**SHAREHOLDERS’ AGREEMENT**

**THIS AGREEMENT** is made the 22nd day of ~~November~~, 2012.

**AMONG:**

**Erik Chun Ho,** of the City of Vancouver, in the Province of British Columbia

(**“Shareholder 1”**)

- and -

**Doug Sherk,** of the City of Toronto, in the Province of Ontario

(**“Shareholder 2”**)

- and -

**Hanson Wang** of the City of Mississauga, in the Province of Ontario

(**“Shareholder 3”**)

- and -

**SCIGIT Inc.**, a corporation governed by the laws of Ontario

(the **“Corporation”**)

and any other Persons who, after the date of this Agreement, acquire shares of the Corporation and sign counterparts to this Agreement

**RECITALS:**

1. The parties together own, directly or indirectly, all the issued and outstanding shares of the Corporation.
2. The parties have entered into this Agreement to record their agreement as to the manner in which the Corporation’s affairs shall be conducted and to grant to each other certain rights and obligations with respect to their ownership, directly and indirectly, of the Shares.
3. As of the date of this Agreement, the following securities of the Corporation are issued and outstanding or reserved for issuance:

|  |  |
| --- | --- |
| **Shareholder** | **Number and Class of Securities Issued** |
| Shareholder 1 | 100,000 Common Shares |
| Shareholder 2 | 300,000 Common Shares |
| Shareholder 3 | 9,999,000,000 Common Shares |
| **Total** | 9,999,400,000 Common Shares, |

**NOW THEREFORE** the parties agree as follows:

# DEFINITIONS AND PRINCIPLES OF INTERPRETATION

## Definitions

In this Agreement, unless there is something inconsistent in the subject matter or context:

* + 1. **“Act”** means the *Business Corporations Act* (Ontario);
    2. **“Agreement”** means this Shareholders’ Agreement and all instruments supplemental to or in amendment or confirmation of this Agreement; references to Articles, Sections or subsections are to the specified Articles, Sections or subsections of this Agreement;

##### **“Board”** means the board of directors of the Corporation;

* + 1. **“Business Day”** means a day, other than a Saturday or Sunday, on which the principal commercial banks located in Toronto, Ontario, Canada are open for business during normal banking hours;
    2. **“Common Shareholders”** means, collectively, all of the holders of Common Shares;
    3. **“Common Shares”** means the common shares of the Corporation;
    4. **“Control”** means, with respect to any corporation, the ownership, beneficially and legally, of voting securities of such corporation, to which are attached more than 50% of the votes that may be cast to elect the directors of such corporation and that are sufficient to elect a majority of the directors thereof and **“Controlling”** shall have a corresponding meaning;
    5. **“Eligible Transferee”** means, in respect of any particular Shareholder (the **“Original Shareholder”**):
       1. a corporation of which the Original Shareholder (or such Shareholder’s spouse or children) is the sole registered and beneficial shareholder, but only if the Original Shareholder Controls such corporation;
       2. a trust of which the Original Shareholder (or such Shareholder’s spouse or children) is the sole beneficiary, but only if the Original Shareholder is the sole trustee of such trust; and
       3. if the Shareholder is a corporation, any Person who is the sole registered and beneficial shareholder of such Shareholder;
    6. **“Liquid Securities”** means securities listed on The Toronto Stock Exchange, the New York Stock Exchange or the Nasdaq National Market which are freely tradable and not subject to any hold period;

##### **“Person”** includes any individual, sole proprietorship, partnership, limited partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his capacity as trustee, executor, administrator, or other legal representative;

##### “**Securities**” means the Shares, any securities convertible into or exercisable for Shares and any securities of the Corporation that carry a residual right to participate in the earnings of the Corporation and, upon liquidation or winding up of the Corporation, in its assets;

* + 1. **“Shareholders”** means, the holders of Shares of the Corporation who are (or become) party to this Agreement and **“Shareholder”** means any one of such holders individually;
    2. **“Shares”** means collectively all of the outstanding Common Shares;
    3. **“subsidiary”** has the meaning set forth in the Act and shall also include any corporation or other entity which the Corporation takes the initiative in establishing or incubating;
    4. **“Transfer”** has the meaning given to such term in Section 3.01; and
    5. **“Transfer Event”** has the meaning given to such term in Section 3.10.

## Additional Definitions

Unless there is something inconsistent in the subject matter or context, or unless otherwise provided in this Agreement, all other words and terms used in this Agreement which are defined in the Act shall have the meanings set out in the Act.

## Certain Rules of Interpretation

## In this Agreement,

##### the word “including” shall mean “including without limitation”;

##### any reference to a statute shall mean the statute in force as at the date hereof and any regulation in force thereunder, unless otherwise expressly provided;

##### words denoting the singular include the plural and vice versa and words denoting any gender include all genders;

##### the use of headings is for convenience of reference only and shall not affect the construction of this Agreement;

##### when calculating the period of time within which or following which any act is to be done or step taken, the date which is the reference day in calculating such period shall be excluded. If the last day of such period is not a Business Day, the period shall end on the next Business Day; and

##### all dollar amounts are expressed in Canadian funds.

## Governing Law

This Agreement shall be governed by the laws in force in the Province of Ontario (excluding any conflict of laws, rule or principle which might otherwise apply) and the federal laws of Canada applicable therein. Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Ontario and all courts competent to hear appeals from those courts with respect to any matter related to this Agreement.

# MANAGEMENT OF THE CORPORATION

## Board of Directors

The Corporation shall have a Board consisting of three directors, appointed as follows:

### Shareholder 1 shall be entitled to nominate one director to the Board and shall be entitled to remove and replace his nominee from time to time as provided in Section 2.01. Shareholder 1’s nominee shall initially be Erik Chun Ho.

### Shareholder 2 shall be entitled to nominate one director to the Board and shall be entitled to remove and replace his nominee from time to time as provided in Section 2.01. Shareholder 2’s nominee shall initially be Doug Sherk.

### Shareholder 3 shall be entitled to nominate one director to the Board and shall be entitled to remove and replace his nominee from time to time as provided in Section 2.01. Shareholder 3’s nominee shall initially be Hanson Wang.

In the event that the shareholdings of Shareholder 1, Shareholder 2, or Shareholder 3 respectively, falls below 10% of the outstanding Shares on a fully diluted basis, the right of any such Shareholder to nominate a director to the Board shall automatically terminate, and upon the occurrence of such an event the Shareholders shall have the right to elect a director to any vacancy.

## Removal and Replacement of Nominees

Shareholder 1, Shareholder 2, and Shareholder 3 as the case may be, shall be entitled to remove the director nominated by him by delivering notice to such director, the other Shareholders and to the Corporation. Any vacancy occurring on the Board by reason of the death, disqualification, inability to act, resignation or removal of the director shall be filled only by a further nominee of the Shareholder having the right to appoint such nominee.

## Frequency of Meetings

The Board shall conduct meetings as frequently as determined by the Board provided that the Board shall meet not less often than quarterly. The Corporation shall reimburse the directors of the Corporation for all reasonable expenses associated with attendance at meetings of the Board, but no other directors’ fees or compensation shall be payable unless approved by the Shareholders.

## Board Quorum

A quorum for meetings of the Board shall consist of a majority of the members of the Board.

## Shareholder Quorum

A quorum for meetings of Shareholders shall consist of at least two Shareholders holding, in the aggregate a majority of the outstanding Shares being present by representative or by proxy. If a quorum is not obtained at any meeting, the meeting shall be adjourned and reconvened five Business Days later, at the same time and in the same location, at which reconvened meeting the quorum shall be the Shareholders present.

## Telephone Meetings

Any or all directors may participate in a meeting of the Board, and any or all Shareholders may participate in a meeting of the Shareholders, by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to hear and communicate with each other simultaneously and a person participating in such a meeting by such means is deemed to be present at the meeting.

## Deemed Consent

Any resolution in writing signed by a particular Shareholder shall be deemed, for the purposes of this Agreement, to constitute the consent to that resolution by that Shareholder, and any matter recorded in the minutes of a meeting of the Shareholders having been approved or agreed upon by resolution or otherwise shall be deemed to have been consented to by all Shareholders.

## Books and Records

Each Shareholder shall, during business hours and on 24 hours prior notice, have access to all financial statements, other books and records of and information concerning the business, affairs and prospects of the Corporation or any subsidiary, and the properties of the Corporation and its subsidiaries, as long as such access does not interfere with the normal operations of the Corporation.

## Indemnity and Insurance

The Corporation shall indemnify, in form and substance satisfactory to each of the directors of the Corporation, the directors of the Corporation for all liabilities arising as a result of each individual’s capacity as a director of the Corporation. In addition, if the Corporation provides the directors and officers of the Corporation with director and officer insurance, all costs associated with such insurance shall be borne by the Corporation.

# DEALING WITH SHARES

## Restrictions on Transfer of Shares

### Except as expressly provided in this Agreement, no Shareholder shall, directly or indirectly, sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber any Shares or any securities convertible into Shares held by it (in any such case, a **“Transfer”**), or any of its rights or obligations under this Agreement, to any Person.

### Notwithstanding subsection (a) Shareholder 1, Shareholder 2, and Shareholder 3 shall each be permitted to pledge his Shares to the Corporation, as more particularly set forth in such pledge, on terms approved by the Board.

### Notwithstanding anything else contained in this Agreement, every Transfer shall be subject to the condition that the proposed transferee, if not already bound by the terms of this Agreement, shall first agree, in writing, to become a party to and be bound by the terms of this Agreement.

## Endorsement on Certificates

Share certificates of the Corporation shall bear the following language either as an endorsement or on the face of such share certificate:

“The shares represented by this certificate are subject to all the terms and conditions of a shareholders’ agreement, which agreement contains, among other things, restrictions on the right of the holder hereof to transfer or sell the shares. A copy of such agreement is on file at the Corporation’s registered office.”

## Pledge of Shares

## Notwithstanding Section 3.01, any Shareholder may pledge, charge, mortgage or otherwise encumber any of its Shares to a bank or other financial institution for the purpose of securing any borrowings by such Shareholder, provided that such bank or financial institution acknowledges to the parties in writing that:

## the pledge, charge, mortgage or encumbrance of such Pledged Shares shall at all times be subject to all the terms and conditions of this Agreement, including the prohibition against transferring, pledging, charging or mortgaging or otherwise encumbering such Pledged Shares contained in Section 3.01 except as permitted pursuant to this Article, and

## the security interest in respect of the Pledged Shares shall be discharged as against the interest of the pledgor Shareholder upon the sale by the pledgor Shareholder of any of the Pledged Shares to one or more of the other Shareholders pursuant to this Agreement (but such discharge shall apply only to the number of Pledged Shares subject to such sale), if the proceeds due on closing to the pledgor Shareholder are paid to the bank or other financial institution and any other secured parties having a security interest in the Pledged Shares in order of their respective priorities, (whether or not sufficient to discharge the obligation in full), and the balance, if any, shall be paid to the pledgor Shareholder.

## Permitted Transfers

### Notwithstanding the provisions of Section 3.01, a Shareholder (the **“Transferor”**) may at any time or from time to time Transfer all or part of its Shares or securities convertible into Shares to an Eligible Transferee but only if, at or prior to the time of such Transfer:

### such Eligible Transferee agrees with the other Shareholders, by an agreement in writing in form and substance satisfactory to the other Shareholders, acting reasonably, to be bound by the terms of this Agreement as if such Eligible Transferee had entered into this Agreement in the place of the Transferor and to remain an Eligible Transferee of the Transferor as long as such Eligible Transferee is the registered or beneficial owner of any Shares or securities convertible into Shares; and

### the other Shareholders receive evidence satisfactory to them, acting reasonably, that such Eligible Transferee is an Eligible Transferee of the Transferor and that the agreement referred to in subsection 3.04(a) above is a legal, valid and binding obligation of the Eligible Transferee.

## Right of First Refusal

### If a Shareholder (the **“Offeror”**) desires to Transfer Shares or securities convertible into Shares to another Person, such transfer may not be to a direct or indirect competitor of the Corporation and the Offeror shall first deliver a notice in writing (a **“Sale Notice”**) to the other Shareholders (the **“Offerees”**) whereby the Offeror offers (the **“Offer”**) to sell all such Shares or securities convertible into Shares (the **“Offered Shares”**) to the Offerees for the respective price per Offered Share, payable on closing in cash or Liquid Securities. The Offeror shall set out in the Sale Notice all other terms and conditions (including closing arrangements) of such proposed sale (such price, terms and conditions being hereinafter collectively referred to as the **“Sale Terms”**), as well as a bona fide determination by the Offeror of the cash value of any Liquid Securities included in the Offer, which determination is supported by an opinion of a dealer in securities registered in Ontario under the *Securities Act* (Ontario). The delivery by an Offeror of a Sale Notice shall be irrevocable. Each Offeree shall have a period of 99 Business Days from the date the Sale Notice is received (the **“Acceptance Period”**) to accept the Offer in writing (an **“Acceptance Notice”**), and each Offeree who accepts such Offer shall specify whether the Offeree (i) wishes to purchase all of the Offered Shares; (ii) wishes to purchase its proportionate share of the Offered Shares; (iii) is prepared to purchase all of the Offered Shares or only its proportionate share thereof, depending on the response of the other Offerees; or (iv) will pay for the Offered Shares in the manner set out in the Offer or will pay in cash for any Liquid Securities by payment therefore by the cash equivalent in the Offer. All Acceptance Notices shall be delivered to the Offeror, each of the other Offerees and the Corporation. If no Acceptance Notice is received from an Offeree within the Acceptance Period, the Offer to such Offeree shall be deemed to have been refused. All Shareholders are prohibited from transferring Shares to a direct or indirect competitor of the Corporation. Whether a third party is or is not a “competitor of the Corporation” shall be subject to the determination of the Board and such determination shall be final and binding upon all Shareholders without appeal.

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## Sale to Offerees

##### If an Offer is accepted by more than one Offeree within the Acceptance Period and the Offerees have each indicated their willingness to purchase in the aggregate all of the Offered Shares, then the Offeror shall sell and the Offerees (the **“Purchasers”**) shall purchase the Offered Shares upon the terms and conditions contained in the Sale Notice. In such case, the Purchasers shall purchase the Offered Shares from the Offeror rateably based on the proportions that the number of Common Shares of each Purchaser is to the total number of Common Shares held by all Purchasers, but such Purchasers may agree to purchase the Offered Shares in different proportions and such purchase may be made by any of the Purchasers jointly or by any one of them alone.

##### If the Offer is accepted by only one of the Offerees within the Acceptance Period and such Offeree has indicated its willingness to purchase all of the Offered Shares, and the other Offerees have not accepted the Offer, then the Offeror shall sell and such first Offeree shall purchase the Offered Shares on the terms and conditions contained in the Offer.

##### The closing of the transaction of purchase and sale pursuant to the Offer shall take place on the date which is 99 days after the expiry of the Acceptance Period.

## Sales to Third Parties

If, following the completion of the procedure stipulated in Section 3.05, the Offered Shares remain unaccepted in full by the Offerees, the Offeror may sell the Offered Shares to any Person that is not a direct or indirect competitor of the Corporation (a **“Third Party”**), as determined by the Board as set out in Section 3.04, at a price not less than the price set forth in the Sale Notice and on terms not more favourable to the Third Party than the Sale Terms (the **“Third Party Sale”**). If no such sale is completed by the Offeror within 99 days following the expiration of the 10 Business Day period referred to in Section 3.05, the Offeror shall be required, before transferring any Offered Shares, again to offer such Offered Shares in the manner provided in Section 3.05 and such process shall be repeated so often as any Shareholder desires to transfer any Offered Shares pursuant to this Article III. The Board before consenting to the transfer of the Offered Shares to the Third Party shall be entitled to require proof that the sale to the Third Party took place in accordance with the Sale Terms and the Board shall refuse to permit the registration of the transfer of the Offered Shares if they may have been sold otherwise than in accordance with the provisions of this Article.

## Tag-Along Rights

##### If an Offeror is entitled and proposes to sell its Shares or securities convertible into Shares, in accordance with a Third Party Sale, the Offeror shall, at least 15 days prior to the date specified for completion of the Third Party Sale, give notice in writing (a **“Disposition Notice”**) to each of the Offerees.

##### In the event that the sale by the Offeror to a Third Party would result in the Third Party holding following completion of the sale more than 40% of the issued and outstanding Common Shares including securities convertible into Common Shares, then each Offeree shall have the right, exercisable within five days of receipt of a Disposition Notice, upon notice in writing to the Offeror and the Third Party (the **“Tag-along Notice”**), to require the Third Party to purchase the same proportion of Common Shares including securities convertible into Common Shares that the Offeror is selling to the Third Party held by such Offeree (the **“Proportionate Shares”**) at the time of completion of, and upon the same terms and conditions as the Third Party Sale.

##### If any Offeree gives a Tag-along Notice to the Offeror and the Third Party within such period, then the Offeror shall be entitled to sell the Offered Shares to the Third Party pursuant to the Third Party Sale only if such Third Party also offers to purchase from such Offeree the Proportionate Shares held by such Offeree, conditional upon the completion of the transaction of purchase and sale contemplated in the Third Party Sale.

## Drag-Along Rights

##### Subject to paragraph (c) below, if an Offeror is entitled and proposes to sell all of its Shares or securities convertible into Shares to the Third Party in accordance with a Third Party Sale pursuant to Section 3.07, and the Offeror holds at least 70% of the outstanding Common Shares including securities convertible into Common Shares, the Offeror shall be entitled to deliver written notice (a **“Compulsory Sale Notice”**) to all of the Offerees, within 10 days following the expiry of the Acceptance Period, stating that the Offerees shall be required to sell all of the Shares including securities convertible into Shares held by them to the Third Party at the time of completion of, and upon the same terms and conditions as those contained in, the Third Party Sale.

##### If the Offeror gives a Compulsory Sale Notice to the Offerees then each Offeree shall be obligated to sell all of the Shares including securities convertible into Shares held by it at the same time and upon the terms specified in the Third Party Sale to the Third Party, conditional upon the completion of the Third Party Sale.

##### Each Shareholder acknowledges that if it receives a Compulsory Sale Notice which an Offeror is entitled to deliver hereunder and it fails to execute or cause to be executed all such agreements and documents as may be necessary under the Act, the Corporation’s articles, or otherwise to enable the Shares including securities convertible into Shares held by it to be sold to the Third Party as provided in this Section, the Offeror may, as attorney for that Shareholder, execute and deliver all such agreements and documents as may be necessary to permit the sale of such Shares including securities convertible into Shares to the Third Party to be completed and reflected on the books of the Corporation. Each Shareholder irrevocably appoints the Shareholder who becomes an Offeror and complies with this Section 3.09 to be the attorney for such Shareholder with full power of substitution in the name of and on behalf of such Shareholder, with no restriction or limitation in that regard. This power of attorney shall not be revoked or terminated in respect of any Shareholder by any act or thing unless this Agreement is terminated or unless that Shareholder ceases to be bound by the provisions of this Agreement. This power of attorney is granted in addition to any other power of attorney and each Shareholder declares that he may grant multiple powers of attorney.

## Transfer Events

### A “Transfer Event” shall be deemed to have occurred with respect to a Shareholder as follows:

* + - 1. If such Shareholder is an employee or contractor of the Corporation, such Shareholder (or its beneficial owner) ceases to be employed or engaged by the Corporation because of voluntary resignation or termination for cause;
      2. the Shareholder is petitioned into bankruptcy or makes an assignment for the benefit of creditors;
      3. the Shareholder becomes subject to a claim or proceeding commenced by their spouse (including any former or future spouse) under the *Family Law Act* (Ontario), the *Divorce Act* (Canada) or the *Succession Law Reform Act* (Ontario), as amended or re-enacted from time to time, for support or maintenance or to determine the entitlement of the spouse to their net family property (as defined in the *Family Law Act*) and that individual does not produce a statement of good faith within 30 days of the date of commencement of such claim or proceeding that the financial claims of their spouse to such entitlement can be settled without in any way directly or indirectly affecting, creating an encumbrance upon or interfering with the holding of Shares by that Shareholder; or
      4. such Shareholder dies or becomes disabled. A Shareholder shall be deemed to be disabled under this Section if such Shareholder has been unable due to illness, disease, or mental or physical disability (in the opinion of an independent qualified medical practitioner who is satisfactory to a majority of the Board), to fulfil his obligations hereunder either for any consecutive 180 day period or for any period of 180 days (whether or not consecutive) in any consecutive 12 month period, or such Shareholder has been declared by a court of competent jurisdiction to be mentally incompetent or incapable of managing his affairs.
    1. Upon the occurrence of any Transfer Event, which remains uncured (if curable) within 20 Business Days of the occurrence of such Transfer Event, the Corporation shall, upon written notice to the Shareholder, have the right to purchase from such Shareholder all of the Shares and securities convertible into Shares owned by such Shareholder (the **“Securities”**) immediately prior to the Transfer Event, at a price equal to the fair market value of such Securities.
    2. The Corporation will first attempt to assign its right to purchase any or all of the Securities to the other Shareholders, and such assignment shall be offered to the other Shareholders on a pro rata basis, according to the proportions and procedures set out in Section 3.05 for exercise of rights of first refusal.
    3. If the Corporation or the other Shareholders decide to purchase the Securities, the price shall be paid in cash on the closing of the transaction and such transaction shall close within 60 days from the date that the fair market value of such Securities has been determined in accordance with paragraph (e) below. Should the Corporation, or any assignee of the Corporation’s rights under paragraph (c) above, not exercise its rights to purchase Securities from a Shareholder triggering a Transfer Event within 90 days after the expiration of the 20 Business Day cure period in paragraph (b), then the right of the Corporation (or any assignee thereof) to purchase Securities under paragraph (b) shall lapse.
    4. The purchase price payable for any Securities to be transferred pursuant to this Section shall be equal to the fair market value of such Securities determined, as at the date of the Transfer Event (the **“Valuation Date”**), by the Corporation (for itself and as representative of the other Shareholders) and Shareholder triggering the Transfer Event in accordance with the following principles:
       1. either the Shareholder or the Corporation (or assignee of the Corporation’s rights to the transaction) may initiate negotiations by sending a written notice to the affected parties to this effect (the date of receipt of such notice being referred to as the **“Trigger Date”**), and the parties to the transaction shall then negotiate in good faith and use their reasonable best efforts to agree upon the fair market value;
       2. if the parties are unable to agree upon the fair market value within 20 Business Days after the Trigger Date, a professional business valuator, accountant or other professional with expertise and experience valuing companies such as the Corporation who is acceptable to both parties or, failing such agreement, who is appointed by a Justice of the Superior Court of Justice (Ontario) (the **“Valuer”**) shall be retained to determine the fair market value of the Securities as at the Valuation Date and the Valuer shall calculate fair market value of the Securities by determining the fair market value of the Corporation and allocating such amount pro rata among the Shares and securities convertible into Shares;
       3. the valuation shall be made by the Valuer as an expert, and not as an umpire or arbitrator, and shall be final and binding on the parties and from which no appeal shall lie;
       4. fair market value shall be calculated:
          1. on the basis that the buyer is under no compulsion to buy and the seller is under no compulsion to sell,
          2. on a going concern basis,
          3. without any discount for minority interest or any premium for a controlling interest,
          4. if fair market value is being determined as a result of subsections 3.10(a)(i) or, in the case only of the disability of the Shareholder, 3.10(a)(iv), after consideration of any diminution in value resulting from the circumstances giving rise to such Transfer Event, and
          5. that there are no restrictions on Transfer and that there are no costs associated with determining the fair market value;
       5. notwithstanding the foregoing procedures, the parties may at any time prior to the delivery of a final and binding valuation be permitted to reach agreement on the fair market value of the Securities; and
       6. the costs of the foregoing valuation process costs shall be paid by the Corporation.

## Restriction on Issue

## Issuance of New Securities - The Corporation will not issue Shares or Securities without the approval of the Board. Any Person to whom Securities are to be issued including persons exercising options under any stock option plan, and any other options granted by the Board must become subject to all of the obligations of a Shareholder under this Agreement (in which case the Person to whom the Securities are to be issued will become entitled to exercise all the rights of a Shareholder under this Agreement) and agree to be bound by all of the provisions hereof as if they were original signatories hereto pursuant to an agreement in writing, in form and substance satisfactory to the other parties then bound by this Agreement acting reasonably. A purported issue of any Securities in violation of this Agreement will not be valid and the Corporation will not register, nor permit any transfer agent to register, any such Securities on the securities register of the Corporation, nor will any voting rights attaching to or relating to such Securities be exercised, nor will any purported exercise of such voting rights be valid or effective, nor will any dividend or distribution be paid or made on such Securities.

## Pre-emptive Rights - The Shareholders shall each have the right on any new issue of Securities, excluding any securities issued pursuant to any stock option plan which shall be excluded from this pre-emptive right, (a “New Issue”), in their absolute discretion, by notice given to the Corporation on or before a date determined by the Board, to purchase the Securities to be issued or acquired, up to the pro rata amount, based upon the aggregate number of Securities held by such Shareholder immediately following the last date on which Securities of the Corporation were issued in relation to the number of issued and outstanding shares of the Corporation following the completion of the last issue of Securities.

Pre-emptive Process – For greater certainty, the pre-emptive rights in favour of the Shareholders set out in this Section 3.11(b) shall apply mutatis mutandis to any newly created class of shares of the Corporation.

The pre-emptive rights described in this Section 3.11(b) may be exercised as follows:

* + - 1. New Shares Issued
         1. If the Corporation chooses to issue any additional share capital of any class or any securities convertible into or exercisable for Shares in the capital of the Corporation (the “**New Shares**”), the Corporation shall give each of the Shareholders fifteen (15) Business Days prior written notice of any proposed issuance of New Shares, and shall specify the price at which the New Shares are to be issued, the number of New Shares proposed to be issued, and the date upon which the Corporation intends to issue the New Shares. The Shareholders shall each then have fifteen (15) Business Days after receipt of such notice from the Corporation, to give notice to the Corporation whether they intend to exercise their rights under this Section 3.11(b) and the number of additional New Shares they intend to purchase, if any. This Section will not apply to the issue or sale of Securities in respect of Shares issuable pursuant to any bona fide employee, director and/or consultant stock option plan approved by a majority of the Board.

The purchase price for New Shares purchased by the Shareholders pursuant to this Section shall be the per share price paid for the New Shares by the other purchasers and approved by a majority of the Board.

* + - 1. Exercise of Rights
         1. A Shareholder’s notice under this Section 3.11(b) shall set forth the number and class of additional New Shares it is subscribing for and the purchase price payable for such additional New Shares. The purchase price shall be paid to the Corporation on the closing of the New Issue transaction. Upon receipt of payment, the Corporation shall issue to the applicable Shareholder the number of additional New Shares subscribed for, as fully paid and non-assessable Shares in the capital of the Corporation, free and clear from all encumbrances of any kind whatsoever.

# CLOSING OF PURCHASES

## Closing

The closing of any purchase of Shares or other securities convertible into Shares of the Corporation (**“Purchased Securities”)** by one or more Shareholders from another Shareholder or the Corporation pursuant to this Agreement shall be held at the head office of the Corporation at 10:00 a.m. (local time) on the prescribed date and shall be subject to the following terms and conditions:

##### the Shareholder(s) or the Corporation (the **“Purchaser”**) who is to acquire Purchased Securities shall pay the applicable purchase price (by certified cheque or bank draft) to the Shareholder(s) (the **“Vendor”**) who is to sell the Purchased Securities and the Vendor shall deliver to or to the order of the Purchaser certificates for the Purchased Securities to be acquired, duly endorsed for transfer, free and clear of all liens, mortgages, charges, security interests and other encumbrances;

##### the Vendor and its nominees, if any, shall resign in writing the positions which they then hold with the Corporation and, if applicable, its subsidiaries, to the extent that immediately following the completion of the purchase, the Vendor would not be entitled to hold, or to have its nominees hold, the positions in question;

##### if the Purchased Securities are subject to any lien, pledge, security interest or encumbrance or if the Vendor owes any money to the Corporation or the Purchaser, as determined by the auditor of the Corporation, the Purchaser shall have the right to deduct from the amount otherwise required to be paid to the Vendor, the amount required to discharge all such liens, pledges, security interests or encumbrances and repay any monies so owing by the Vendor and such amount shall be used accordingly; and

##### if, on the date of closing of the transaction, the Vendor fails or refuses to complete the transaction, then the Purchaser shall have the right, on payment of the purchase price for the Purchased Securities into any chartered bank or trust company in the City of Toronto (provided notice is given to the Vendor of such payment) within 15 Business Days after the date of closing, to execute and deliver all such resolutions, transfers, resignations and other documents and instruments which may be necessary or advisable in order to complete the transaction and for such purpose, the Shareholders who may become Vendors appoint the Shareholders who may become Purchasers as their lawful attorney and agent, which appointment is coupled with an interest, with full power and authority to execute for and in the name of and on behalf of the Vendor any deeds, transfers, conveyances, assignments, assurances, certificates and other documents and to do all things which the Vendor is required to do under the terms hereof.

# CONFIDENTIALITY AND OTHER COVENANTS

## Confidentiality

### Each Shareholder agrees that it shall not, without the prior written consent of the Corporation, directly or indirectly communicate or disclose to any Person, or use for any purpose other than in furtherance of the Corporation’s business (or the Shareholder’s own internal and non-competitive business purposes, and then only to its own employees or advisors), any knowledge or information acquired by such Shareholder relating to or concerning the technology, trade secrets, systems or any other confidential information regarding the property, business or affairs of the Corporation or any subsidiaries, nor shall it utilize or make available any such knowledge or information, directly or indirectly, in connection with the Transfer or proposed Transfer of any of its Shares or securities convertible into Shares (except as permitted pursuant to paragraph (b) of this Section) or in connection with the solicitation or acceptance of employment with any competitor of the Corporation. Each Shareholder who is (or whose Controlling shareholder is) a Corporation employee, agrees to deliver to the Corporation all documents and other media containing any confidential or proprietary information of the Corporation without retaining any copies thereof upon ceasing to be employed by the Corporation. For greater certainty, the foregoing obligations are in addition to any other confidentiality obligations under any employment or other agreement.

### In connection with any Transfer or proposed Transfer of its Shares or securities convertible into Shares, a Shareholder may disclose confidential information described above only after (i) obtaining the consent of a majority of the Board, and (ii) the execution by the Shareholder and proposed transferee and the Corporation of a suitable non-disclosure agreement protecting the Corporation from any subsequent disclosure of such information on a basis inconsistent with this paragraph by the Person to whom such information is proposed to be disclosed.

### The foregoing provisions shall not apply to information: (i) which is in the public domain; (ii) which the disclosing party can demonstrate through appropriate documentation was previously known to the disclosing party; (iii) which the disclosing party learned from a source other than the Corporation or a Shareholder, and without violation of this or any other non-disclosure obligation; or (iv) which is required to be disclosed by operation of law or the decision or order of a court or tribunal of valid jurisdiction.

### Each party acknowledges that disclosure of any confidential information regarding the Corporation in contravention of this Section may cause significant harm to the Corporation and that remedies at law may be inadequate to protect against a breach of this Section. Accordingly, each party agrees that the Corporation shall be entitled, in addition to any other relief available to it, to the granting of injunctive relief without proof of actual damages or the requirement to establish the inadequacy of any of the other remedies available to it. Each party covenants not to assert any defence in proceedings regarding the granting of an injunction or specific performance based on the availability to the Corporation of any other remedy.

## Compliance with Agreement

Each Shareholder agrees to vote and act as a shareholder of the Corporation to fulfil the provisions of this Agreement and in all other respects to comply with, and use all reasonable efforts to cause the Corporation to comply with, this Agreement.

## Compliance by Corporation

The Corporation undertakes to carry out and be bound by the provisions of this Agreement to the full extent that it has the capacity and power at law to do so.

# GENERAL

## Termination

Except for Section 5.01 which shall continue in the event of termination, this Agreement shall terminate upon the earlier of:

### (a) the written agreement of all of the Shareholders;

### (b) the dissolution or bankruptcy of the Corporation or the making by the Corporation of an assignment under the provisions of applicable bankruptcy or insolvency legislation;

### (d) with respect to any Shareholder, after such Shareholder no longer holds any Shares or securities convertible into Shares; or

### (e) upon one Person becoming the beneficial owner of all of the Shares and securities convertible into Shares.

## Application of this Agreement

The terms of this Agreement shall apply *mutatis mutandis* to any shares: (a) resulting from the conversion, reclassification, redesignation, subdivision or consolidation or other change of the Shares; and (b) of the Corporation or any successor body corporate which may be received by the Shareholders on a merger, amalgamation, arrangement or other reorganization of or including the Corporation. Prior to any such action being taken the parties shall give due consideration to any changes which may be required to this Agreement in order to give effect to the intent of this Section.

## No Status Created

Nothing contained in this Agreement shall be deemed in any way or for any purpose to constitute any Shareholder a partner, agent or legal representative of any other Shareholder in the conduct of any business or otherwise or a member of a joint venture or joint enterprise with any other Shareholder or to create any fiduciary relationship between them.

## Entire Agreement

This Agreement constitutes the entire agreement between the parties to this Agreement with respect to the subject matter of this Agreement and cancels and supersedes any prior understandings and agreements between the parties with respect to such subject matter, including any voting agreements entered into between the Shareholders prior to the date hereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties with respect to the subject matter of this Agreement other than those expressly set forth in this Agreement.

## Amendments and Waivers

Any waiver of any term or condition of this Agreement, or any amendment or supplementation of this Agreement, shall be effective only if in writing and if executed by Shareholders that hold in the aggregate sixty-six percent (66%) of the issued and outstanding Shares at the time. A waiver of any breach or failure to enforce any of the terms or conditions of this Agreement shall not in any way affect, limit, or waive a party’s rights hereunder at any time to enforce strict compliance thereafter with every term or condition of this Agreement.

## Assignment

Except in connection with a permitted transfer of Shares or securities convertible into Shares in accordance with this Agreement, none of the parties to this Agreement may assign its rights or obligations under this Agreement without the prior written consent of all of the other parties.

## Benefit of the Agreement

This Agreement shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the parties.

## Severability

If any provision of this Agreement is determined to be invalid, illegal or unenforceable by a court of competent jurisdiction from which no further appeal lies or is taken, that provision shall be deemed to be severed from this Agreement, and the remaining provisions of this Agreement shall not be affected thereby and shall remain valid and enforceable.

## Notices

All payments and communications which may be or are required to be given by any party to any other party, shall be in writing and (a) delivered personally, (b) sent by prepaid courier service, or (c) sent by telecopier or other similar means of electronic communication to the parties at their following respective address:

For Shareholder 1: 151 Charles St. West, Suite 100, Kitchener ON N2G 1H6

For Shareholder 2: 151 Charles St. West, Suite 100, Kitchener ON N2G 1H6

For Shareholder 3: 151 Charles St. West, Suite 100, Kitchener ON N2G 1H6

For the Corporation: 151 Charles St. West, Suite 100, Kitchener ON N2G 1H6

Attention: Board of Directors

Any such notice so given shall be deemed conclusively to have been given and received when so personally delivered or sent by telecopier or other electronic communication or on the first Business Day following the sending thereof by courier. Any party may from time to time change its address hereinbefore set forth by notice to the other parties in accordance with this section.

## Time of Essence

Time is of the essence in the performance of the Shareholders’ respective obligations.

## Approvals and Consents

Whenever a provision of this Agreement requires an approval or consent by a party, then unless otherwise specifically noted in the particular section, such consent shall not be unreasonably withheld or delayed, and if notification of such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the party whose consent or approval is required shall be conclusively deemed to have withheld its consent or approval.

## Independent Legal Advice

The Shareholders acknowledge that McCarter Grespan Beynon Weir LLP is acting as the Corporation’s solicitors. Each of the parties hereto acknowledge that they have obtained independent legal advice in connection with this Agreement and have executed this Agreement with the a full understanding of their rights and obligations pursuant to this Agreement or, if they have not obtained independent legal advice, they acknowledge that they have been advised to obtain independent legal advice, that they have been given the opportunity to do so, however they have freely chosen not to obtain such advice and have executed this Agreement believing they have a full understanding of their rights and obligations pursuant to this Agreement.

## Counterparts

This Agreement may be executed in one or more counterparts (by original or facsimile signature), each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument.

**IN WITNESS OF WHICH** the parties have executed this Agreement.

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|  | |  | **SCIGIT INC.** | |
|  |  |  | Per: |  |
|  |  |  |  | Name: Erik Chun Ho Title: Director |

SIGNED, SEALED and DELIVERED )

in the presence of )

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Witness: ) Shareholder 1 – **Erik Chun Ho**

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Witness: ) Shareholder 2 – **Doug Sherk**

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Witness: ) Shareholder 3 – **Hanson Wang**