

THIS TEMPORARY EMPLOYMENT AGREEMENT made this 1st day of May, 2013;

BETWEEN:

YADI LUCY XING, of the City of Toronto, in the Province of Ontario,

(the "Employee")
OF THE FIRST PART

- and -

KAROS HEALTH INCORPORATED, a corporation
incorporated pursuant to the laws of Ontario,

(the "Corporation")

OF THE SECOND PART.

WHEREAS:

- A. The Corporation wishes to hire and retain the services of the Employee as an employee of the Corporation in the capacity of **Software Developer/QA**.
- B. The Employee wishes to become an employee of the Corporation in that capacity.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants herein contained and the sum of \$1 now paid by each Party hereto to each other Party hereto (the receipt and sufficiency whereof is hereby acknowledged), the Parties hereto agree as follows:

ARTICLE 1 – INTERPRETATION

1.01 Definitions: In this Agreement:

- (a) "Board of Directors" means the board of directors of the Corporation;
- (b) "Cause" means cause as defined at law in Ontario and shall also include, without limitation:

(1) the Employee's wilful and continued failure to substantially perform his duties as set by the Board of Directors (other than any such failure resulting from incapacity due to illness which does not amount to disability) after written notice by the Corporation of his failure to do so and an opportunity for the Employee to correct the same within a reasonable time from the date of receipt of such notice;

(2) theft or fraud;

(3) the wilful engaging by the Employee in material misconduct involving the property, business or affairs of the Corporation or the carrying out of his duties in a manner which the Board of Directors of the Corporation reasonably believes is or may be materially injurious to the Corporation;

(4) gross negligence or gross incompetence in the carrying out of the Employee's duties which the Board of Directors of the Corporation reasonably believes is or may be materially injurious to the Corporation; or

(5) breach of the non-competition, non-solicitation and confidentiality covenants contained in the Employee Non-Disclosure, Development and Non-Competition Undertaking signed by the employee contemporaneously with this Agreement.

1.02 Entire Agreement: This Agreement and the Employee Non-Disclosure, Development and Non-Competition Undertaking signed by the Employee contemporaneously with this Agreement constitute the entire agreement between the Parties pertaining to its subject matter and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the Parties and there are no warranties, representations or other agreements between the Parties in connection with its subject matter except as specifically set forth in this Agreement. No supplement, modification, amendment or waiver of this Agreement and the Employee Non-Disclosure, Development and Non-Competition Undertaking shall be binding unless executed in writing by both of the Parties.

1.03 Extended Meanings: In this Agreement, words importing the singular number include the plural and vice versa and words importing gender include both genders.

1.04 Headings: The division of this Agreement into Articles, Sections and Subsections and the insertion of headings are for convenience of reference only and shall not affect its construction or interpretation.

1.05 Laws of Ontario: This Agreement shall be governed by and construed in accordance with the laws in force in the Province of Ontario and shall be treated in all respects as an Ontario contract. The Parties submit to the jurisdiction of the Courts of Ontario with respect to any

dispute, claim or other matter arising under this Agreement and the Courts of Ontario shall have exclusive jurisdiction with respect to any such dispute, claim or other matter.

1.06 Business Day: In the event that any action to be taken under this Agreement falls on Saturday, Sunday or on a public holiday in the Province of Ontario, then such action shall be taken on the next succeeding business day.

ARTICLE 2 - APPOINTMENT AND TERM

2.01 Appointment: The Corporation shall employ the Employee commencing **September 3, 2013** (the "Start Date") and terminating on **December 20, 2013** (the "Finish Date").

2.02 Remuneration: The remuneration of the Employee shall be as set out in Schedule A to this Agreement.

2.03 Duties: The Employee shall perform and carry out faithfully all the work, services, instructions and responsibilities from time to time assigned to the Employee by the Corporation. The Employee shall devote the Employee's full time, skill, labour and attention to the Employee's duties and to the interests of the Corporation and use the Employee's best efforts to promote, develop and extend the interests of the Corporation.

2.04 Termination: The employment of the Employee may be terminated at any time:

- (a) for Cause without notice or payment in lieu of notice;
- (b) by mutual consent;
- (c) by the Corporation without Cause;
- (d) by the Employee giving to the Corporation one months' notice of resignation; or
- (e) by the death or disability of the Employee (disability shall occur in the event the Employee is physically or mentally incapable of substantially performing the Employee's duties for an aggregate period of six (6) months, whether or not consecutive, in any one year period). Notwithstanding the foregoing, the Corporation recognizes its obligation to accommodate an employee with a disability to "the point of undue hardship".

In the event that this Agreement is terminated pursuant to subsection 2.04 (a), (b), (d) or, (e) herein, then the Employee shall not be entitled to notice, payment in lieu of notice or severance of any nature whatsoever, other than compensation, earned by the Employee before the date of termination calculated pro rata up to the date of termination.

In the event that this Agreement is terminated pursuant to subsection 2.04 (c) herein

within the first three months of employment, the Employee shall receive those entitlements, if any, as set out in the Ontario *Employment Standards Act, 2000* ("ESA") in full satisfaction of any amounts due to the Employee under the ESA, this Agreement and under Common Law.

2.05 Employee Non-Disclosure, Developments and Non-Compete Undertaking. The Employee acknowledges that the Employee has executed and is bound by the undertaking attached as Schedule B, which is incorporated into and forms part of this Agreement.

2.06 Criminal and Vulnerable Sector Background Check: This offer is conditional upon provision of a clear Criminal Background Check and Vulnerable Sector Check (the "Checks"). Employee is required to apply for the Checks immediately upon acceptance of this offer, and to provide the proof of application within one (1) week of acceptance of this offer. The Corporation will reimburse you for the cost of applying for the Checks. Employees continued employment with the Corporation is dependent upon provision of clear Checks within 24 hours of receipt of the Check by you. If you fail to provide clear Checks within that time, the Corporation may terminate your employment for Cause. The Corporation may require you to apply for and produce original, clear Checks from time to time during the tenure of your employment with the Corporation, and failure to comply with such requests may constitute Cause for termination of employment.

ARTICLE 3 – GENERAL

3.01 Notices: Any notices, demands and other communications hereunder shall be in writing and shall be deemed to have been given if delivered or sent by facsimile:

(a) if to the Employee, at:

2027-100 Mornelle Court
Toronto, ON
M1E 4X2

(b) if to the Corporation, at:

Karos Health Incorporated
Attention: Rick Strooboscher
7 Father David Bauer Drive
Suite 201
Waterloo, ON
N2L 0A2

(c) with a copy to:

Gowling Lafleur Henderson LLP
Attention: John Hiscock
50 Queen Street North
Suite 1020
Kitchener, ON
N2H 6M2
Facsimile No.: +1 (519) 571-5043

or at such other address or number as the Party to whom such notice, demand or other communication as may hereafter have designated by notice given in the manner provided in this Section; and if so delivered or sent by facsimile, shall be deemed to have been given on the business day following the date of delivery or transmission.

3.02 No Assignment: Neither this Agreement nor any of the rights or obligations of any Party may be assigned without the prior written consent of each other Party to this Agreement.

3.03 Successors and Assigns: This Agreement shall enure to the benefit of and be binding upon each Party and its heirs, executors, administrators, successors and permitted assigns.

3.04 Independent Legal Advice: The Employee acknowledges that the Employee has been advised that the Employee should obtain independent legal advice as to the terms of this Agreement. The Employee expressly declares and acknowledges that the Employee has sought and received such legal advice.

3.05 Severability: If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision and everything else in this Agreement shall continue in full force and effect.

3.06 Execution by Facsimile: Execution and delivery of a facsimile transmission of this Agreement shall constitute, for purposes of this Agreement, delivery of an executed original and shall be binding upon the Party whose signature appears on the transmitted copy. Any Party so executing this Agreement hereby undertakes to originally execute and deliver to the other Parties hereto a copy of this Agreement as soon as possible after execution by facsimile.

3.07 Currency: All dollar amounts herein are expressed in Canadian dollars, unless otherwise stated.

SIGNED, SEALED AND DELIVERED
in the presence of

by: _____
Name: Rick Strooboscher
Title: President & CEO

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Schedule "A"

REMUNERATION, BENEFITS AND REPORTING

1. The salary of the Employee for the terms of this Agreement shall be at the fixed rate of \$850 Cdn per week, for a 40 hour work week payable in accordance with the Corporation's normal payroll policies in effect from time to time.
2. During the term of their employment with the Corporation, the Employee shall be reimbursed for all reasonable travel and business expenses incurred by them in the performance of their duties hereunder, in accordance with the Corporation's expense policy in effect from time to time. As a condition to the reimbursement of such expenses, the Employee shall furnish to the Corporation receipts for expenses incurred.
3. The Employee shall report to the Director of Product Development.

Schedule "B"

**EMPLOYEE NON-DISCLOSURE, DEVELOPMENTS AND NON-COMPETE
UNDERTAKING**

TO: Karos Health Incorporated and its subsidiaries, affiliates and related entities (collectively, the "Corporation")

In consideration of my employment by the Corporation together with the sum of \$1.00 now paid by the Corporation to me, I hereby agree and undertake as follows:

ARTICLE 1 - CONFIDENTIAL INFORMATION

- 1.1 I agree to keep confidential at all times, whether during or after the termination of my employment, and not to disclose, directly or indirectly, or assist others in so disclosing, to any person, firm, corporation or other entity any Confidential Information. The term "Confidential Information" means any information concerning the organization, business, products, services or finances of the Corporation or of any third party which the Corporation is under an obligation to keep confidential that is maintained by the Corporation as confidential. Such Confidential Information includes, but is not limited to, trade secrets or confidential information respecting inventions, products, data, algorithms, designs, methods, know-how, techniques, systems, processes, software programs, works of authorship, customer lists, projects, plans and proposals and any notes, memoranda, reports, lists, records, drawings, sketches, specifications, software programs, data, documentation or other materials of any nature and in any form, whether written, printed, or in digital format or otherwise, relating to any matter within the scope of the business of the Corporation or concerning any of its dealings or affairs.
- 1.2 I agree to use the Confidential Information in the course of employment solely for the benefit of the Corporation and disclose the Confidential Information only to such other the Corporation employees who have a need to know the Confidential Information. I shall not use any Confidential Information in any manner which may injure or cause loss or may be calculated to injure or cause loss, whether directly or indirectly, to the Corporation. I acknowledge and agree that, with respect to all Confidential Information, I am in a position of trust and subject to a fiduciary duty to use the Confidential Information only in the interests of the Corporation.
- 1.3 The foregoing obligations do not apply to the extent that the Confidential Information is or becomes generally available to the public through no fault on my part. I am not prohibited from disclosing Confidential Information if directly ordered to do so by a court or governmental agency; however, I agree that before doing so, I will give prompt notice to the Corporation of any possible order or any legal or governmental proceeding that may result in such an order and will not disclose any Confidential Information until the Corporation has been given a reasonable opportunity to prevent or limit such disclosure.
- 1.4 I agree that, if requested to do so by the Corporation and, in any event, immediately upon the termination of my employment, I shall deliver all Confidential Information in my possession, care or control to the Corporation.
- 1.5 I hereby represent and warrant that my employment with the Corporation and the assignment of the intellectual property to the Corporation referred to in Schedule "A" hereto will not result in a breach of any non-disclosure, non-competition or confidentiality agreement or obligation to which I may be subject. During the course of my employment I shall not use or disclose to the Corporation the confidential or proprietary information of any third party.

ARTICLE 2 - EMPLOYEE DEVELOPMENTS

- 2.1 All Works conceived, created, invented, produced, designed or reduced to practice by me, alone or with others, at any time or times during the term of my employment with the Corporation shall be owned by the Corporation. I shall communicate to the Corporation, without cost or delay, and without disclosing to others the same, all available information relating to such Works (with all necessary documentation, code, specifications, plans and models).
- 2.2 Notwithstanding anything to the contrary contained in this Agreement, any provision of this Agreement which provides for me to assign or offer to assign any of my rights in a Work shall not apply to any invention developed entirely on my own time without using the Corporation's equipment, supplies, facilities or trade secrets except for those inventions that (i) relate, at the time of conception or reduction to practice of the invention to the Corporation's business or actual or demonstrably anticipated research or development or (ii) result from any work performed by me for the Corporation. Works or inventions relative to the subject matter of any service as an employee of the Corporation that I created prior to my employment are set forth in Schedule "C".
- 2.3 The term "Works" includes, but is not limited to inventions, modifications, discoveries, designs, developments, documentation, improvements, artistic works, designs, products, processes, techniques, know-how, details of ideas, concepts, business opportunities, compilations of data, confidential reports, algorithms, formulas, computer codes in either source code and object code, computer or software programs, works of authorship, trade secrets, enhancements and/or modifications to any computer or software codes or computer or software programs or any intellectual property rights whatsoever or any interest therein (whether or not patentable or registerable under copyright, trade-mark or similar legislation or subject to analogous protection).
- 2.4 I agree to not knowingly incorporate into the Works of the Corporation any virus or other harmful code or any Works of any other person, firm, corporation or other entity.
- 2.5 I agree to not incorporate into the Works of the Corporation any intellectual property or other property owned by any third party, including without limitation my former employers.
- 2.6 I agree that I will not bring onto the premises of the Corporation any unpublished document or any property belonging to my former employers or companies.

ARTICLE 3 - ASSIGNMENT OF RIGHTS TO WORKS

- 3.1 In addition to the right of the Corporation as owner of the Works, in the event that any interest in the Works vests in me, I hereby assign to the Corporation all of the right, title and interest I have or may acquire in any Works without further compensation including, without limitation, rights to any copyright (including, without limitation, all reversionary interests and rights of renewal in and to the copyright to the Works, the right to create derivative works which modify or alter the Works), patent and design rights (including, without limitation, the right to file patent applications and to claim a right of priority under applicable international conventions) trade-marks and other intellectual property rights.
- 3.2 I hereby waive and agree to waive my moral rights to the Works which are acknowledged to include the right to the integrity of the Works and the right, where reasonable in the circumstances, to be associated with the Works as an author by name or under a pseudonym and the right to remain anonymous when any translation of the Works is produced, performed or published.

ARTICLE 4 - NON-SOLICITATION

- 4.1 During my employment by the Corporation, and for a period of twelve months from the date of the termination of such employment (the "Applicable Period"), I shall not myself nor on behalf of or in connection with any other person, firm, corporation or other entity, directly or indirectly, in any capacity whatsoever including, without limitation, as an employer, employee, director, principal, agent, joint venturer, partner, shareholder or other equity holder, independent contractor, licensor, licensee, franchiser,

franchisee, distributor, consultant, supplier, cooperative, partnership, trust, entity with juridical personality, unincorporated association or otherwise:

- a) canvass or solicit or accept any business from any customer or Prospective Customer of the Corporation (the term "Prospective Customer" means any person or entity canvassed or solicited by The Corporation at any time up to the date upon which I cease to be employed by the Corporation) for the purpose of providing to such customer or Prospective Customer products or services competitive or similar to those from time to time being designed, developed, and, but for any products of third party licensors of the Corporation, licensed, marketed or sold by the Corporation;
- b) employ, offer employment to or solicit the employment or engagement of or otherwise entice away from the employment of the Corporation any individual who is employed by the Corporation or who resigns from employment by the Corporation in order to accept an offer of employment from me;
- c) procure or assist any person or entity to employ, offer employment to or solicit the employment or engagement of or otherwise entice away from the employment of the Corporation any individual who is employed by the Corporation or who resigns from employment by the Corporation in order to accept an offer of employment from any such person or entity; or
- d) interfere or attempt to interfere with the Corporation's business or persuade or attempt to persuade any customer, Prospective Customer, employee or supplier of the Corporation to discontinue or alter such person's relationship with the Corporation.

- 4.2 Nothing in this Agreement shall prohibit me from holding for investment purposes only up to 2% of the issued publicly-traded shares of a corporation engaged in a business the same as or similar to the business presently carried on by the Corporation.

ARTICLE 5 - NON-COMPETITION

- 5.1 During the term of my employment with the Corporation, and for a period of twelve months from the date of the termination of such employment, I shall not act in North America, or any other country in which the Corporation then distributes or sells its products and services, directly or indirectly, alone or as a partner, officer, director, employee, consultant, agent, independent contractor or shareholder of any entity that:

- a) is in competition with the products or services designed, developed and, but for the products of any third party licensors of the Corporation, licensed, marketed or sold by the Corporation,
- b) intends to design, develop, license, market or sell products or services which are in competition with the products or services designed, developed (or in the process of being designed or developed) and, but for the products of any third party licensors of the Corporation, licensed, marketed or sold by the Corporation, or
- c) as a result of, or following my employment with such person, intends or develops an intention, to design, develop, license, market or sell products or services which are in competition with the products or services being designed, developed and, but for the products of any third party licensor of the Corporation, licensed, marketed or sold by the Corporation.

- 5.2 If my employment with the Corporation ceases for any reason whatsoever, I will inform each new employer prior to accepting employment, of the existence of this Agreement and provide that employer with a copy of it. However, as long as I do not violate any of the terms of this Agreement, I will be free to exercise my skills and abilities with any other employer after termination of my employment with the Corporation.

ARTICLE 6 - INJUNCTION

- 6.1 I understand and agree that the Corporation will suffer irreparable harm if I breach any of my obligations under this Agreement and that monetary compensation will be inadequate to compensate the Corporation for such breach. I therefore agree that, in the event of a breach or threatened breach of this Agreement or any of its provisions by me, the Corporation is entitled, in addition to any of the other rights, remedies or damages available to the Corporation, to a temporary restraining order, a preliminary injunction and a permanent injunction in order to prevent or to restrain any breach by me or any of my partners, co-venturers, employers, employees, agents, representatives or any other persons directly or indirectly acting for me.

ARTICLE 7 - FURTHER DOCUMENTS

- 7.1 I will, both during and after my employment period, at the request of and cost to the Corporation, sign execute, make and do all deeds, documents, acts and things as the Corporation and its authorized agents may reasonably require:
- a) to apply for, obtain, register and vest in the Corporation's name alone, letters patent, copyrights, trademarks or other analogous protection in any country throughout the world with respect to the Works and, when so obtained or vested, to renew and restore the same; and
 - b) to defend any judicial opposition or proceedings in respect of such applications (including but not limited to petitions or applications for revocation of letters patent, copyright, trademark or other analogous protection).
- 7.2 In the event that I am unable or unwilling to execute any document as reasonably required to protect the Works and to file copyright, patent, trademark and/or design applications, I hereby irrevocably appoint the Chief Executive Officer of the Corporation as my attorney to execute such documents on my behalf.

ARTICLE 8 - NOTICE OF RESIGNATION BY EMPLOYEE

- 8.1 In the event that I choose to resign from or terminate my employment with the Corporation, I will give the Corporation one months written notice of my intended termination date. During the period of notice, I will continue to fulfill all of my duties and obligations as an employee of the Corporation and give my full time and attention to my employment.

ARTICLE 9 - GENERAL

- 9.1 My obligations under this Agreement shall survive the termination of my employment regardless of the manner of such termination and shall be binding upon my heirs, executors, administrators and legal representatives.
- 9.2 I understand that this Agreement does not create an obligation of the Corporation or any other person or entity to continue my employment. The Corporation shall have the right to assign this Agreement to its successors and assigns, and all covenants and agreements hereunder shall inure to the benefit of and be enforceable by said successors or assigns.
- 9.3 I hereby represent and warrant that I am not a party to or bound by the terms of any agreement with any previous employer or any other party that would prevent me from performing services for the Corporation.
- 9.4 This clause had been deleted.
- 9.5 I hereby agree that each provision herein shall be treated as a separate and independent clause, and the unenforceability of any one clause shall in no way impair the enforceability of any of the other clauses herein. Moreover, if one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to scope, activity, subject or otherwise so as to be unenforceable at law, such provision or provisions shall be construed by the appropriate judicial body by limiting or reducing it or

them, so as to be enforceable to the maximum extent compatible with the applicable law as it shall then appear.

- 9.6 My obligations under this Agreement are in addition to and not in substitution for: (i) any fiduciary duty I may owe to the Corporation; and (ii) all protections afforded to the Confidential Information at law and in equity.
- 9.7 This Agreement constitutes the entire agreement between the Corporation and me pertaining to the subject matter hereof and supersedes all prior or contemporaneous agreements, whether oral or written, relating to the subject matter hereof, including any provisions relating to the subject matter hereof contained in any employment agreement between the Corporation and me. This Agreement shall apply notwithstanding any change in my employment or employer within the Corporation.
- 9.8 The Corporation may waive any breach by me of any provision of this Agreement expressly in writing in its sole discretion. Any waiver by the Corporation of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach of such provision or any other provision hereof.
- 9.9 I have carefully read and considered the provisions of this Agreement and, having done so, I agree that the restrictions set forth in this Agreement are fair and reasonable and are reasonably required for the protection of the interests of the Corporation and its business, officers, directors and employees.
- 9.10 This Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario without regard to its conflict of laws rules.

DATED this 1st day of May 2013.



Signature of Witness

DEANNA BURROWS

Name of Witness



Signature of Employee

Yadi Lucy Xing

Schedule "C"

PRIOR INVENTIONS AND PATENTS

I set forth below any works or inventions or patents pending or otherwise relative to the subject matter of any service that I perform as an employee of the Corporation that I created prior to employment with the Corporation:

[nil—to be completed by each employee]



UNIVERSITY OF
TORONTO
SCARBOROUGH

Work Term Agreement

Arts & Science Co-op Programs

1265 Military Trail, Toronto, Ontario M1C 1A4 | T: 416-287-7260 | F: 416-287-7273 | askcoop@utsc.utoronto.ca

Please return this form to the Arts & Science Co-op Office either fax or mail. Our contact information is outlined above.

Student Name:	Lucy Xing	Program:	Computer Science
Employer Organization:	Karos Health		
Student's Supervisor:	Rick Strooboscher	Title:	President and CEO
Address: 7 Father David Bauer Dr, Suite 201			
City: Waterloo	Province: Ontario	Postal Code: N2L 0A2	
Telephone #: 519-594-0940 ext 201	Fax #:		
Email & web address: www.karoshealth.com			
Number of Work Terms (check one option):	1X	2	3
Work Term Duration:	4 months X	8 months	Other, please specify:
Start Date: Septemeber 2, 2013	End Date:		December 20, 2013
No. of Hours of Work per Week: 40	Rate of Pay:		\$850 per week (Hourly, weekly, bi-weekly, monthly or annual)

Responsibilities of the Co-op Employer:

- Fill out a clearly defined job description(s) for the Co-op student(s), append it to this agreement and submit both by fax to the Co-op Office.
- Supervise and guide the student during the work term and report any problems to Co-op Office.
- Complete a mid-term evaluation form and final evaluation form and discuss them with the Co-op student. Then submit the forms to the Co-op Office by the dates indicated.
- Pay the student according to the rate of pay and hours of work outlined above.

Supervisor's Signature

Supervisor's Name (Print)

Date

Student's Signature

Student's Name (Print)

Date

Trying On Hats

Twice a year, we run an extern program which is only open to current U of T Scarborough Arts & Science Co-op employers. This program pairs a first year student with a student currently on work term and their work term supervisor for ½ day, 1 day or up to 5 days. There is no charge for participating. Are you interested in hosting a student?

Yes No Please send more info.

If yes, for which session: Winter Summer both