental Authority or, to the knowledge of the Shareholder, threatened against the Shareholder or the Shareholder's associates or affiliates that would adversely affect in any manner the ability of the Shareholder to enter into this Agreement and to perform the Shareholder's obligations hereunder.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

7.1 The Purchaser represents, warrants and, where applicable, covenants to the Shareholder as follows and acknowledges that the Shareholder is relying upon these representations, warranties and covenants in connection with the entering into of this Agreement:

- (a) the Purchaser is a corporation duly amalgamated, validly existing and in good standing under the Laws of the Province of Ontario;
- (b) the Purchaser has the requisite power, authority and right to enter into and deliver and perform its obligations under this Agreement;
- (c) the execution, delivery and performance by the Purchaser of its obligations under this Agreement and the consummation of the transactions contemplated by this Agreement have been duly authorized and approved by all necessary action on the part of the Purchaser, and no other approval or consent from, or filing with, or notice to, any Governmental Authority or other Person is required on the part of the Purchaser in connection with the execution, delivery and performance by the Purchaser of its obligations under this Agreement;
- (d) this Agreement has been duly and validly executed and delivered by the Purchaser, and this Agreement constitutes a valid and legally binding obligation of the Purchaser enforceable against it in accordance with its terms subject only to applicable bankruptcy and insolvency laws and to equitable remedies generally;
- (e) none of the execution and delivery by the Purchaser of this Agreement or the completion or performance of the transactions contemplated hereby or the compliance by the Purchaser with the Purchaser's obligations hereunder will result in a breach of: (i) any agreement or instrument to which the Purchaser is a party or by which the Purchaser or any of the Purchaser's property or assets is bound; (ii) any of the constating documents of the Purchaser; (iii) to the knowledge of the Purchaser, any judgment, decree, order or award of any Governmental Authority; or (iv) to the knowledge of the Purchaser, any law,

statute, ordinance, regulation or rule relevant in the context of the Arrangement or this Agreement; and

- (f) there are no legal proceedings in progress or pending before any Governmental Authority or, to the knowledge of the Purchaser, threatened against the Purchaser that would adversely affect in any manner the ability of the Purchaser to enter into this Agreement and to perform its obligations hereunder.

ARTICLE 8 TERMINATION

8.1 This Agreement shall automatically terminate at any time with mutual consent of the Purchaser and the Shareholder, or upon the occurrence of the earlier of (i) the termination of the Arrangement Agreement in accordance with its terms, other than a termination pursuant to Section 7.2(1)(e)(i)(A) or (B) [*Change in Recommendation*] or 7.1(1)(d)(i) [*Superior Proposal*], and (ii) the Effective Time.

8.2 This Agreement may be terminated by the Shareholder (provided, however, that the Shareholder shall not be entitled to terminate this Agreement in any situation where the Shareholder is in breach or non-compliance with any of its covenants, obligations, representations or warranties under this Agreement) by written notice to the Purchaser if:

- (a) the Purchaser has not complied in all material respects with its covenants to the Shareholder contained herein and such default has or may reasonably be expected to have a material and adverse effect on the consummation of the Arrangement; or
- (b) any of the representations and warranties of the Purchaser contained herein is untrue or inaccurate in any material respect;

provided that the Shareholder has notified the Purchaser in writing of either of the foregoing events and that the same has not been cured by the Purchaser within the earlier of 7 Business Days from the date such notice was received by the Shareholder and the Outside Date.

8.3 This Agreement may be terminated by the Purchaser (provided, however, that the Purchaser shall not be entitled to terminate this Agreement in any situation where the Purchaser is in material breach or non-compliance with any of its covenants, obligations, representations or warranties under this Agreement) by written notice to the Shareholder if:

- (a) the Shareholder has not complied in all material respects with its covenants to the Purchaser contained herein and such default has or may reasonably be expected to have an adverse effect on the consummation of the Arrangement;
- (b) any of the representations and warranties of the Shareholder contained herein is untrue or inaccurate in any material respect; or

- (c) the Company has not complied in all material respects with its covenants to the Purchaser under the Arrangement Agreement;

provided that, in the case of (a) or (b) the Purchaser has notified the Shareholder in writing of any of the foregoing events and that the same has not been cured by the Shareholder within the earlier of 7 Business Days of the date such notice was received by the Purchaser and the Outside Date.

- 8.4 In the case of any termination of this Agreement pursuant to Sections 8.1, 8.2, or 8.3, this Agreement shall terminate and be of no further force or effect. Notwithstanding anything else contained herein, such termination shall not relieve any party from liability for any breach of this Agreement by the party prior to such termination.

ARTICLE 9 DISCLOSURE

- 9.1 Except as required by applicable Laws or by any Governmental Entity, including in accordance with the requirements of any stock exchange, no party shall make any public announcement or statement with respect to this Agreement without the approval of the other, which shall not be unreasonably withheld or delayed. Each party (a) consents to the details of this Agreement being set out in any proxy circular or other disclosure documents in respect of the Arrangement and any press announcements to be made, or documents to be issued, in connection with the Arrangement and this Agreement being made publicly available, including, without limitation, by filing on SEDAR; and (b) agrees to provide the other party with all information and assistance as it may reasonably require in connection with the preparation of such circular and any press announcements to be made, or documents to be issued, in connection with the Arrangement and to immediately notify the other party of any change in the accuracy of any information previously given.

ARTICLE 10 GENERAL

- 10.1 This Agreement may, at any time and from time to time before the holding of the Company Meeting, but not later than the Effective Time, be amended by mutual written agreement of the parties.
- 10.2 Each of the parties will from time to time execute and deliver all such further documents and instruments and do all acts and things as any other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement and to consummate the transactions contemplated in this Agreement.
- 10.3 Time will be of the essence in this Agreement.
- 10.4 The parties agree that all out-of-pocket expenses of the parties relating to this Agreement or the transactions contemplated hereby, including legal fees, shall be paid by the party incurring such expenses.

- 10.5 This Agreement, together with the Arrangement Agreement, constitutes the entire agreement between the parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written of the parties.
- 10.6 This Agreement becomes effective only when executed by the Purchaser and the Shareholder. After that time, it will be binding upon and enure to the benefit of the Purchaser, the Shareholder and their respective successors and permitted assigns. Neither this Agreement nor any of the rights or obligations of this Agreement are assignable or transferrable by any party without the prior written consent of the other party, except that the Purchaser may assign all or any portion of its rights and obligations under this agreement to any of its affiliates provided that such assignment does not delay the consummation of the transactions contemplated by the Arrangement Agreement, but not assignment shall relieve the Purchaser of its obligations hereunder.
- 10.7 Any demand, notice or other communication to be given in connection with this Agreement will be given in writing and will be given by personal delivery, by registered mail or by electronic means of communication addressed to the recipient as follows:

(a) to the Purchaser at:

Payfacto Payments Inc.
402-1 Place du Commerce,
Verdun, Québec H3E 1A2

Attention: Martin Leroux, President & CEO
Email: Martin.Leroux@payfacto.com

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

BCF LLP
1100 René Levesque Blvd West
Suite 2500
Montréal, Québec H3B 5C9

Attention: Julie Doré / Gilles Seguin
Email: julie.dore@bcf.ca / gilles.seguin@bcf.ca

(b) to the Shareholder at:

●

Attention: ●
Email: ●

with a copy, which shall not constitute notice, to the Company at:

Posera Ltd.
341 Talbot Street
London, Ontario, N6A 2R5

Attention: Akash Sahai, EVP, Strategy and Business Development
Email: asahai@posera.com

or to such other address or individual as may be designated by notice given by any Party to the others. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the fifth Business Day following the deposit thereof in the mail and, if given by email on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day. If the Party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication will not be mailed but will be given by personal delivery or by electronic communication.

- 10.8 The parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at Law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to injunctive and other equitable relief to prevent breaches or threatened breaches of this Agreement, and to enforce compliance with the terms of this Agreement, without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief, this being in addition to any other remedy to which the parties may be entitled at Law or in equity.
- 10.9 The parties intend that this Agreement will not benefit or create any right or cause of action in favour of any Person, other than the parties and that no Person, other than the parties, shall be entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum.
- 10.10 No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the party to be bound by the waiver. A party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a party from any other or further exercise of that right or the exercise of any other right.
- 10.11 If any provision of this Agreement is determined to be illegal, invalid or unenforceable by any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect

the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

- 10.12 This Agreement will be governed by and construed in accordance with the Laws of the Province of Ontario and the Laws of Canada applicable therein without regard to the conflict of law provisions thereof.
- 10.13 For purpose of any legal proceedings, this Agreement will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario will have jurisdiction to entertain any action arising under this Agreement.
- 10.14 The parties to this Agreement waive the application of any Law or rule of construction providing that ambiguities in any agreement or other document shall be construed against the party drafting such agreement or other document.
- 10.15 This Agreement may be executed in any number of counterparts (including counterparts by email) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the parties.

[Remainder of page intentionally left blank. Signature pages follow.]

IN WITNESS WHEREOF the parties have executed this Voting Support Agreement as of the date first written above.

PAYFACTO PAYMENTS INC.

By: _____

Name:

Title:

SIGNED, SEALED AND DELIVERED)
in the presence of:)

_____)
Witness _____)

•

SCHEDULE A
OWNERSHIP OF SECURITIES OF THE COMPANY

Name of Shareholder	Number and Class of Subject Securities beneficially owned	Registered holder if different from beneficial owner	Total number of Subject Securities owned or controlled
•	• Company Shares • Company Options	•	•

Appendix “J”
Business Corporations Act (Ontario) Section 185

Rights of dissenting shareholders

185 (1) Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,

(a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;

(b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;

(c) amalgamate with another corporation under sections 175 and 176;

(d) be continued under the laws of another jurisdiction under section 181; or

[Note: On a day to be named by proclamation of the Lieutenant Governor, subsection 185 (1) of the Act is amended by striking out "or" at the end of clause (d) and by adding the following clauses: (See: 2017, c. 20, Sched. 6, s. 24)]

(d.1) be continued under the Co-operative Corporations Act under section 181.1;

(d.2) be continued under the Not-for-Profit Corporations Act, 2010 under section 181.2; or]

(e) sell, lease or exchange all or substantially all its property under subsection 184 (3),

a holder of shares of any class or series entitled to vote on the resolution may dissent. R.S.O. 1990, c. B.16, s. 185 (1).

Idem

(2) If a corporation resolves to amend its articles in a manner referred to in subsection 170 (1), a holder of shares of any class or series entitled to vote on the amendment under section 168 or 170 may dissent, except in respect of an amendment referred to in,

(a) clause 170 (1) (a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or

(b) subsection 170 (5) or (6). R.S.O. 1990, c. B.16, s. 185 (2).

One class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares. 2006, c. 34, Sched. B, s. 35.

Exception

(3) A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,

(a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or

(b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986. R.S.O. 1990, c. B.16, s. 185 (3).

Shareholder's right to be paid fair value

(4) In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted. R.S.O. 1990, c. B.16, s. 185 (4).

No partial dissent

(5) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (5).

Objection

(6) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent. R.S.O. 1990, c. B.16, s. 185 (6).

Idem

(7) The execution or exercise of a proxy does not constitute a written objection for purposes of subsection

(6). R.S.O. 1990, c. B.16, s. 185 (7).

Notice of adoption of resolution

(8) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection. R.S.O. 1990, c. B.16, s. 185 (8).

Idem

(9) A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights. R.S.O. 1990, c. B.16, s. 185 (9).

Demand for payment of fair value

(10) A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing,

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares. R.S.O. 1990, c. B.16, s. 185 (10).

Certificates to be sent in

(11) Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates, if any, representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent. R.S.O. 1990, c. B.16, s. 185 (11); 2011, c. 1, Sched. 2, s. 1 (9).

Idem

(12) A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section. R.S.O. 1990, c. B.16, s. 185 (12).

Endorsement on certificate

(13) A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (13).

Rights of dissenting shareholder

(14) On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,

- (a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);
- (b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or

(c) the directors revoke a resolution to amend the articles under subsection 168 (3), terminate an amalgamation agreement under subsection 176 (5) or an application for continuance under subsection 181 (5), or abandon a sale, lease or exchange under subsection 184 (8), in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10). R.S.O. 1990, c. B.16, s. 185 (14); 2011, c. 1, Sched. 2, s. 1 (10).

Same

(14.1) A dissenting shareholder whose rights are reinstated under subsection (14) is entitled, upon presentation and surrender to the corporation or its transfer agent of any share certificate that has been endorsed in accordance with subsection (13),

(a) to be issued, without payment of any fee, a new certificate representing the same number, class and series of shares as the certificate so surrendered; or

(b) if a resolution is passed by the directors under subsection 54 (2) with respect to that class and series of shares,

(i) to be issued the same number, class and series of uncertificated shares as represented by the certificate so surrendered, and

(ii) to be sent the notice referred to in subsection 54 (3). 2011, c. 1, Sched. 2, s. 1 (11).

Same

(14.2) A dissenting shareholder whose rights are reinstated under subsection (14) and who held uncertificated shares at the time of sending a notice to the corporation under subsection (10) is entitled,

(a) to be issued the same number, class and series of uncertificated shares as those held by the dissenting shareholder at the time of sending the notice under subsection (10); and

(b) to be sent the notice referred to in subsection 54 (3). 2011, c. 1, Sched. 2, s. 1 (11).

Offer to pay

(15) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent such notice,

(a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (15).

Idem

(16) Every offer made under subsection (15) for shares of the same class or series shall be on the same terms. R.S.O. 1990, c. B.16, s. 185 (16).

Idem

(17) Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made. R.S.O. 1990, c. B.16, s. 185 (17).

Application to court to fix fair value

(18) Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (18).

Idem

(19) If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow. R.S.O. 1990, c. B.16, s. 185 (19).

Idem

(20) A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19). R.S.O. 1990, c. B.16, s. 185 (20).

Costs

(21) If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders. R.S.O. 1990, c. B.16, s. 185 (21).

Notice to shareholders

(22) Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,

(a) has sent to the corporation the notice referred to in subsection (10); and

(b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made, of the date, place and consequences of the application and of the dissenting shareholder's

right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date

of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions. R.S.O. 1990, c. B.16, s. 185 (22).

Parties joined

(23) All dissenting shareholders who satisfy the conditions set out in clauses (22) (a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application. R.S.O. 1990, c. B.16, s. 185 (23).

Idem

(24) Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (24).

Appraisers

(25) The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (25).

Final order

(26) The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22) (a) and (b). R.S.O. 1990, c. B.16, s. 185 (26).

Interest

(27) The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment. R.S.O. 1990, c. B.16, s. 185 (27).

Where corporation unable to pay

(28) Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (28).

Idem

(29) Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,

(a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders. R.S.O. 1990, c. B.16, s. 185 (29).

Idem

(30) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that,

(a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities. R.S.O. 1990, c. B.16, s. 185 (30).

Court order

(31) Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission. 1994, c. 27, s. 71 (24).

Appendix “K”
Consent of BDO Canada LLP

See attached.

CONSENT

To: The Board of Directors of Posera Ltd. (the “**Company**”):

We refer to our written fairness opinion (the “**Fairness Opinion**”) dated December 10, 2019, which we prepared solely for the information of the Board of Directors of the Company in connection with the arrangement involving the Company and Payfacto Payments Inc. (the “**Purchaser**”).

We consent to the inclusion of the Fairness Opinion and references to our firm name and a summary of the Fairness Opinion in the management information circular of the Company dated December 17th, 2019. In providing such consent, we do not intend that any person other than the Board of Directors of the Company may rely upon the Fairness Opinion.

December 13, 2019

Sincerely,

“BDO Canda LLP”

BDO Canda LLP

Appendix “L”
Consent of Grant Thornton LLP

See attached.

CONSENT

To: The Board of Directors of Posera Ltd. (the “**Company**”):

We refer to our written fairness opinion (the “**Fairness Opinion**”) dated December 10, 2019, which we prepared solely for the information of the Board of Directors of the Company in connection with the arrangement involving the Company and Payfacto Payments Inc. (the “**Purchaser**”).

We consent to the inclusion of the Fairness Opinion and references to our firm name and a summary of the Fairness Opinion in the management information circular of the Company dated December 17th, 2019. In providing such consent, we do not intend that any person other than the Board of Directors of the Company may rely upon the Fairness Opinion.

December 13, 2019

Sincerely,

“Grant Thornton LLP”

Grant Thornton LLP