

INVESTORS RIGHTS AGREEMENT

THIS AGREEMENT dated the 31st day of December, 2020 (the "**Effective Date**")

AMONG:

FOUNDERS ADVANTAGE CAPITAL CORP., an Alberta corporation
("**FAC**" or the "**Corporation**")

AND:

KAYMAUR HOLDINGS LTD., a British Columbia company
("**KayMaur Holdco**")

AND:

0762867 B.C. LTD., a British Columbia company ("**JSKC**")

AND:

0872025 B.C. LTD., a British Columbia company ("**JKCo**")

AND:

GARY MAURIS, business person ("**Mauris**")

AND:

CHRISTOPHER KAYAT, business person ("**Kayat**", together with
Mauris, the "**KayMaur Holdco Principals**")

WHEREAS:

- A. Each of KayMaur Holdco, JSKC and JKCo is a Preferred Shareholder (as defined herein);
- B. The Parties wish to enter into this Agreement to set forth their agreement regarding the certain corporate governance and other matters pertaining to the Preferred Shares and the Corporation, as more particularly set forth in this Agreement.

IN CONSIDERATION of the mutual covenants and promises contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by each of the Parties to this Agreement, the Parties covenant and agree each with the others as follows:

1. INTERPRETATION

1.1 Definitions. In this Agreement, except as otherwise expressly provided or as the context otherwise requires, the words set forth in Schedule A will have the meanings given to them in that Schedule, and any derivatives of those words will have a corresponding meaning. Any terms defined elsewhere in this Agreement will have the meanings given to them.

1.2 Construction and Interpretation. Unless the context otherwise requires, this Agreement will be interpreted in accordance with the following provisions:

- (a) all references in this Agreement to designated "Articles", "Sections", "paragraphs" or "clauses" are to the Articles, Sections, paragraphs and clauses respectively designated in this Agreement;
- (b) the table of contents and headings in this Agreement are provided for convenience of reference only and will not be used to interpret, define or limit the scope, extent or intent of this Agreement or any of its provisions;
- (c) the recitals to this Agreement are incorporated into this Agreement by reference and form an integral part of this Agreement;
- (d) the word "including", when following any general term or statement, and whether or not it is followed by such words as "without limitation", is not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, and the general term or statement will be interpreted to refer to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
- (e) accounting terms not otherwise defined in this Agreement will have the meanings given to them in accordance with generally accepted accounting principles in Canada from time to time, consistent with sound accounting practice;
- (f) a reference to, or definition of, a statute includes each amendment to the statute, any statute which supplements or supersedes the statute and each regulation made pursuant to any such statute or amendment, all as the same may be in force from time to time;
- (g) a reference to a Person includes any other Person that is a successor to the first mentioned Person;
- (h) a reference to an "approval", "authorization", "consent", "determination" or "opinion" of any part, or other similar term, means or refers to the written approval, written authorization, written consent, written determination or written opinion of that party in that party's sole and unfettered discretion;
- (i) words importing the singular include the plural, and vice versa;
- (j) a reference to any transferee or assignee of any Preferred Share means only the permitted transferee or assignee under this Agreement;
- (k) where a term is defined in this Agreement, a derivative of the term will have a corresponding meaning unless the context of this Agreement clearly requires otherwise; and
- (l) each Party to this Agreement and its counsel have reviewed and revised this Agreement, and accordingly, the normal rule of construction that any ambiguities will be resolved against a drafting Party will not be used in the interpretation of this Agreement or any documents referred to in this Agreement, or any amendments to the same.

1.3 Severability. Each provision of this Agreement is intended to be severable, and if any provision is illegal or invalid it will be deemed severed from this Agreement and will not affect the validity of the remainder of this Agreement.

1.4 Schedules. The following attached Schedules are incorporated into this Agreement by reference and form an integral part of this Agreement:

- Schedule A – Definitions
- Schedule B – Shareholdings
- Schedule C – Core Business Distributable Cash Sample Calculation

1.5 Governing Law. This Agreement and its application and interpretation will be governed exclusively by the laws of the Province of Alberta and the laws of Canada applicable in Alberta.

1.6 Strict Performance of Covenants. Time is of the essence in the observance and performance of every applicable provision under this Agreement. No failure or lack of diligence by any Party in demanding or seeking redress for any violation of, or insisting on strict observance or performance of, any provision of this Agreement will prevent a subsequent violation of that or another provision from giving rise to any remedy that would be available if it were an original violation of that or the other provision.

1.7 Entire Agreement. This Agreement constitutes the entire understanding between the Parties relating to the subject matter of this Agreement, and supersede all prior agreements, arrangements, communications, summaries, memoranda and negotiations, whether oral or written, between or among one or more of the Parties to this Agreement regarding the subject matter of this Agreement.

2. CORPORATE MATTERS

2.1 Board Representation.

- (a) Any Preferred Shareholder directly holding in excess of 80% of the Preferred Shares (a "**Majority Preferred Shareholder**") shall have an ongoing right to nominate 40% of the members of the Board (rounded up or down to the nearest whole number). The Parties agree and acknowledge that, as at the Effective Date, KayMaur Holdco will hold in excess of 80% of the Preferred Shares and Gary Mauris, Chris Kayat and James Bell are the nominees of KayMaur Holdco to the Board as at such date.
- (b) At least one of the nominated directors described in Section 2.1(a) will be invited to participate in all meetings of the audit committee of the Board.

2.2 DLC Board Representation. The Majority Preferred Shareholder shall have an ongoing right to nominate 40% of the members of each DLC Board (rounded up or down to the nearest whole number). As at the Effective Date, Gary Mauris and Chris Kayat are the nominees of KayMaur Holdco to each DLC Board, other than (i) the board of 604 Media Inc., to which Chris Kayat and Kelly Walker are the initial nominees of KayMaur Holdco, and (ii) the board of Dominion Lending Centres Commercial Inc., to which Chris Kayat and David Beckingham are the initial nominees of KayMaur Holdco.

2.3 Replacement of Retiring Directors. If a director having been nominated under Section 2.1(a) or Section 2.2 ceases to be a director of the Corporation or a DLC Subsidiary for any reason (each, a "**Retiring Director**"), then the Majority Preferred Shareholder shall be entitled to nominate a replacement nominee pursuant to Section 2.1(a) or Section 2.2, as applicable.

2.4 Special Shareholder Decisions. Notwithstanding any other approval requirements under this Agreement or the constating documents of any of the Corporation or any DLC Subsidiary, the following

decisions (the "**Special Shareholder Decisions**") of the Corporation and each DLC Subsidiary, as applicable, must be approved in writing by any Majority Preferred Shareholder:

- (a) incurring any material new or additional debt or other borrowings, creating or issuing any debt securities or debt instruments in respect of the DLC Group, that would result in the DLC Group having a consolidated debt to equity ratio in excess of 2 to 1;
- (b) guaranteeing or agreeing to guarantee the obligations of any Person other than the members of the DLC Group;
- (c) granting loans to any Person other than the members of the DLC Group;
- (d) terminating any of the executives or senior management of the DLC Group (excluding Kayat and Mauris);
- (e) reducing the directors and officers insurance coverage as set forth in Section 2.6;
- (f) acquiring by way of a share or asset transaction (or series of transactions), commencing or investing in a business (other than investments after the date of this Agreement in Impact, Club16, Vital Alert or the Non-Core Business funded from the Non-Core Bank Account);
- (g) entering into, or taking steps to enter into, a merger, amalgamation or other form of business combination with any other Person, provided however, the foregoing: (i) shall not apply to any amalgamation, arrangement or take-over bid involving the Corporation, the effect of which provides for the acquisition of solely the common shares of the Corporation; and (ii) shall not limit the authority of the directors of the Corporation to respond to any take-over bid for the shares of the Corporation in such manner as determined by the directors of the Corporation;
- (h) granting any material Encumbrance over all or any portion of the property, assets or undertaking of the Corporation or any member of the Corporate Group, other than Permitted Encumbrances;
- (i) expanding the business of the DLC Group to jurisdictions outside of Canada;
- (j) selling or otherwise Transferring any one or more members of the DLC Group, or all or substantially all of the assets or undertaking of any one or more members of the DLC Group;
- (k) amending the constating documents of the Corporation or any other member of the DLC Group;
- (l) restructuring any one or more members of the DLC Group;
- (m) changing the size of the Board or any DLC Board;
- (n) creating or issuing any shares in the capital of the Corporation having preferential or equal treatment as to dividends, returns of capital or sharing of assets on a liquidation as the existing issued and outstanding shares of the Corporation and each DLC Subsidiary;

- (o) amalgamating Impact, Club16 or Vital Alert with the Corporation, or entering into any transaction or series of transactions that would result in the business carried on by Impact, Club16 or Vital Alert being carried on by the Corporation; and
- (p) entering into, or taking steps to enter into, any non-arm's length transactions other than in respect of Impact, Club16, Vital Alert or the Non-Core Business; provided that any internal transactions between the Non-Core Business and the Core Business will be deemed to be a non-arm's length transaction for purposes of this Section 2.4.

2.5 Indemnity by the Corporation. To the fullest extent permitted by law, the Corporation will indemnify all of its and the DLC Subsidiaries' directors, officers, former directors and former officers, as applicable, and his or her heirs and legal personal representatives, against all costs, charges and expenses, including any amount paid to settle any action or satisfy a judgment, reasonably incurred in respect of any civil, criminal, administrative, investigative or other proceeding in which any of them is involved by reason of being or having been a director or officer of the Corporation, a DLC Subsidiary or their respective predecessor entities if,

- (a) he or she acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.

The intention of this Section 2.5 is that all Persons referred to in this Section will have all benefits provided under the indemnification provisions of the governing legislation of the Corporation to the fullest extent permitted by law, and the Corporation will take such other steps as may be required to give full effect to this Section 2.5.

2.6 Directors' and Officers' Insurance. In addition to Section 2.5, the Corporation Group will purchase directors' and officers' liability insurance for its directors and officers in an amount of not less than \$10,000,000.

2.7 Dividend Policy.

- (a) It is the intention of the Parties that the Corporation declare and pay (i) Interim Monthly Dividends on the Preferred Shares at a monthly amount of \$560,000, and concurrently therewith, but not before, deposit (ii) Interim Monthly Public Company Entitlements into the Non-Core Bank Account at a monthly amount of \$840,000. Subject to applicable law, or to a proportionate and concurrent change in the amount of the Interim Monthly Dividends and the Interim Monthly Public Company Entitlements, as determined in good faith by the Board, the Corporation will continue to pay Interim Monthly Dividends on the Preferred Shares, and concurrently therewith, but not before, deposit Interim Monthly Public Company Entitlements into the Non-Core Bank Account, in such amounts respectively.
- (b) Concurrently with the payment of an Interim Monthly Dividend, and not before, the Corporation shall deposit an amount equal to the Interim Monthly Public Company Entitlements for that same period into the Non-Core Bank Account. Subject to Section 2.7(c), concurrently with the payment of a Series 1 Dividend Amount for any Fiscal Year, and not before, the Corporation shall deposit an amount equal to the Public Company CDC

Entitlement for that same Fiscal Year, less the Interim Monthly Public Company Entitlements paid in respect of that Fiscal Year, into the Non-Core Bank Account.

- (c) If the Interim Monthly Dividends declared and paid on the Preferred Shares in respect of any particular Fiscal Year exceed the Series 1 Dividend Amount on the Preferred Shares for that same Fiscal Year, then the difference will be deducted and withheld from the Interim Monthly Dividends otherwise payable on the Preferred Shares for the next following Fiscal Year, until offset in full. Similarly, if the Interim Monthly Public Company Entitlements paid into the Non-Core Bank Account in respect of any particular Fiscal Year exceed the Public Company CDC Entitlement for that same Fiscal Year, then the difference will be deducted and withheld from the Interim Monthly Public Company Entitlements otherwise payable into the Non-Core Bank Account for the next following Fiscal Year, until offset in full.
- (d) If the Interim Monthly Dividends declared and paid on the Preferred Shares in respect of any particular Fiscal Year are less than the Series 1 Dividend Amount on the Preferred Shares for that same Fiscal Year, then the difference (the “**Preferred Share Adjustment Amount**”) will be paid on the Preferred Shares in the next following Fiscal Year, in accordance with the rights, privileges, restrictions and conditions attached to the Preferred Shares. Similarly, if the Interim Monthly Public Company Entitlements paid into the Non-Core Bank Account in respect of any particular Fiscal Year are less than the Public Company CDC Entitlement for that same Fiscal Year, then the difference (the “**Public Company Adjustment Amount**”) will be paid into the Non-Core Bank Account in the next following Fiscal Year concurrently with, and not before, the payment of the Preferred Share Adjustment Amount.
- (e) The Corporation will not use any of the Core Business Distributable Cash for the Non-Core Business unless and until it has been deposited into the Non-Core Bank Account as required under this Agreement.
- (f) Attached as Schedule C is a sample calculation (together with explanatory notes and for illustrative purposes), of the Core Business Distributable Cash from which the Series 1 Dividend Amount and the Public Company CDC Entitlement are calculated. The Corporation will calculate the Core Business Distributable Cash for each Fiscal Year of the Corporation in a manner that is consistent with the attached Schedule C. In the event that International Financial Reporting Standards change, the Parties shall act in good faith to amend the definition of Core Business Distributable Cash such that it reflects the original intention and economic benefits contemplated at the date of initial issuance, and will amend the sample calculation attached in Schedule C and any other affected provisions of this Agreement, accordingly.

2.8 Segregation of Non-Core Business and Core Business.

- (a) For purposes of calculating the Core Business Distributable Cash for each Fiscal Year of the Corporation, the Corporation will maintain, for each Fiscal Year of the Core Business, separate books of account and stand-alone financial statements including, without limitation, an income statement, a cash flow statement, and a balance sheet, in the same manner that was previously maintained prior to the amalgamation of Founders Advantage Capital Corp. and Dominion Lending Centres Inc. (and without consolidating the same with the books and records of the Non-Core Business), and will include in such separate books of account a record of all accounting matters and other transactions as may be

required for the calculation of Core Business Distributable Cash and all other financial and accounting concepts referred to in the rights, privileges, restrictions and conditions attached to the Preferred Shares.

- (b) The Corporation shall hold all cash of the Corporation relating to the Non-Core Business in separate bank accounts, segregated by the Corporation from the Core Business (collectively, the "**Non-Core Bank Account**"), to be utilized by the Corporation in its sole discretion.
- (c) To the extent approved by the Board, and by the Majority Preferred Shareholder in the event of a Special Shareholder Decision, the Corporation and the holders of Preferred Shares may advance or loan funds to, or for use by, the Core Business by way of a term loan, demand loan, an operating line of credit, or as any other form of financing (each, a "**Related Party Core Business Financing**"), as may be necessary from time to time, and for purposes other than funding changes in the Non-Cash Working Capital of the Core Business. All Related Party Core Business Financings shall be (i) made available for advancement by the Corporation on the one hand, and the holders of the Preferred Shares on the other hand, allocated as to 60% to the Corporation and 40% to the holders of the Preferred Shares, (ii) will be on the same terms and conditions as between the Corporation and the holders of the Preferred Shares, and (iii) will be repaid concurrently, and proportionately to the amounts advanced and/or loaned, to the Corporation and the holders of the Preferred Shares who made such advances and/or loans.
- (d) The principal amount of any Related Party Core Business Financing advanced by the Corporation from the Non-Core Business to the Core Business, or loaned by the holders of the Preferred Shares to the Core Business, and any repayments of the principal amounts thereof from the Core Business, shall be added to or subtracted from the Equity Capital Account of the applicable Party, as and when advanced, loaned or repaid, as the case may be.
- (e) The Corporation will maintain a separate revolving loan facility for the sole purpose of funding changes to Non-Cash Working Capital in the Core Business (the "**Working Capital Revolver**"). The Corporation will not use the Working Capital Revolver for any other purpose, and will not fund any changes to Non-Cash Working Capital in the Core Business from any Related Party Core Business Financing, Third Party Business Debt, loan or borrowings other than the Working Capital Revolver.
- (f) All changes in the Working Capital Revolver will be excluded from the calculation of Core Business Distributable Cash as per the rights, privileges, restrictions and conditions attached to the Preferred Shares.
- (g) The Corporation may borrow other forms of term debt and non-term debt from institutional and other lenders, including Related Party Core Business Financings (subject to obtaining any required consents as provided under this Agreement) for use solely in the Core Business (collectively, "**Third Party Core Business Debt**"); provided that the Corporation will not use the proceeds of any such Third Party Business Debt to fund changes in the Non-Cash Working Capital of the Core Business. For greater certainty, the Third Party Business Debt may be used by the Corporation to fund capital expenditures of the Core Business, business acquisitions that will form part of the Core Business, and day-to-day operations of the Core Business not reflected in the Non-Cash Working Capital of the Core Business. For greater certainty, any amounts borrowed and repaid by the

Corporation as Third Party Business Debt will be included in the calculation of Core Business Distributable Cash as per the rights, privileges, restrictions and conditions attached to the Preferred Shares.

- (h) The Corporation may borrow other forms of term debt and non-term debt from institutional and other lenders, and may refinance the same (including a refinancing of the Sagard Debt), for use in the Non-Core Business of the Corporation, as may be approved by the Board from time to time and subject to any other approvals required under this Agreement.

2.9 Taxes. The Corporation will minimize income taxes payable by the Corporation through the use of loss carry-forwards and other available means to the greatest extent possible. It is the intention of the Parties that the Taxes Attributable to the Core Business shall be reduced until such time as the operating losses of the Corporation are fully utilized. In determining the Taxes Attributable to the Core Business for any applicable Fiscal Year, and except for the application of Non-Core Business expenses first against Non-Core Business income and then against Core Business income, the determination of Taxes Attributable to Core Business shall be made by the Corporation, in good faith, based upon the separate books and records and internal financial statements of the Core Business maintained by the Corporation under Section 2.8(a). Notwithstanding the foregoing, under no circumstances will the Taxes Attributable to the Core Business in any Fiscal Year be greater than the income taxes actually paid or payable by the Corporation for that Fiscal Year.

2.10 Liquidity Event. Upon the liquidation, dissolution or winding-up of the Corporation or the liquidation or partial liquidation of the Core Business, such that the Corporation is obligated to pay the Series 1 Liquidation Amount to the holders of the Preferred Shares, and prior to the payment of any distributions to the holders of any class of shares of the Corporation, the Corporation shall (and without any duplication of the payment thereof), pay the balance of the Capital Accounts to the Persons entitled thereto, and in respect of the balance under the Equity Capital Account, such amount will be deposited into the Non-Core Bank Account.

2.11 Special Board Decisions. Any decision of the Board to make a Voluntary Payments from cash flows from operating activities of the Core Business must be approved by a resolution passed either: (i) if the directors are voting at a meeting, by the affirmative vote of a majority of the directors of the Board then in office, regardless of the number of directors present at the meeting, which affirmative vote must include the vote of the Board nominees of the Majority Preferred Shareholder, or (ii) if the directors are acting by written resolution, by an instrument signed by all of the directors of the Board:

3. RESTRICTIONS ON TRANSFERS

3.1 General Prohibition on Transfer. Except in accordance with the terms of this Agreement or a Transfer pursuant to a Permitted Pledge, the Preferred Shareholders will not directly or indirectly Transfer any Preferred Shares.

3.2 Permitted Transfers. Subject to Section 3.4, and upon prior written notice to the Corporation:

- (a) any Preferred Shareholder may transfer all or any portion of their Preferred Shares to an affiliated entity provided that the transferee (and in the case of a partial transfer, the Preferred Shareholder), does not hold less than 25% of the issued and outstanding Preferred Shares following such transfer; and

- (b) any holder of less than 5% of the issued and outstanding Preferred Shares may transfer all or any portion of their Preferred Shares to an affiliated entity.

3.3 **Right of First Refusal.**

- (a) In the event that a Preferred Shareholder (for the purpose of this Section 3.3, the "**Disposing Shareholder**") enters into an agreement with a Third Party Purchaser to Transfer all or any portion of the Disposing Shareholder's Preferred Shares to such Third Party Purchaser, or otherwise receives a bona fide offer from a Third Party Purchaser that it wishes to accept with respect to the Transfer of all or any portion of its Preferred Shares, then it shall give the Corporation a written notice (a "**ROFR Notice**") advising the Corporation of receipt of such agreement or bona fide offer and its intention to Transfer all or any portion of its Preferred Shares thereunder. The ROFR Notice shall contain:
 - (i) a description of the number of Preferred Shares proposed to be Transferred;
 - (ii) the identity of the proposed Third Party Purchaser and reasonable information confirming the genuineness of the offer as required by the Corporation, acting reasonably;
 - (iii) the price and other terms and conditions upon which the Disposing Shareholder is prepared to make such Transfer;
 - (iv) the proposed effective date and closing date of the transaction (which date shall not be less than periods referred to in Section 3.3(c)); and
 - (v) any other information respecting the transaction which the Disposing Shareholder reasonably believes would be material to the exercise of any Corporation's rights hereunder.
- (b) Within sixty (60) days from the receipt of a ROFR Notice, the Corporation or its nominee may give notice (a "**Notice of Acceptance**") to the Disposing Shareholder that it elects to purchase the Preferred Shares described in the ROFR Notice on the terms and conditions (including price) set forth in the ROFR Notice, which Notice of Acceptance shall create a binding contractual obligation upon the Disposing Shareholder to sell, and upon the Corporation to purchase, all of the Preferred Shares described in the ROFR Notice on the terms and conditions (including price) set forth in the ROFR Notice, and free and clear of all Encumbrances. The Transfer of the Preferred Shares subject to the ROFR Notice shall occur on or about the date of the proposed closing date set out in Section 3.3(a)(iv) or such other date as the Disposing Shareholder and the Corporation may agree to.
- (c) If the Corporation does not deliver a Notice of Acceptance to the Disposing Shareholder within the sixty (60) day period described in Section 3.3(b), the Corporation shall be deemed to have waived its rights under Section 3.3(b) with respect to such Transfer (but not with respect to any subsequent Transfer).
- (d) If the Corporation does provide a Notice of Acceptance to the Disposing Shareholder within the sixty (60) day period referred to in Section 3.3(b), then the Disposing Shareholder may, within forty-five (45) days after the expiration of the sixty (60) day period described in Section 3.3(b), Transfer the Disposing Shareholder's Preferred Shares to any bona fide Third Party Purchaser on the terms set out in the ROFR Notice.

- (e) If the purchase and sale of the Preferred Shares proposed to be sold to the Corporation fails to close within seventy five (75) days of the receipt of the Notice of Acceptance (provided that the failure to close may not result from any act or omission on the part of the Disposing Shareholder), then the Disposing Shareholder may, within forty-five (45) days after the expiry of such seventy five (75) day period, Transfer the Disposing Shareholder's Preferred Shares to any bona fide Third Party Purchaser on the terms set out in the ROFR Notice.
- (f) If no sale is consummated within the forty-five (45) day period set out in Section 3.3(d) or 3.3(e), then the Corporation's rights set forth in this Section 3.2 shall revive in respect of such Disposing Shareholder's Preferred Shares, and if the Disposing Shareholder shall thereafter desire to Transfer any of its Preferred Shares it shall again comply with the provisions of this Section 3.3, provided, however, that no Disposing Shareholder shall be permitted to give a ROFR Notice within one hundred eighty (180) days following the date of a ROFR Notice previously given by such Disposing Shareholder.

3.4 No Registration Unless Transferee is Bound. If, pursuant to any provision of this Agreement, a Preferred Shareholder Transfers any of its Preferred Shares to any other Person, then that Transfer will not be made and will not be effective until:

- (a) the transferee executes and delivers an agreement to be bound to this Agreement as if the transferee was an original signatory hereto, in form and substance satisfactory to the Corporation, acting reasonably; and
- (b) the transferee makes the representations and warranties substantially in the form made by the Preferred Shareholders (except that for purposes of the representation and warranty in Section 4(a) where the transferee will make such representation and warranty only with respect to the Preferred Shares transferred to it).

4. REPRESENTATIONS AND WARRANTIES

Each Party represents and warrants as follows, with the intention that the other Parties will rely thereon in entering into of this Agreement:

- (a) In the case of a Preferred Shareholder, that the Preferred Shareholder owns beneficially and of record the number of Preferred Shares which are expressed to be owned by that Shareholder in Schedule B to this Agreement and that those Preferred Shares are not subject to any Encumbrance (other than Permitted Pledges) not otherwise authorized by this Agreement, and that no Person has any rights to become a holder or possessor of any of those Preferred Shares or of the certificates representing the same, except those, if any, that have been approved as required under the terms of this Agreement;
- (b) if a Party is a corporation, that it is duly incorporated and validly existing under the laws of its jurisdiction of incorporation and that it has the corporate power and capacity to own its assets and to enter into and perform its obligations under this Agreement;
- (c) that this Agreement has been duly authorized by it, and duly executed and delivered by it, and constitutes a valid and binding obligation enforceable in accordance with its terms, subject to the usual exceptions as to bankruptcy and the availability of equitable remedies;
- (d) that the execution, delivery and performance of this Agreement does not and will not contravene the provisions of its articles, by-laws, constating documents or other

organizational documents or the documents by which it was created or established or the provisions of any indenture, agreement or other instrument to which it is a party or by which it may be bound; and

- (e) that all of the foregoing representations and warranties will continue to be true and correct during the continuance of this Agreement.

5. LEGEND ON SHARE CERTIFICATES

All certificates representing Preferred Shares will have the following legend typed or otherwise written on the front of the certificate:

"The shares represented by this certificate are subject to the provision of an Investors Rights Agreement, which Investors Rights Agreement contains restrictions on the right of the holder to sell, assign, transfer, dispose of, donate or otherwise deal with the shares represented by this certificate. Notice of the terms and conditions of the Investors Rights Agreement is hereby given."

6. DISPUTE RESOLUTION

6.1 Dispute Resolution Procedure. In the event of any dispute arising out of, or in connection with, this Agreement (other than with respect to the calculation of the amount of any payments to be made pursuant to the terms of the Preferred Shares) the applicable Parties shall:

- (a) make *bona fide* efforts to resolve any such dispute or claim by amicable negotiations; and
- (b) on a without prejudice basis, provide frank, candid and timely disclosure to each other of all relevant facts, information and documents reasonably required to facilitate those negotiations.

6.2 Mediation and Arbitration. If the dispute referred to in Section 6.1 is not resolved within fourteen (14) days of the date written notice of dispute is provided by one Party to another, then it may, if agreed by the disputing Parties, be submitted to non-binding mediation employing a commercial mediation service. If the dispute is still not resolved within an additional thirty (30) days after the non-binding mediation, or if the disputing Parties do not agree to submit the dispute to non-binding mediation, then it shall, at the request of a disputing Party, exclusively be referred to and finally settled by three (3) arbitrators appointed in the manner set forth herein pursuant to the ADR Institute of Canada's then current National Arbitration Rules (the "**Rules**"). For the purposes of any such proceedings commenced pursuant to this Section 6.2:

- (a) the number of arbitrators shall be three (3), one (1) appointed by each of the disputing Parties, and the third arbitrator, who shall act as chairman, shall be appointed jointly by the appointees of the disputing Parties. If the appointees of the disputing Parties cannot within three (3) days after the date on which either Party first notified the other in writing of its choice of arbitrator agree on the arbitrator, the Court of Queen's Bench of Alberta shall, on application of either disputing Party, appoint the third arbitrator who shall act as chairman;
- (b) the place of the proceedings shall be Calgary, Alberta, unless otherwise agreed by the disputing Parties;
- (c) the official language of the arbitral proceedings shall be English;

- (d) all arbitral proceedings shall be private and confidential; they may be attended only by the arbitrator, the disputing Parties and their representatives, and witnesses to the extent they are testifying in the proceedings;
- (e) the arbitrators shall have the power to render declaratory judgments and to issue injunctive orders, as well as to award monetary damages; provided the Parties agree that the arbitrators shall have no power to award indirect, consequential, exemplary, or punitive damages of any kind except as otherwise permitted by this Agreement;
- (f) the arbitrators shall be entitled to order interim relief to maintain the status quo until a matter may be heard on its merits;
- (g) the arbitrators' award shall be given in writing, and shall be final and binding on the disputing Parties;
- (h) the arbitrators shall endeavor to issue their award within three (3) months of appointment;
- (i) any arbitral award for monetary damages shall be in Canadian dollars and may include interest from the date of any breach or violation of this Agreement until paid in full at the rate determined by the arbitrators;
- (j) no arbitration award issued hereunder shall expand or increase the liabilities, obligations or remedies of the Parties beyond those permitted by this Agreement;
- (k) each disputing Party shall initially bear its own costs and expenses in relation to the process specified herein, but the disputing Parties shall each bear one-half of the common costs and expenses of the arbitration, including the costs and expenses of or attributable to the arbitrators or the facilities used for the within proceedings, unless ordered otherwise by the arbitrators who shall have power to award, in their discretion, full or partial indemnity to the successful disputing Party for such costs and expenses; and
- (l) there shall be no right of appeal from any arbitration award other than as expressly permitted by the Parties. There shall be no reference of any matter to any court, other than as expressly permitted in the Rules or as may be necessary to enforce or confirm any arbitration award herein.

6.3 Dispute Resolution Procedure for Preferred Share Payments. In the event of any dispute arising out of, or in connection with, the calculation of the amount of any payments to be made pursuant to the terms of the Preferred Shares, the applicable Parties shall:

- (a) make *bona fide* efforts to resolve any such dispute or claim by amicable negotiations; and
- (b) on a without prejudice basis, provide frank, candid and timely disclosure to each other of all relevant facts, information and documents reasonably required to facilitate those negotiations.

6.4 Referral to Binding Adjudicator. If the dispute referred to in Section 6.3 is not resolved within fourteen (14) days of the date written notice of dispute is provided by one Party to another, then it shall, at the request of a disputing Party, exclusively be referred to and finally settled by [Name Accounting Firm], or if such firm is unable to perform such function, another Canadian accounting firm of national standing

mutually agreed by the Parties (the "**Adjudicator**"). For the purposes of any such proceedings commenced pursuant to this Section 6.4:

- (a) the disputing Parties and their representatives may submit to the Adjudicator such submissions and arguments as they consider appropriate, which shall be due within 30 days of the appointment of the Adjudicator;
- (b) the Adjudicator's award shall be given in writing, and shall be final and binding on the disputing Parties;
- (c) the Adjudicator shall endeavor to issue its award within 60 days of appointment;
- (d) no award by the Adjudicator shall expand or increase the liabilities, obligations or remedies of the Parties beyond those permitted by this Agreement;
- (e) each disputing Party shall initially bear its own costs and expenses in relation to the process specified herein, but the disputing Parties shall each bear one-half of the common costs and expenses of the Adjudicator; and
- (f) there shall be no right of appeal from any arbitration award other than as expressly permitted by the Parties and there shall be no reference of any matter to any court, other than as may be necessary to enforce or confirm any award of the Adjudicator.

6.5 Performance to Continue. Unless otherwise directed by the arbitrators upon application by a disputing Party, performance of this Agreement by each of the Parties shall continue notwithstanding any dispute and during any negotiations, mediations or arbitration proceedings pursuant to Section 6.2 or Section 6.4 provided that such agreement that performance of this Agreement may continue during any ongoing dispute resolution process shall be without prejudice to the rights or remedies of any of the disputing Parties and shall not be read or construed as a waiver of the right to claim for recovery of any loss, costs, expense or damage suffered as a result of the continued performance of this Agreement.

7. MISCELLANEOUS

7.1 Termination by Agreement. This Agreement will terminate if the Corporation and the holders of not less than 80% of the Preferred Shares enter into a written agreement of termination.

7.2 Effect of Termination. The termination of this Agreement does not extinguish any rights or obligations of the Parties existing prior to the date of the termination.

7.3 All Shares. Each of the Preferred Shareholders agrees to be bound by the terms of this Agreement with respect to all Preferred Shares held by such shareholder from time to time.

7.4 Amendments. This Agreement may not be modified or amended except in by an instrument in writing signed by the Corporation and holders of not less than 80% of the Preferred Shares.

7.5 Agreement Governs Rights. Notwithstanding the provisions contained from time to time in the constating documents of the Corporation, the rights and obligations among the Parties, insofar as they are inconsistent with the provisions contained in the articles of the Corporation, will be determined by reference to this Agreement unless expressly stated otherwise in this Agreement.

7.6 Notice. All notices required or permitted to be given under the terms of this Agreement will be in writing and may be delivered personally, by courier or may be forwarded by first class prepaid registered mail to the addresses set forth in Schedule B or at such other addresses as may from time to time be notified in writing by the parties to this Agreement. Any notice delivered will be deemed to have been given and received at the time of delivery. Any notice mailed by first class prepaid registered mail will be deemed to have been given and received on the expiration of 72 hours after it is posted, provided that if there is between the time of mailing and actual receipt of the notice a mail strike, slowdown or other labour dispute which might affect the delivery of such notice by the mail, then such notice will only be effective if actually delivered.

7.7 Non-Waiver. No condoning, excusing or waiver by any Party of any default, breach or non-observance by any other Party at any time in respect of any covenant, proviso or condition contained herein will operate as a waiver of that Party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance or so as to defeat or affect in any way the rights of that Party in respect of any such continuing or subsequent default, breach or non-observance, and no waiver will be inferred from or implied by anything done or omitted to be done by the Party having those rights.

7.8 Enurement. This Agreement will be binding upon and enure to the benefit of the Parties and their respective heirs, executors, administrators, successors and permitted assigns.

7.9 Obligations Separate and Several. Except as expressly provided in this Agreement, the obligations and covenants of each Party will be separate and several and no Party will be liable for the failure of any other Party to observe or perform its covenants or obligations under this Agreement.

7.10 Execution by Counterparts. This Agreement may be executed in any number of counterparts and may be delivered as an original document, or an electronic copy, with the same effect as if all parties had signed the same document. All counterparts and adopting instruments will be construed together and will constitute one and the same agreement.

[Signature page follows]

IN WITNESS WHEREOF the Parties have executed this Agreement on the day and year first above written:

KAYMAUR HOLDINGS LTD.

By: (signed) "Gary Mauris"
Gary Mauris
Director

By: (signed) "Christopher Kayat"
Christopher Kayat
Director

0762867 B.C. LTD.

By: (signed) "Jay Seabrook"
Jay Seabrook
Director

By: (signed) "Kevin Cochran"
Kevin Cochran
Director

0872025 B.C. LTD.

By: (signed) "Jay Seabrook"
Jay Seabrook
Director

By: (signed) "Kevin Cochran"
Kevin Cochran
Director

FOUNDERS ADVANTAGE CAPITAL CORP.

By: (signed) "James Bell"
Name: James Bell
Title: President and Chief Executive Officer

By: (signed) "Robin Burpee"
Name: Robin Burpee
Title: Chief Financial Officer

(signed) "Gary Mauris"
GARY MAURIS

(signed) "Christopher Kayat"
CHRISTOPHER KAYAT

SCHEDULE A DEFINITIONS

"**Adjudicator**" has the meaning given to it in Section 6.4.

"**Agreement**" means this agreement, including the schedules attached hereto, as it or they may be amended, restated, modified or supplemented from time to time.

"**Board**" means the board of directors of the Corporation.

"**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in the Province of Alberta.

"**Capital Accounts**" has the meaning given to it in the rights, privileges, restrictions and conditions attached to the Preferred Shares.

"**Club 16**" means the business conducted from time to time by Club16 Limited Partnership, Club16 GP Ltd. and any successor thereto, including the Corporation;

"**Core Business**" has the meaning given to it in the rights, privileges, restrictions and conditions attached to the Preferred Shares.

"**Core Business Distributable Cash**" has the meaning given to it in the rights, privileges, restrictions and conditions attached to the Preferred Shares.

"**Core Business Financing**" has the meaning given to it in Section 2.8(c).

"**Corporate Group**" means, collectively, the Corporation and each of its wholly-owned or partially-owned subsidiaries, including any entities comprising DLC, Impact, Club16 or Vital Alert.

"**Disposing Shareholder**" has the meaning given to it in Section 3.3(a).

"**DLC**" or the "**DLC Group**" has the meaning given to "DLC" in the rights, privileges, restrictions and conditions attached to the Preferred Shares.

"**DLC Board**" means the board of directors of any of the DLC Subsidiaries from time to time.

"**DLC Subsidiaries**" means MCC Mortgage Centre Canada Inc., MA Mortgage Architects Inc., Dominion Lending Centres Commercial Inc., Dominion Lending Centres National Ltd., Newton Connectivity Systems Inc., 604 Media Inc., NA Auto Pilot Media Inc., and any subsidiaries controlled by any of them, and any other subsidiaries controlled by the Corporation that form part of the DLC Group, but excluding the Corporation, and "**DLC Subsidiary**" means any one of them, as the context may require.

"**Encumbrance**" means: (a) any mortgage, charge, pledge, hypothecation, security interest, assignment by way of security, encumbrance, lien (statutory or otherwise), hire purchase agreement, conditional sale agreement, title retention agreement or arrangement, deposit arrangement, restrictive covenant and any other encumbrance or other arrangement or condition that in substance secures payment or performance of an obligation of any nature; (b) any trust arrangement affecting beneficial or economic ownership; or (c) any agreement to grant any such rights or interests.

"**Equity Capital Account**" has the meaning given to it in the rights, privileges, restrictions and conditions attached to the Preferred Shares.

"**FAC**" or "**Corporation**" has the meaning given to it in the description of the Parties.

"**Fiscal Year**" means shall be the 12 month period commencing on January 1 of each year and ending on December 31 of the same calendar year.

"**Governmental Authority**" means any federal, provincial, regional, municipal or local government authority, court, government organization, commission, board, tribunal, agency, or political or other subdivision thereof having jurisdiction over this Agreement, the Preferred Shareholders or the Corporate Group.

"**Impact**" means the business conducted from time to time by Cape Communications International Inc. and any successor thereto, including the Corporation;

"**Interim Monthly Dividends**" has the meaning given to it in the rights, privileges, restrictions and conditions attached to the Preferred Shares.

"**Interim Monthly Public Company Entitlements**" means an aggregate amount determined by the board of directors of the Corporation as representing 1/12th of their good faith estimate of the Public Company CDC Entitlement anticipated to be payable in respect of that Fiscal Year to the Corporation.

"**JKCo**" has the meaning given to it in the description of the Parties.

"**JSKC**" has the meaning given to it in the description of the Parties.

"**Kayat**" has the meaning given to it in the description of the Parties.

"**KayMaur Holdco**" has the meaning given to it in the description of the Parties.

"**KayMaur Holdco Principals**" has the meaning given to it in the description of the Parties.

"**Majority Preferred Shareholder**" has the meaning given to it in Section 2.1(a).

"**Mauris**" has the meaning given to it in the description of the Parties.

"**Net Proceeds**" has the meaning given to it in the rights, privileges, restrictions and conditions attached to the Preferred Shares.

"**Non-Cash Working Capital**" has the meaning given to it in the rights, privileges, restrictions and conditions attached to the Preferred Shares.

"**Non-Core Bank Account**" has the meaning given to it in Section 2.8(b).

"**Non-Core Business**" has the meaning given to it in the rights, privileges, restrictions and conditions attached to the Preferred Shares.

"**Notice of Acceptance**" has the meaning given to it in Section 3.3(b).

"**Parties**" means the parties to this Agreement, and "**Party**" means any one of them.

"Permitted Encumbrance" means the Encumbrances existing as at the date hereof, including: the Encumbrances granted in favour of TD Bank (or its successor) for the credit facilities to the DLC Group, the Encumbrances granted in favour of Sagard Credit Partners (or its successor) for the credit facility to the Corporation, the Encumbrances granted in favour of Bank of Montreal (or its successor) for the credit facilities to Club16.

"Permitted Pledge" means any pledge of Preferred Shares pursuant to any loan agreement or credit facility to which a Preferred Shareholder is a party, provided that the recipient of such pledge acknowledges that it will be bound by the terms of this Agreement immediately upon the Transfer of any interest of such Preferred Shares to such Person.

"Person" means any natural person, corporation, limited liability company, partnership, joint venture, trust, Governmental Authority, or other incorporated or unincorporated association or organization or any trustee, executor, administrator or other legal representative.

"Preferred Shareholders" means a legal and beneficial holder of Preferred Shares.

"Preferred Share Adjustment Amount" has the meaning given to it in Section 2.7(d).

"Preferred Shares" means a Series 1 Class "B" Preferred Share of the Corporation.

"Public Company Adjustment Amount" has the meaning given to it in Section 2.7(d).

"Public Company CDC Entitlement" means an amount equal to the Core Business Distributable Cash for a given Fiscal Year less the Series 1 Dividend Amount (whether or not paid) for that Fiscal Year.

"Related Party Core Business Financing " has the meaning given to it in Section 2.8(c).

"Retiring Director" has the meaning given to it in Section 2.2.

"ROFR Notice" has the meaning given to it in Section 3.3(a).

"Sagard Debt" has the meaning given to it in the rights, privileges, restrictions and conditions attached to the Preferred Shares.

"Series 1 Dividend Amount" has the meaning given to it in the rights, privileges, restrictions and conditions attached to the Preferred Shares.

"Series 1 Liquidation Amount" has the meaning given to it in the rights, privileges, restrictions and conditions attached to the Preferred Shares.

"Special Shareholder Decisions" has the meaning given to it in Section 2.4.

"Taxes Attributable to Core Business" has the meaning given to it in the rights, privileges, restrictions and conditions attached to the Preferred Shares.

"Third Party Business Debt " has the meaning given to it in Section 2.8(g).

"Third Party Purchaser" means any Person or Persons other than a Preferred Shareholder or any of its affiliates.

"Transfer" means: (a) any transfer, sale, assignment, exchange, gift, donation or other disposition, where possession, legal title, beneficial ownership or the economic risk or return associated with such disposition passes directly or indirectly from one Person to another or to the same Person in a different legal capacity, whether or not for value, whether or not voluntary and however occurring; or (b) any agreement, undertaking or commitment to effect any of the foregoing, and **"Transferred"** shall have the corresponding meaning.

"Vital Alert " means Vital Alert Communication Inc. and its related entities.

"Voluntary Payments" means any voluntary or accelerated lump sum payments of any debts or other borrowings of the Corporation for the Core Business repaid in a Fiscal Year from cash flows from operating activities of the Core Business (and for greater certainty, does not include any voluntary or accelerated lump sum payments of any debts or other borrowings of the Corporation for the Non-Core Business).

"Working Capital Revolver " has the meaning given to it in Section 2.8(e).

**SCHEDULE B
SHAREHOLDINGS**

<u>Shareholder and Address for Notice</u>	<u>No. of Preferred Shares</u>
KayMaur Holdings Ltd. 2215 Coquitlam Avenue Port Coquitlam, BC V3B 1J6	25,432,674
0762867 B.C. Ltd. 1107 – 1010 Howe Street Vancouver, BC V6Z 1P5	1,033,478
0872025 B.C. Ltd. 1107 – 1010 Howe Street Vancouver, BC V6Z 1P5	307,902

SCHEDULE C
CORE DISTRIBUTABLE CASH SAMPLE CALCULATION

Example Core Business Distributable Cash Calculation at December 31, 2019

	2019		
Adjusted Cash Flows from Operating Activities	16,852,240	<i>Note 1</i>	
Plus (Less):			
Cash Flows from Investing Activities	(5,508,069)	<i>Note 2</i>	
Adjusted Cash Flows from Financing Activities	(1,227,036)	<i>Note 3</i>	
Taxes Attributable to Core Business	-	<i>Note 4</i>	
Adjustments approved by Majority Preferred Shareholders	-	<i>Note 5</i>	
Subtotal	10,117,135		
Payout Ratio	95%		
Subtotal	9,611,279		
Less: Negative Core Business Distributable Cash from prior period	-	<i>Note 6</i>	
Core Business Distributable Cash	9,611,279		
Non-capital tax losses available	Yes	<i>Note 7</i>	
Inversion Threshold	17,500,000		
Allocation of Core Business Distributable Cash:			
60/40 Split	9,611,279	30/70 Inversion	-
Public Company CDC Entitlement	5,766,767	Public Company CDC Entitlement	-
Series 1 Dividend Amount	3,844,511	Series 1 Dividend Amount	-

Note 1 - Adjusted Cash Flows from Operating Activities

Cash Flows from Operating Activities	19,105,298
Less: Changes in non-cash working capital	(1,776,454)
Less: Changes in long term assets and liabilities deemed to be part of non-cash working capital	(476,604) <i>Note 1a</i>

Adjusted Cash Flows from Operating Activities 16,852,240

Note 1a - Change in long-term assets and liabilities includes: long-term prepaids, long-term receivables, other long-term assets, long-term accrued liabilities and long-term contract liabilities

Note 2 - Cash Flows from Investing Activities

Cash Flows from Investing Activities (5,508,069)

Note 3 - Adjusted Cash Flows from Financing Activities

Cash Flows from Financing Activities	(12,417,036)
Add (Less): Working Capital Revolver repayments (draws)	390,000
Add: Dividends paid	10,800,000 <i>(Note 3a)</i>

Less: Proceeds received from equity issuances by the Corporation, including proceeds from the exercise of warrants, stock options or similar convertible securities - *(Note 3b)*

Adjusted Cash Flows from Financing Activities (1,227,036)

Note 3a - Going forward, Interim Monthly Dividends paid, Preferred Share Adjustment Amount paid, Interim Monthly Public Company Entitlements paid, and Public Company Adjustment Amount paid

Note 3b - For greater certainty, this adjustment will only be made if the proceeds from equity issuances by the Corporation have been included in Cash Flow from Financing Activities

Note 4 - Taxes Attributable to Core Business in this example calculation have been captured in Net Income and Cash Flows from Operating Activities.

Note 5 - Other adjustments approved by Majority Preferred Shareholder and the Board of the Corporation

For example, if funding capital expenditures over a year end Majority Preferred Shareholders approval would be required to reduce Core Business Distributable Cash by the pre-funded amount.

Note 6 - Negative Core Business Distributable Cash

In the event Core Business Distributable Cash is negative in any Fiscal Year, such negative amount will be deducted from the following year Core Business Distributable Cash amount.

Note 7 - Allocation of Core Business Distributable Cash

The allocation of Core Business Distributable Cash will be dependent on whether the non-capital tax losses are available and the applicable inversion threshold.



**YTD Actual
Dec-19**

Operating activities

Net (loss) income for the period	10,334,124
<i>Items not affecting cash:</i>	
Depreciation and amortization	5,001,766
Amortization of renewables recognized against revenue	1,481,112
(Gain) loss on sale of intangibles	-
(Gain) loss on sale of investments	-
Deferred taxes	123,618
Impairment of intangible assets	-
Share of (earnings) losses from equity investments	(104,348)
(Gain)/loss on sale of capital assets	-
Interest expense on right-of-use lease liabilities	15,969
Changes in long term assets and liabilities deemed to be part of non-cash working capital	476,604
Changes in non-cash working capital	1,776,454

Cash Flows from Operating Activities 19,105,298

Investing activities

Distributions from (contributions to) equity investments	(1,125,402)
Purchase of financial instruments	-
Purchase of capital assets	(339,988)
Purchase of intangibles	(36,813)
Proceeds from sale of investments	-
Proceeds from disposition of capital assets	-
Proceeds from disposition of intangibles	-
Payment of recruiting bonuses	(719,300)
Payment of renewal bonuses	(3,286,565)
Acquisitions, net of cash received	-
Purchase of financial instruments	-
Disposal of discontinued operations, net of cash disposed	-

Cash Flows from Investing Activities (5,508,069)

Financing activities

Repayment of term debt	(710,000)
Dividends paid	(10,800,000)
Distributions to non-controlling interest	(330,750)
Capital lease payments	(186,286)
Working Capital Revolver repayments (draws)	(390,000)
Proceeds from equity financing, net	-
Proceeds from debt financing, net	-
Acquisitions of non-controlling interest	-

Cash Flows from Financing Activities (12,417,036)

(Decrease) increase in cash and cash equivalents	1,180,193
Impact of foreign exchange on cash and cash equivalents	
Cash and cash equivalents, beginning of period	2,452,267

Cash and cash equivalents, end of period 3,632,460