UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of theSecurities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 23, 2023

INPIXON

(Exact name of registrant as specified in its charter)

Nevada	**001-36404**	**88-0434915**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

2479 E. Bayshore Road, Suite 195 Palo Alto, CA	**94303**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(408) 702-2167**

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

☒ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Trading Symbol(s)**	**Name of Each Exchange on Which Registered**
Common Stock	INPX	The Nasdaq Stock Market LLC

Item 1.01 Entry Into a Material Agreement.

As previously reported, on July 24, 2023, Inpixon entered into an Agreement and Plan of Merger with XTI Aircraft Company (the "XTI Merger Agreement"). As a condition to closing the transactions contemplated by the XTI Merger Agreement (the "Proposed XTI Transaction"), Inpixon is required to complete the divestiture of its Shoom, SAVES and Game Your Game lines of business and investment securities, as applicable, by any lawful means, including a sale to one or more third parties, spin off, plan of arrangement, merger, reorganization, or any combination of the foregoing (the "Solutions Divestiture"). The Distribution (as defined below), if completed, would constitute part of the Solutions Divestiture.

On October 23, 2023, Inpixon entered into a Separation and Distribution Agreement (the "Separation Agreement") with Grafiti Holding Inc., a British Columbia corporation and newly formed wholly-owned subsidiary of Inpixon ("Grafiti"), pursuant to which Inpixon plans to transfer to Grafiti all of the outstanding shares of Inpixon Ltd., a United Kingdom (the "UK") limited company that operates Inpixon's SAVES line of business in the UK ("Inpixon UK"), such that Inpixon UK will become a wholly-owned subsidiary of Grafiti (the "Reorganization"). Following the Reorganization and subject to conditions in the Separation Agreement, Inpixon will spin off Grafiti (the "Spin-off") by distributing to Inpixon stockholders and certain securities holders as of a record date to be determined (the "Participating Securityholders") on a pro rata basis all of the outstanding common shares of Grafiti (the "Grafiti Common Shares") owned by Inpixon (the "Distribution"), subject to certain lock-up restrictions and subject to registration of the Grafiti Common Shares pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or the Securities Act of 1933, as amended (the "Securities Act"), as further described below.

On October 23, 2023, Inpixon entered into a Business Combination Agreement (the "Business Combination Agreement"), by and among Inpixon, Damon Motors Inc., a British Columbia corporation ("Damon"), Grafiti, and 1444842 B.C. Ltd., a British Columbia corporation and a newly formed wholly-owned subsidiary of Grafiti ("Amalco Sub"), pursuant to which it is proposed that Amalco Sub and Damon amalgamate under the laws of British Columbia, Canada with the amalgamated company (the "Damon Surviving Corporation") continuing as a wholly-owned subsidiary of Grafiti (the "Business Combination"). The Business Combination is subject to material conditions, including approval of the Business Combination by securities holders of Damon, approval of the issuance of Grafiti Common Shares to Damon securities holders pursuant to the Business Combination Agreement by a British Columbia court after a hearing upon the fairness of the terms and conditions of the Business Combination Agreement as required by the exemption from registration provided by Section 3(a)(10) under the Securities Act, and approval of the listing of the Grafiti Common Shares on the Nasdaq Stock Market ("Nasdaq") after giving effect to the Business Combination. Upon the consummation of the Business Combination (the "Closing"), both Inpixon UK and the

Damon Surviving Corporation will be wholly-owned subsidiaries of Grafiti, which will adopt a new name as determined by Damon. Grafiti, after the Closing, is referred to herein as the "combined company." Pursuant to the Business Combination Agreement, the parties will take all necessary action so that at the Closing, the board of directors of the combined company will consist of such directors as Damon may determine, subject to the independent requirements under the Nasdaq rules, and provided that at least one director will be nominated by Grafiti.

Holders of Grafiti Common Shares, including Participating Securityholders and management that hold Grafiti Common Shares immediately prior to the closing of the Business Combination, are anticipated to retain approximately 18.75% of the outstanding capital stock of the combined company determined on a fully diluted basis, which includes up to 5% in equity incentives which may be issued to Inpixon management.

Inpixon expects that there will be no public trading market for the Grafiti Common Shares unless the Business Combination is consummated.

Transaction Documents

Separation Agreement

On October 23, 2023, Inpixon entered into the Separation Agreement with Grafiti, pursuant to which, among other things, Inpixon plans to complete the Reorganization, following which, subject to conditions in the Separation Agreement, Inpixon plans to spin off Grafiti by distributing to Inpixon Participating Securityholders on a pro rata basis all of the outstanding Grafiti Common Shares owned by Inpixon, subject to certain lock-up restrictions and subject to registration of the Grafiti Common Shares pursuant to the Exchange Act or the Securities Act.

The Separation Agreement also sets forth other agreements among Inpixon and Grafiti related to the Spin-off, including provisions concerning the termination of certain intercompany agreements and settlement of intercompany accounts. Grafiti will also enter into an assignment and assumption agreement and a transition services agreement with Inpixon prior to completion of the Spin-off to facilitate the separation of the Grafiti business and the operation of Grafiti and Inpixon as independent public companies.

Consummation of the Spin-off is subject to customary conditions, including the following material conditions, (i) the transfer of Inpixon UK and related liabilities to Grafiti in accordance with the Separation Agreement will have been completed, and (ii) the Grafiti Common Shares shall have been registered under the Exchange Act or the Securities Act in connection with the Distribution.

The foregoing description of the Separation Agreement is not complete and is qualified in its entirety by reference to the Separation Agreement, a copy of which is filed as Exhibit 2.1 to this Current Report on Form 8-K (this "Current Report") and incorporated herein by reference.

Business Combination Agreement

Structure and Consideration

In accordance with a plan of arrangement under the Business Corporations Act (British Columbia), at the effective time of the Business Combination (the "Effective Time"):

(i) Each convertible note of Damon ("Damon Notes") issued and outstanding immediately prior to the Effective Time shall be automatically converted into such number of common shares of Damon ("Damon Common Shares") such that following the exchange of such Damon Common Shares by applying the Exchange Ratio (as described below) in accordance with the Business Combination Agreement, the holders of the Damon Notes will receive such number of Grafiti Common Shares that they are entitled to receive upon a Public Company Event (as such term is defined in the Damon Notes).

(ii) Each simple agreement for future equity of Damon ("Damon SAFE") issued and outstanding immediately prior to the Effective Time shall be automatically converted into such number of Damon Common Shares such that following the exchange of such Damon Common Shares by applying the Exchange Ratio in accordance with the Business Combination Agreement, the holders of Damon SAFEs will each receive such number of Grafiti Common Shares that they are entitled to receive in accordance with the terms of the Damon SAFEs.

(iii) Each share of Class A Series 1 preferred shares, Class A Series 2 preferred shares, Class B preferred shares, seed preferred shares of Damon and any other class or series of Damon preferred shares (collectively, the "Damon Preferred Shares") issued and outstanding immediately prior to the Effective Time (other than Damon Preferred Shares held by dissenting holders) shall be automatically converted into such number of Damon Common Shares as set out on a schedule to be attached to the plan of arrangement.

(iv) All Damon Common Shares issued and outstanding immediately prior to the Effective Time, inclusive of all Damon Common Shares issued pursuant to the foregoing paragraphs (i), (ii) and (iii) (other than Damon Common Shares and Damon Preferred Shares (collectively, "Damon Shares") held by dissenting holders) will be transferred and assigned to Grafiti in consideration for a number of Grafiti Common Shares determined by multiplying such number of Damon Common Shares by the Exchange Ratio.

(v) Each option (whether vested or unvested) to purchase Damon Shares ("Damon Options") issued and outstanding immediately prior to the Effective Time will be exchanged for an option (a "Converted Option") (i) to acquire, subject to substantially the same terms and conditions as were applicable to the Damon Options, a number of Grafiti Common Shares (rounded down to the nearest whole share) equal to the product of (A) the number of Damon Common Shares underlying such Damon Option, *multiplied by* the Exchange Ratio, (ii) at an exercise price per share (rounded up to the nearest whole cent) equal to (a) the exercise price per share of such Damon Option immediately prior to the Effective Time *divided by* (B) the Exchange Ratio.

(vi) Each warrant to purchase Damon Shares ("Damon Warrant") issued and outstanding immediately prior to the Effective Time, will be exchanged for a warrant (a "Converted Warrant") (i) to acquire, subject to substantially the same terms and conditions as were applicable under such Damon Warrant, a number of Grafiti Common Shares (rounded down to the nearest whole share) equal to the product of (A) the number of Damon Common Shares underlying such Damon Warrant, *multiplied by* (B) the Exchange Ratio, (ii) at an exercise price per share (rounded up to the nearest whole cent) equal to (A) the exercise price per share of such Damon Warrant immediately prior to the Effective Time *divided by* (B) the Exchange Ratio.

(vii) Each share of Amalco Sub issued and outstanding immediately prior to the Effective Time will be exchanged into and become one newly issued, fully paid and nonassessable share of the corporate entity resulting from the amalgamation ("Damon Surviving Company").

(viii) As consideration for the issuance by Grafiti of Grafiti Common Shares described in paragraph (iv), Damon Surviving Company shall issue to Grafiti one common share in its capital for each share of Grafiti Common Shares issued pursuant to the transactions described in paragraph (iv).

The Exchange Ratio is defined in the Business Combination Agreement as the quotient of (A) the difference of (i) the quotient of the fully diluted shares of Grafiti immediately prior to the Closing divided by 18.75% *minus* (ii) the fully diluted shares of Grafiti immediately prior to the Closing;*divided by* (B) the fully diluted shares of Damon immediately prior to the Closing.

Representations and Warranties & Covenants

Pursuant to the Business Combination Agreement, Damon, Grafiti, Amalco Sub and Inpixon each made representations and warranties, which will not survive the Effective Date.

In addition, the parties to the Business Combination Agreement agreed to be bound by certain covenants including, among others, that (i) Grafiti shall promptly prepare and file with the Securities and Exchange Commission (the "SEC") a registration statement (the "Registration Statement") to register the Grafiti Common Shares to be distributed in the Distribution, (ii) within 30 days after the execution date of the Business Combination Agreement, Damon shall obtain executed support agreements from a sufficient number of Damon securityholders to approve the Business Combination and obtain executed lock-up agreements from Damon securityholders holding at least 95% of Damon's fully diluted shares, excluding holders of Company notes issued in the June 2023 Note Offering (as defined in the Business Combination Agreement), (iii) Grafiti shall apply substantially the same lock-up terms to Grafiti Common Shares issued in the Distribution as those contained in the Lock-up Agreements by incorporating such terms in its organization documents or through another mechanism, (iv) Damon shall hold a meeting of Damon securities holders to vote on the matters necessary for the Business Combination under a court-supervised plan of arrangement, (v) the parties shall work together to establish the terms for an equity incentive plan at Grafiti prior to filing the Registration Statement, and (vi) to establish the terms of consulting agreements with certain Grafiti management members who will provide transition services to the combined company.

The covenants made under the Business Combination Agreement generally will not survive the Closing, with the exception of certain covenants and agreements that by their terms are to be performed in whole or in part after the Closing, which will survive in accordance with the terms of the Business Combination Agreement.

Conditions to Closing

The consummation of the Business Combination is subject to customary conditions, including the following material conditions: (i) the approval of the Business Combination by the Damon securityholders shall have been obtained, (ii) the Registration Statement shall have become effective under the Securities Act or the Exchange Act, (iii) the Grafiti Common Shares to be issued pursuant to the Business Combination shall have been approved for listing on the Nasdaq Stock Market after giving effect to the Business Combination, (iv) the interim and final orders issued by the Supreme Court of British Columbia approving the Business Combination shall have been obtained on terms consistent with the Business Combination Agreement, (v) the parties shall have obtained all the consents and approvals as may be necessary or required to consummate the Business Combination pursuant to the *Competition Act* (Canada) and the *Investment Canada Act*, (vi) Grafiti shall have received a receipt from the British Columbia Securities Commission in respect of the final non-offering prospectus, and (vii) dissent rights shall not have been exercised with respect to more than 5% of the issued and outstanding Damon Shares.

Damon's obligation to consummate the Business Combination is also conditioned on the Spin-off being completed in accordance with certain terms required in the Business Combination Agreement.

Termination

The Business Combination Agreement may be terminated under certain customary and limited circumstances at any time prior to the Closing, including (i) by the mutual written consent of Inpixon and Damon, (ii) by Inpixon or Damon, if the Closing shall not have occurred on or before March 31, 2024, which may be extended by either party for 30 days, and thereafter by both parties for an additional 30 days, (iii) by Inpixon or Damon, if there has been any order, judgment, injunction, decree, writ, stipulation, determination or award, in each case, entered by or with any governmental authority that would make the Business Combination illegal or otherwise prohibits or enjoins the Business Combination, (iv) by Inpixon or Damon, if Damon has not obtained the requisite approval from its securities holders, or (v) by Inpixon or Damon, if the other breaches certain representations, warranties, or covenants, as specified in the Business Combination Agreement, or if the other experiences a material adverse effect and that breach or material adverse effect is unable to be cured, or is not cured, within 20 days; provided that Grafiti or Damon shall pay the other side all reasonable and documented transaction expenses of the other side up to $1 million if the Business Combination Agreement is terminated pursuant to (v) above, and Damon shall pay Inpixon a termination fee of $2 million if the Business Combination Agreement is terminated pursuant to (ii), (iv) and (v) above.

The foregoing description of the Business Combination Agreement is not complete and is qualified in its entirety by reference to the Business Combination Agreement, which is filed as Exhibit 2.2 to this Current Report, and incorporated herein by reference.

Bridge Note

Immediately following the execution of the Business Combination Agreement and no later than October 27, 2023, Inpixon will purchase a convertible note from Damon in an aggregate principal amount of $3 million (the "Bridge Note") together with the Bridge Note Warrant (as defined below) pursuant to a private placement, for a purchase price of $3 million. The Bridge Note has a 12% annual interest rate, payable on the maturity date, which is twelve months from June 16, 2023. The full principal balance and interest on the Bridge Note will automatically convert into common shares of Damon upon the public listing of Damon or a successor issuer thereof on a national securities exchange (a "Public Company Event"). The number of shares issued upon conversion due to a Public Company Event will equal the quotient obtained by dividing (x) the outstanding principal and unpaid accrued interest on the date of a Public Company Event (or within ten trading days of a direct listing), if any, by (y) the lesser of the then applicable Conversion Price or Public Company Event Conversion Price, each as defined in the Bridge Note. The Bridge Note will contain customary covenants relating to Damon's financials and operations.

Inpixon will receive a five-year warrant to purchase 1,096,321 Damon Common Shares in connection with the Bridge Note ("Bridge Note Warrant") at an exercise price as defined in the Bridge Note Warrant, in each case subject to adjustments for dividends, splits and subsequent equity sales by Damon. The Bridge Note Warrant contains a cashless exercise option if the warrant shares are not covered by an effective registration statement within 180 days following the consummation of the Public Company Event, and also a full ratchet price protection feature.

If the Business Combination is consummated, the Bridge Note will be converted into Grafiti Common Shares upon consummation of the Business Combination and

the Bridge Note Warrant will become exercisable for Grafiti Common Shares.

The foregoing descriptions are not complete and are qualified in their entirety by reference to the Securities Purchase Agreement, the Bridge Note and the Bridge Note Warrant, as applicable, which are filed as Exhibits 10.1, 10.2 and 10.3, respectively, to this Current Report and incorporated herein by reference.

Certain Other Transaction Documents

Certain additional agreements will be entered into in connection with the transactions contemplated by the Business Combination Agreement, the Separation Agreement and the other agreements described above, including, among others:

- a Transition Services Agreement by and between Inpixon and Grafiti, pursuant to which each party will, on a transitional basis, provide the other party with certain support services and other assistance after the Closing.

- Lock-Up Agreements by and between Grafiti, Damon and Damon securityholders who are insiders (each, a "Damon Insider Lock-up Agreement"), under which such Damon securityholders will agree to certain lock-up restrictions with respect to any Grafiti securities they acquire pursuant to the Business Combination Agreement for 180 days following the Closing.

- Lock-Up Agreements by and between Grafiti, Damon and Damon securityholders who are not insiders (each, a "Damon Lock-up Agreement"), under which such Damon securityholders will agree to certain lock-up restrictions with respect to any Grafiti securities they acquire pursuant to the Business Combination Agreement for 180 days following the Closing, subject to the following release schedule: 20% at the Closing, 40% at 90 days following the Closing, and the remaining 40% at 180 days following the Closing; or 100% if the trading price of the common shares of the combined company reaches a certain threshold.

- Securityholder Support Agreements by and among Inpixon, Grafiti, Damon and certain Damon securityholders (each, a "Support Agreement"), under which such Damon securityholders will agree, among other things, (i) approve the plan of arrangement and other transactions contemplated in the Business Combination Agreement, (ii) attend and ensure the presence of their voting securities at meetings or consent actions to establish a quorum, (iii) vote in favor of the plan of arrangement, adoption of the Business Combination Agreement, and any other matters required for the completion of the transactions, and (iv) vote against any proposals or actions that could impede, delay, or negatively affect the plan of arrangement and other transactions in the Business Combination Agreement, or breach any terms of the Business Combination Agreement.

The Separation Agreement, the Business Combination Agreement, the form of the Support Agreement, the form of the Damon Insider Lock-up Agreement, the form of the Damon Lock-up Agreement, the Securities Purchase Agreement, the Bridge Note and the form of the Bridge Note Warrant have each been filed as exhibits to this Current Report, and the above descriptions have been included to provide investors and security holders with information regarding the terms of such agreements. They are not intended to provide any other factual information about Damon, Grafiti, Amalco Sub, Inpixon, any of their respective subsidiaries or affiliates. The Business Combination Agreement contains representations and warranties that Inpixon, Grafiti, and/or Amalco Sub, on the one hand, and Damon, on the other hand, have made to each other as of specific dates and/or times. The assertions embodied in those representations and warranties were made solely for purposes of the contract between the parties to the Business Combination Agreement and may be subject to important qualifications and limitations agreed to by the parties in connection with negotiating the terms of the agreement. Moreover, some of those representations and warranties may not be accurate or complete as of any specified date, may be subject to a contractual standard of materiality different from those generally applicable to stockholders, or may have been used for the purpose of allocating risk between the parties rather than establishing matters as facts. For the foregoing reasons, such representations and warranties should not be relied upon as statements of factual information. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Business Combination Agreement, which subsequent information may or may not be fully reflected in public disclosures.

Item 7.01 Regulation FD Disclosure.

On October 23, 2023, Inpixon issued a press release (the "Press Release") announcing the entry into the Separation Agreement and the Business Combination Agreement. The Press Release is attached to this Current Report as Exhibit 99.1 and incorporated by reference herein.

The information furnished with this Item 7.01 of this Current Report on Form 8-K and Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act, or the Exchange Act.

Item 8.01 Other Events.

On October 23, 2023, Inpixon announced in the Press Release that its board of directors had set October 24, 2023 as the record date for the stockholders entitled to vote at the special meeting in lieu of the 2023 annual meeting of stockholders of Inpixon related to the Proposed XTI Transaction.

Important Information about the Proposed Transaction and Where to Find It

In connection with the Spin-off, Grafiti will file with the SEC a registration statement registering Grafiti Common Shares. Grafiti will also file a preliminary and final non-offering prospectus with the British Columbia Securities Commission in connection with the Business Combination. This Current Report does not contain all the information that should be considered concerning the Spin-off and the Business Combination (collectively, the "Proposed Transaction") and is not a substitute for any other documents that Inpixon or Grafiti may file with the SEC, or that Damon may send to securities holders in connection with the Business Combination. It is not intended to form the basis of any investment decision or any other decision in respect to the Proposed Transaction. Damon's stockholders and Inpixon's stockholders and other interested persons are advised to read, when available, the registration statement of Grafiti together with its exhibits, as these materials will contain important information about Inpixon, Grafiti, Damon, and the Proposed Transaction.

The registration statement and other documents to be filed by Grafiti with the SEC will also be available free of charge, at the SEC's website at www.sec.gov, or by directing a request to: Grafiti Holding Inc., 2479 E. Bayshore Road, Suite 195, Palo Alto, CA 94303.

Forward-Looking Statements Regarding the Proposed Transaction

This Current Report, along with the exhibits attached hereto, contains certain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act, and Section 21E of the Exchange Act. All statements other than statements of historical fact contained in this

Current Report, including statements regarding the benefits of the Proposed Transaction, the anticipated timing of the completion of the Proposed Transaction, the products under development by Damon and the markets in which it plans to operate, the advantages of Damon's technology, Damon's competitive landscape and positioning, and Damon's growth plans and strategies, are forward-looking statements. Some of these forward-looking statements can be identified by the use of forward-looking words, including "may," "should," "expect," "intend," "will," "estimate," "anticipate," "believe," "predict," "plan," "targets," "projects," "could," "would," "continue," "forecast" or the negatives of these terms or variations of them or similar expressions. All forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. All forward-looking statements are based upon estimates, forecasts and assumptions that, while considered reasonable by Inpixon and its management, and Damon and its management, as the case may be, are inherently uncertain and many factors may cause the actual results to differ materially from current expectations which include, but are not limited to:

- the risk that the Proposed Transaction may not be completed in a timely manner or at all, which may adversely affect the price of Inpixon's securities;
- the risk that the public market valuation of the combined company following the consummation of the Business Combination may differ from the valuation range ascertained by the parties to the Business Combination and their respective financial advisors, and that the valuation to be ascertained by an independent financial advisor to Damon in connection with the Business Combination may differ from the valuation ascertained by Inpixon's independent financial advisor;
- the failure to satisfy the conditions to the consummation of the Proposed Transaction, including receiving the necessary approvals from the Damon securityholders and the Supreme Court of British Columbia, Canada with respect to the plan of arrangement;
- the occurrence of any event, change or other circumstance that could give rise to the termination of the Proposed Transaction;
- the effect of the announcement or pendency of the Proposed Transaction on Inpixon, Grafiti and Damon's business relationships, performance, and business generally;
- risks that the Proposed Transaction disrupts current plans of Inpixon, Grafiti and Damon and potential difficulties in their employee retention as a result of the Proposed Transaction;
- the outcome of any legal proceedings that may be instituted against Damon, Grafiti or Inpixon related to the Proposed Transaction;
- failure to realize the anticipated benefits of the Proposed Transaction;
- the inability to satisfy the initial listing criteria of Nasdaq or obtain Nasdaq approval of the initial listing of the combined company on Nasdaq;
- the risk that the price of the securities of the combined company may be volatile due to a variety of factors, including changes in the highly competitive industries in which Grafiti and Damon operate, variations in performance across competitors, changes in laws, regulations, technologies that may impose additional costs and compliance burdens on Grafiti and Damon's operations, global supply chain disruptions and shortages, and macro-economic and social environments affecting Grafiti and Damon's business and changes in the combined capital structure;
- the inability to implement business plans, forecasts, and other expectations after the completion of the Proposed Transaction, and identify and realize additional opportunities;
- the risk that Damon has a limited operating history, has not achieved sufficient sales and production capacity at a mass-production facility, and Damon and its current and future collaborators may be unable to successfully develop and market Damon's motorcycles or solutions, or may experience significant delays in doing so;
- the risk that the combined company may never achieve or sustain profitability;
- the risk that Damon and the combined company may be unable to raise additional capital on acceptable terms to finance its operations and remain a going concern;

- the risk that the combined company experiences difficulties in managing its growth and expanding operations;
- the risk that Damon's non-binding reservations are canceled, modified, delayed or not placed and that Damon must return the refundable deposits and such reservations are not converted to sales;
- the risks relating to Damon's ability to satisfy the conditions and deliver on the orders and reservations, its ability to maintain quality control of its motorcycles, and Damon's dependence on third parties for supplying components and manufacturing the motorcycles;
- the risk that other motorcycle manufacturers develop competitive electric motorcycles or other competitive motorcycles that adversely affect Damon's market position;
- the risk that Damon's patent applications may not be approved or may take longer than expected, and Damon may incur substantial costs in enforcing and protecting its intellectual property;
- the risk that Damon's estimates of market demand may be inaccurate; and
- other risks and uncertainties set forth in the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in Inpixon's Annual Report on Form 10-K for the year ended December, 31, 2022, which was filed with the SEC on April 17, 2023 and Quarterly Report on Form 10-Q for the quarterly period thereafter, as such factors may be updated from time to time in Inpixon's filings with the SEC, and the registration statement to be filed by Grafiti in connection with the Spin-off. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements.

Nothing in this Current Report should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Neither Inpixon nor Damon gives any assurance that either Inpixon or Damon or the combined company will achieve its expected results. Neither Inpixon nor Damon undertakes any duty to update these forward-looking statements, except as otherwise required by law.

Important Information About the Proposed XTI Transaction and Where to Find It

This Current Report and its exhibits, in part, relate to a proposed transaction between XTI Aircraft Company ("XTI") and Inpixon pursuant to an agreement and plan of merger, dated as of July 24, 2023, by and among Inpixon, Superfly Merger Sub Inc. and XTI (the "Proposed XTI Transaction"). Inpixon filed a registration statement on

Form S-4 with the SEC on August 14, 2023, as amended by Amendment No. 1 filed on October 6, 2023, which included a preliminary prospectus and proxy statement of Inpixon in connection with the Proposed XTI Transaction, referred to as a proxy statement/prospectus. The registration statement on Form S-4 has not yet become effective. A proxy statement/prospectus will be sent to all Inpixon stockholders as of the applicable record date established for voting on the transaction and to the stockholders of XTI. Inpixon also will file other documents regarding the Proposed XTI Transaction with the SEC.

BEFORE MAKING ANY VOTING DECISION, INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT, THE PROXY STATEMENT/PROSPECTUS, ANY AMENDMENTS THERETO, AND ALL OTHER RELEVANT DOCUMENTS FILED OR THAT WILL BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED XTI TRANSACTION AS THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT INPIXON, XTI AND THE PROPOSED XTI TRANSACTION.

Investors and securityholders will be able to obtain free copies of the registration statement, the proxy statement/prospectus and all other relevant documents filed or that will be filed with the SEC by Inpixon through the website maintained by the SEC at www.sec.gov.

The documents filed by Inpixon with the SEC also may be obtained free of charge at Inpixon's website at www.inpixon.com or upon written request to: Inpixon, 2479 E. Bayshore Road, Suite 195, Palo Alto, CA 94303.

NEITHER THE SEC NOR ANY STATE SECURITIES REGULATORY AGENCY HAS APPROVED OR DISAPPROVED THE TRANSACTIONS DESCRIBED IN THIS COMMUNICATION, PASSED UPON THE MERITS OR FAIRNESS OF THE TRANSACTION OR RELATED TRANSACTIONS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE DISCLOSURE IN THIS COMMUNICATION. ANY REPRESENTATION TO THE CONTRARY CONSTITUTES A CRIMINAL OFFENSE.

Forward-Looking Statements about the Proposed XTI Transaction

This Current Report, along with the exhibits attached hereto, contains certain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact contained in this Current Report, including statements regarding the benefits of the Proposed XTI Transaction and the anticipated timing of the completion of the Proposed XTI Transaction, are forward-looking statements.

Some of these forward-looking statements can be identified by the use of forward-looking words, including "may," "should," "expect," "intend," "will," "estimate," "anticipate," "believe," "predict," "plan," "targets," "projects," "could," "would," "continue," "forecast" or the negatives of these terms or variations of them or similar expressions. All forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. All forward-looking statements are based upon estimates, forecasts and assumptions that, while considered reasonable by Inpixon and its management, and XTI and its management, as the case may be, are inherently uncertain and many factors may cause the actual results to differ materially from current expectations which include, but are not limited to:

- the risk that the Proposed XTI Transaction may not be completed in a timely manner or at all, which may adversely affect the price of Inpixon's securities;
- the failure to satisfy the conditions to the consummation of the Proposed XTI Transaction, including the adoption of the merger agreement by the shareholders of Inpixon;
- the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement;
- the adjustments permitted under the merger agreement to the exchange ratio that could result in XTI shareholders or Inpixon shareholders owning less of the post-combination company than expected;
- the effect of the announcement or pendency of the Proposed XTI Transaction on Inpixon's and XTI's business relationships, performance, and business generally;
- the risks that the Proposed XTI Transaction disrupts current plans of Inpixon and XTI and potential difficulties in Inpixon's and XTI's employee retention as a result of the Proposed XTI Transaction;
- the outcome of any legal proceedings instituted against XTI or against Inpixon related to the merger agreement or the Proposed XTI Transaction;
- failure to realize the anticipated benefits of the Proposed XTI Transaction;
- the inability to meet and maintain the listing of Inpixon's securities (or the securities of the post-combination company) on Nasdaq;
- the risk that the price of Inpixon's securities (or the securities of the post-combination company) may be volatile due to a variety of factors, including changes in the highly competitive industries in which Inpixon and XTI operate,
- the inability to implement business plans, forecasts, and other expectations after the completion of the Proposed XTI Transaction, and identify and realize additional opportunities;

- variations in performance across competitors, changes in laws, regulations, technologies that may impose additional costs and compliance burdens on Inpixon and XTI's operations, global supply chain disruptions and shortages,
- national security tensions, and macro-economic and social environments affecting Inpixon and XTI's business and changes in the combined capital structure;
- the risk that XTI has a limited operating history, has not yet manufactured any non-prototype aircraft or delivered any aircraft to a customer, and XTI and its current and future collaborators may be unable to successfully develop and market XTI's aircraft or solutions, or may experience significant delays in doing so;
- the risk that XTI is subject to the uncertainties associated with the regulatory approvals of its aircraft including the certification by the Federal Aviation Administration, which is a lengthy and costly process;

- the risk that the post-combination company may never achieve or sustain profitability;
- the risk that XTI, Inpixon and the post-combination company may be unable to raise additional capital on acceptable terms to finance its operations and remain a going concern;
- the risk that the post-combination company experiences difficulties in managing its growth and expanding operations;
- the risk that XTI's conditional pre-orders (which include conditional aircraft purchase agreements, non-binding reservations, and options) are canceled, modified, delayed or not placed and that XTI must return the refundable deposits;
- the risks relating to long development and sales cycles, XTI's ability to satisfy the conditions and deliver on the orders and reservations, its ability to maintain quality control of its aircraft, and XTI's dependence on third parties for supplying components and potentially manufacturing the aircraft;
- the risk that other aircraft manufacturers develop competitive VTOL aircraft or other competitive aircraft that adversely affect XTI's market position;
- the risk that XTI's future patent applications may not be approved or may take longer than expected, and XTI may incur substantial costs in enforcing and protecting its intellectual property;
- the risk that XTI's estimates of market demand may be inaccurate;
- the risk that XTI's ability to sell its aircraft may be limited by circumstances beyond its control, such as a shortage of pilots and mechanics who meet the training standards, high maintenance frequencies and costs for the sold aircraft, and any accidents or incidents involving VTOL aircraft that may harm customer confidence; and
- other risks and uncertainties set forth in the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in Inpixon's Annual Report on Form 10-K for the year ended December, 31, 2022, which was filed with the SEC on April 17, 2023 (the "2022 Form 10-K"), the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023 filed on May 16, 2023, the Current Report on Form 8-K filed on July 25, 2023, the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2023 filed on August 18, 2023, and in the section entitled "Risk Factors" in XTI's periodic reports filed pursuant to Regulation A of the Securities Act including XTI's Annual Report on Form 1-K for the year ended December 31, 2022, which was filed with the SEC on July 13, 2023 (the "2022 Form 1-K"), as such factors may be updated from time to time in Inpixon's and XTI's filings with the SEC, the registration statement on Form S-4 and the proxy statement/prospectus contained therein. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements.

Nothing in this Current Report on Form 8-K should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Neither Inpixon nor XTI gives any assurance that either Inpixon or XTI or the post-combination company will achieve its expected results. Neither Inpixon nor XTI undertakes any duty to update these forward-looking statements, except as otherwise required by law.

Participants in the Solicitation

XTI and Inpixon and their respective directors and officers and other members of management may, under SEC rules, be deemed to be participants in the solicitation of proxies from Inpixon's stockholders with the Proposed XTI Transaction and the other matters set forth in the registration statement. Information about Inpixon's and XTI's directors and executive officers is set forth in Inpixon's filings and XTI's filings with the SEC, including Inpixon's 2022 Form 10-K and XTI's 2022 Form 1-K. Additional information regarding the direct and indirect interests, by security holdings or otherwise, of those persons and other persons who may be deemed participants in the Proposed XTI Transaction may be obtained by reading the proxy statement/prospectus regarding the Proposed XTI Transaction when it becomes available. You may obtain free copies of these documents as described above under "Important Information About the Proposed Transaction and Where to Find It."

No Offer or Solicitation

This Current Report on Form 8-K is not a proxy statement or solicitation of a proxy, consent or authorization with respect to any securities or in respect of the proposed transactions and is not intended to and does not constitute an offer to sell or the solicitation of an offer to buy, sell or solicit any securities or any proxy, vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be deemed to be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act.

Item 9.01 Financial Statements and Exhibits.

Exhibit No.	Description
2.1*	Separation Agreement, dated as of October 23, 2023, by and between Inpixon and Grafiti Holding Inc.
2.2*	Business Combination Agreement, dated as of October 23, 2023, by and among Inpixon, Grafiti Holding Inc., 1444842 B.C. Ltd. and Damon Motors Inc.
10.1	Form of Securities Purchase Agreement by and between Damon Motors Inc. and Inpixon.
10.2	Form of Convertible Promissory Note to be issued by Damon Motors Inc. to Inpixon.
10.3	Form of Common Share Purchase Warrant to be issued by Damon Motors Inc. to Inpixon.
10.4	Form of Securityholder Support Agreement by and among Inpixon, Grafiti Holding Inc., Damon Motors Inc. and certain securityholders.
10.5	Form of Lockup Agreement by and among Grafiti Holding Inc., Damon Motors and certain securityholders who are insiders.
10.6	Form of Lockup Agreement by and among Grafiti Holding Inc., Damon Motors and certain securityholders who are not insiders.
99.1	Press Release dated October 23, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Schedules and exhibits omitted pursuant to Item 601(b)(2) of Regulation S-K. Inpixon agrees to furnish supplementally a copy of any omitted schedule to the Securities and Exchange Commission upon request.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INPIXON

Date: October 23, 2023

By: /s/ Nadir Ali
Name: Nadir Ali
Title: Chief Executive Officer

Exhibit 2.1

Execution Version

SEPARATION AND DISTRIBUTION AGREEMENT

BY AND BETWEEN

INPIXON

AND

GRAFITI HOLDING INC.

DATED AS OF October 23, 2023

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SEPARATION AND DISTRIBUTION AGREEMENT

This SEPARATION AND DISTRIBUTION AGREEMENT, dated as of October 23, 2023 (this "Agreement"), is by and between Inpixon, a Nevada corporation ("Parent" or "Inpixon"), and Grafiti Holding Inc., a British Columbia corporation and a wholly-owned subsidiary of Inpixon ("Grafiti"). Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Article I.

RECITALS

WHEREAS, the board of directors of Parent (the "Parent Board") has determined that it is in the best interests of Parent and its stockholders to separate the assets and liabilities relating to its SAVES line of business as conducted by Inpixon Ltd., a United Kingdom limited company(the "Grafiti Business"), from the Parent Business (the "Separation") and, following the Separation, make a distribution on a pro rata basis, to holders on the Record Date of Parent Shares and Other Parent Securities, of all of the outstanding Grafiti Shares owned by Parent (the "Distribution");

WHEREAS, immediately following the Distribution, Parent will hold none of the outstanding Grafiti Shares;

WHEREAS, Parent and Grafiti will prepare, and Grafiti will file with the SEC, the Form S-1 or the Form 10, which will set forth information and financial statements required under the Securities Act or the Exchange Act concerning Grafiti, the Separation, the Distribution and such other items required by the Securities Act, Exchange Act, Form S-1 or Form 10 to be included therein;

WHEREAS, (i) the Parent Board has (x) determined that the transactions contemplated by this Agreement and the Ancillary Agreements are in the best interests of Inpixon and its stockholders and (y) approved this Agreement and each of the Ancillary Agreements, and (ii) the Board of Directors of Grafiti has approved this Agreement and each of the Ancillary Agreements (to the extent Grafiti is a party thereto);

WHEREAS, the Parties desire to set forth the principal corporate transactions required to effect the Separation and the Distribution, and certain other agreements relating to the relationship between the Parties;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I DEFINITIONS

For the purpose of this Agreement, the following terms shall have the following meanings:

"Action" shall mean any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

"Affiliate" shall mean, when used with respect to a specified Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this definition, "control" (including, with correlative meanings, "controlled by" and "under common control with"), when used with respect to any specified Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment, undertaking or otherwise. It is expressly agreed that, prior to, at and after the Effective Time, for purposes of this Agreement and the Ancillary Agreements, (a) no member of the Grafiti Group shall be deemed to be an Affiliate of any member of the Parent Group and (b) no member of the Parent Group shall be deemed to be an Affiliate of any member of the Grafiti Group.

"Agent" shall mean the entity duly appointed by Parent to act as distribution agent, transfer agent and registrar for the Grafiti Shares in connection with the Distribution.

"Agreement" shall have the meaning set forth in the Preamble.

"Ancillary Agreements" shall mean all agreements (other than this Agreement) entered into by the Parties or the members of their respective Groups (but as to which no Third Party is a party) in connection with the Separation, the Distribution, or the other transactions contemplated by this Agreement, including the Transition Services Agreement and the Transfer Documents.

"Approvals or Notifications" shall mean any consents, waivers, approvals, permits or authorizations to be obtained from, notices, registrations or reports to be submitted to, or other filings to be made with, any third Person, including any Governmental Authority.

"Arbitration Request" shall have the meaning set forth in Section 7.3(a).

"Assets" shall mean, with respect to any Person, the assets, properties, claims and rights (including goodwill) of such Person, wherever located (including in the possession of vendors or other third Persons or elsewhere), of every kind, character and description, whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of such Person, including rights and benefits pursuant to any contract, license, permit, indenture, note, bond, mortgage, agreement, concession, franchise, instrument, undertaking, commitment, understanding or other arrangement.

"Balance Sheet" shall have the meaning set forth in Section 2.7(f).

"CEO Negotiation Request" shall have the meaning set forth in Section 7.2. "Delayed Parent Asset" shall have the meaning set forth in Section 2.4(h).

"Delayed Parent Liability" shall have the meaning set forth in Section 2.4(h).

"Delayed Grafiti Asset" shall have the meaning set forth in Section 2.4(c).

"Delayed Grafiti Liability" shall have the meaning set forth in Section 2.4(c).

"Dispute" shall have the meaning set forth in Section 7.1.

"Distribution" shall have the meaning set forth in the Recitals.

"Distribution Date" shall mean the date of the consummation of the Distribution, which shall be determined by the Parent Board in its sole and absolute discretion.

"Effective Time" shall mean 12:01 a.m., Eastern standard time, on the Distribution Date. "Environmental Law" shall mean any Law relating to pollution, protection or restoration of or prevention of harm to the environment or natural resources, including the use, handling, transportation, treatment, storage, disposal, Release or discharge of Hazardous Materials or the protection of or prevention of harm to human health and safety.

"Environmental Liabilities" shall mean all Liabilities relating to, arising out of or resulting from any Hazardous Materials, Environmental Law or contract or agreement relating to environmental, health or safety matters (including all removal, remediation or cleanup costs, investigatory costs, response costs, natural resources damages, property damages, personal injury damages, costs of compliance with any product take back requirements or with any settlement, judgment or other determination of Liability and indemnity, contribution or similar obligations) and all costs and expenses, interest, fines, penalties or other monetary sanctions in connection therewith.

"Exchange Act" shall mean the U.S. Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

"Final Cash Balance" shall have the meaning set forth in Section 2.7(f).

"Force Majeure" shall mean, with respect to a Party, an event beyond the reasonable control of such Party (or any Person acting on its behalf), which event (a) does not arise or result from the fault or negligence of such Party (or any Person acting on its behalf) and (b) by its nature would not reasonably have been foreseen by such Party (or such Person), or, if it would reasonably have been foreseen, was unavoidable, and includes acts of God, acts of civil or military authority, embargoes, epidemics, pandemic, war, riots, insurrections, acts of terrorism, fires, explosions, earthquakes, floods, unusually severe weather conditions, labor problems or unavailability of parts, or, in the case of computer systems, any significant and prolonged failure in electrical or air conditioning equipment. Notwithstanding the foregoing, the receipt by a Party of an unsolicited takeover offer or other acquisition proposal, even if unforeseen or unavoidable, and such Party's response thereto shall not be deemed an event of Force Majeure.

"Form 10" shall mean the registration statement on Form 10 as may be filed by Grafiti with the SEC to effect the registration of Grafiti Shares pursuant to the Exchange Act in connection with the Distribution, as such registration statement may be amended or supplemented from time to time prior to the Distribution.

"Form S-1" shall mean the registration statement on Form S-1 as may be filed by Grafiti with the SEC to effect the registration of Grafiti Shares pursuant to the Securities Act in connection with the Distribution, and the prospectus included therein, as such registration statement and prospectus may be amended or supplemented from time to time prior to the Distribution.

"GAAP" means United States generally accepted accounting principles, consistently applied.

"Governmental Approvals" shall mean any Approvals or Notifications to be made to, or obtained from, any Governmental Authority.

"Governmental Authority" shall mean any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, a government and any executive official thereof, and any self-regulatory organization regulated by a Governmental Authority, including The Nasdaq Stock Market LLC.

"Grafiti" shall have the meaning set forth in the Preamble.

"Grafiti Accounts" shall have the meaning set forth in Section 2.7(a).

"Grafiti Assets" shall have the meaning set forth in Section 2.2(a).

"Grafiti Balance Sheet" shall mean the pro forma combined balance sheet of the Grafiti Business, including any notes and subledgers thereto, as of June 30, 2023, as included in the Form S-1 or only in case of and in connection with the Form 10 filing, the Information Statement mailed to the Record Holders.

"Grafiti Business" shall mean the business resulting from the comprehensive set of data analytics and statistical visualization solutions for engineers and scientists of the Transferred Entity referred to as "SAVES".

"Grafiti Articles" shall mean the Articles of Grafiti, substantially in the form of Exhibit A. "Grafiti Contracts" shall mean the following contracts and agreements to which either Party or any member of its Group is a party or by which it or any member of its Group or any of their respective Assets is bound, whether or not in writing; provided that Grafiti Contracts shall not include any contract or agreement that is contemplated to be retained by Parent or any member of the Parent Group from and after the Effective Time pursuant to any provision of this Agreement or any Ancillary Agreement:

(a) (i) any customer, reseller, licensing, distributor or development contract or agreement entered into prior to the Effective Time exclusively related to the Grafiti Business and (ii) with respect to any customer, reseller, licensing, distributor or development contract or agreement entered into prior to the Effective Time that relates to the Grafiti Business but is not exclusively related to the Grafiti Business, that portion of any such contract or agreement that primarily relates to the Grafiti Business;

(b) (i) any supply or vendor contract or agreement entered into prior to the Effective Time exclusively related to the Grafiti Business and (ii) with respect to any supply or vendor contract or agreement entered into prior to the Effective Time that relates to the Grafiti Business but is not exclusively related to the Grafiti Business, that portion of any such contract or agreement that primarily relates to the Grafiti Business;

(c) any joint venture or partnership contract or agreement that relates primarily to the Grafiti Business as of the Effective Time;

(d) any guarantee, indemnity, representation, covenant, warranty or other Liability of either Party or any member of its Group in respect of any other Grafiti Contract, any Grafiti Liability or the Grafiti Business;

(e) any proprietary information and inventions agreement or similar Intellectual Property assignment or license agreement with any current or former Grafiti Group employee, Parent Group employee, consultant of the Grafiti Group or consultant of the Parent Group, in each case entered into prior to the Effective Time (i) that is exclusively related to the Grafiti Business or (ii) if not exclusively related to the Grafiti Business, that portion of any such agreement that primarily relates to the Grafiti Business;

(f) any contract or agreement that is expressly contemplated pursuant to this Agreement or any of the Ancillary Agreements to be assigned to, or be a contract or agreement in the name of, Grafiti or any member of the Grafiti Group;

(g) any interest rate, currency, commodity or other swap, collar, cap or other hedging or similar agreements or arrangements exclusively related to the Grafiti Business;

(h) any credit or other financing agreement entered into by Grafiti or any member of the Grafiti Group in connection with the Separation;

(i) any contract or agreement entered into in the name of, or expressly on behalf of, any division, business unit or member of the Grafiti Group;

(j) any other contract or agreement exclusively related to the Grafiti Business or Grafiti Assets;

(k) Grafiti Leases; and

(l) any contracts, agreements or settlements set forth on Schedule 1.3, including the right to recover any amounts under such contracts, agreements, leases or settlements.

"Grafiti Designees" shall mean any and all entities (including corporations, general or limited partnerships, trusts, joint ventures, unincorporated organizations, limited liability entities or other entities) designated by Parent that will be members of the Grafiti Group as of immediately prior to the Effective Time.

"Grafiti Group" shall mean (a) prior to the Effective Time, Grafiti and each Person that will be a Subsidiary of Grafiti as of immediately after the Effective Time, including the Transferred Entity, even if, prior to the Effective Time, such Person is not a Subsidiary of Grafiti; and (b) on and after the Effective Time, Grafiti and each Person that is a Subsidiary of Grafiti.

"Grafiti Leases" shall mean the real property leases to which Grafiti or a member of the Grafiti Group is party as of the Effective Time set forth on Schedule 1.4.

"Grafiti Liabilities" shall have the meaning set forth in Section 2.3(a).

"Grafiti Permits" shall mean all Permits owned or licensed by either Party or any member of its Group primarily used or primarily held for use in the Grafiti Business as of the Effective Time.

"Grafiti Shares" shall mean common shares of Grafiti.

"Group" shall mean either the Grafiti Group or the Parent Group, as the context requires.

"Hazardous Materials" shall mean any chemical, material, substance, waste, pollutant, emission, discharge, release or contaminant that could result in Liability under, or that is prohibited, limited or regulated by or pursuant to, any Environmental Law, and any natural or artificial substance (whether solid, liquid or gas, noise, ion, vapor or electromagnetic) that could cause harm to human health or the environment, including petroleum, petroleum products and byproducts, asbestos and asbestos-containing materials, urea formaldehyde foam insulation, electronic, medical or infectious wastes, polychlorinated biphenyls, radon gas, radioactive substances, chlorofluorocarbons and all other ozone-depleting substances.

"Information Statement" shall mean in connection with the Form 10 filing (if applicable), the information statement to be made available to the holders of Parent Shares and Other Parent Securities in connection with the Distribution, as such information statement may be amended or supplemented from time to time prior to the Distribution.

"Information Technology" shall mean all hardware, computers, servers, workstations, routers, hubs, switches, data communication lines, network and telecommunications equipment, Internet-related information technology infrastructure, and other information technology equipment, in each case, other than Software.

"Insurance Proceeds" shall mean those monies: (i) received by an insured from an insurance carrier or (ii) paid by an insurance carrier on behalf of the insured, in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and net of any costs or expenses incurred in the collection thereof; provided, however, that with respect to a captive insurance arrangement, Insurance Proceeds shall only include amounts received by the captive insurer in respect of any reinsurance arrangement.

"Intellectual Property" shall mean all of the following whether arising under the Laws of the United States (or any state or other jurisdiction thereof) or of any other foreign or multinational jurisdiction: (a) patents, (b) trademarks, (c) copyrights, (d) any other intellectual property rights arising from or in respect of any Technology or Software, and (e) any claims for damages by reason of past infringement, misappropriation, or other unauthorized use of any of the foregoing, with the right to sue for and collect the same.

"Law" shall mean any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty (including any Tax treaty), license, permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

"Liabilities" shall mean all debts, guarantees, assurances, commitments, liabilities, responsibilities, Losses, remediation, deficiencies, damages, fines, penalties, settlements, sanctions, costs, expenses, interest and obligations of any nature or kind, whether accrued or fixed, absolute or contingent, matured or unmatured, accrued or not accrued, asserted or unasserted, liquidated or unliquidated, foreseen or unforeseen, known or unknown, reserved or unreserved, or determined or determinable, including those arising under any Law, claim (including any Third- Party Claim), demand, Action, or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority or arbitration tribunal, and those arising under any contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking, or any fines, damages or equitable relief that is imposed, in each case, including all costs and expenses relating thereto.

"Losses" shall mean actual losses (including any diminution in value), costs, damages, penalties and expenses (including legal and accounting fees and expenses and costs of investigation and litigation), whether or not involving a Third-Party Claim.

"Nasdaq" shall mean the Nasdaq Capital Market.

"Offer Negotiation Request" shall have the meaning set forth in Section 7.1.

"Other Parent Securities" shall mean the other outstanding securities of the Parent described on Schedule 1.2 which are entitled to participate in the distribution of the

Grafiti Shares on a pro rata basis together with the holders of Parent Shares as of the Record Date.

"Parent" shall have the meaning set forth in the Preamble.

"Parent Accounts" shall have the meaning set forth in Section 2.7(a).

"Parent Assets" shall have the meaning set forth in Section 2.2(b).

"Parent Board" shall have the meaning set forth in the Recitals.

"Parent Business" shall mean (i) the Industrial Internet of Things business line of Parent Group; (ii) the comprehensive set of data analytics and statistical visualization solutions for engineers and scientists of Parent or any of its Subsidiaries referred to as "SAVES"; to the extent not conducted by the Transferred Entity; (iii) the advertising management platform of Parent Group consisting of digital solutions (eTearsheets; eInvoice, adDelivery) and cloud-based applications and analytics for the advertising, media and publishing industries, collectively referred to as "Shoom"; and (iv) Parent Group's set of applications, technology and data analytics related to Parent Group's provision of sports performance enhancing solutions referred to publicly by Parent Group as Game Your Game (GYG); and (v) all other businesses, operations and activities conducted at any time prior to the Effective Time by either Party or any member of its Group, other than the Grafiti Business.

"Parent Group" shall mean Parent and each Person that is a Subsidiary of Parent (other than Grafiti and any other member of the Grafiti Group).

"Parent Liabilities" shall have the meaning set forth in Section 2.3(b).

"Parent Name and Parent Marks" shall mean all the names, marks, trade dress, logos, monograms, domain names and other source or business identifiers of either Party or any member of its Group or otherwise identify Parent as a whole, either alone or in combination with other words or elements, and all names, marks, trade dress, logos, monograms, domain names and other source or business identifiers confusingly similar to or embodying any of the foregoing, either alone or in combination with other words or elements, together with (y) any common law rights in and to any of the foregoing, any registrations or applications for registration of any of the foregoing, any rights in and to any of the foregoing provided by international treaties or conventions, and any reissues, extensions or renewals of any of the foregoing and (z) the goodwill associated with any of the foregoing.

"Parent Shares" shall mean shares of Parent common stock, par value $0.001 per share.

"Parties" shall mean Parent and Grafiti, collectively, or the singular "Party" shall mean Parent or Grafiti, as applicable.

"Permits" shall mean permits, approvals, authorizations, consents, licenses or certificates issued by any Governmental Authority.

"Person" shall mean an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

"Policies" shall mean insurance policies and insurance contracts of any kind, including property, excess and umbrella, commercial general liability, director and officer liability, fiduciary liability, cyber technology professional liability, libel liability, employment practices liability, automobile, aircraft, marine, workers' compensation and employers' liability, employee dishonesty/crime/fidelity, foreign, bonds and self-insurance and captive insurance company arrangements, together with the rights, benefits, privileges and obligations thereunder.

"Prime Rate" shall mean the rate that Bloomberg displays as "Prime Rate by Country United States" or "Prime Rate By Country US-BB Comp" at http://www.bloomberg.com/quote/PRIME:IND.

"Privileged Information" shall mean any information, in written, oral, electronic or other tangible or intangible forms, including any communications by or to attorneys (including attorney- client privileged communications), memoranda and other materials protected by the work product doctrine, as to which a Party or any member of its Group would be entitled to assert or have asserted a privilege or other protection, including the attorney-client and work product privileges.

"Real Property Leases" shall mean all leases to real property and, to the extent covered by such leases, any and all buildings, structures, improvements and fixtures located thereon.

"Record Date" shall mean the close of business on the date to be determined by the Parent Board as the record date for determining holders of Parent Shares and Other Parent Securities entitled to receive Grafiti Shares pursuant to the Distribution.

"Record Holders" shall mean the holders of record of Parent Shares and holders of Other Parent Securities as of the Record Date.

"Release" shall mean any release, spill, emission, discharge, leaking, pumping, pouring, dumping, injection, deposit, disposal, dispersal, leaching or migration of Hazardous Materials into the environment (including, ambient air, surface water, groundwater and surface or subsurface strata).

"Representatives" shall mean, with respect to any Person, any of such Person's directors, officers, employees, agents, consultants, advisors, accountants, attorneys or other representatives.

"SEC" shall mean the U.S. Securities and Exchange Commission.

"Securities Act" shall mean the U.S. Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

"Section 1542" shall have the meaning set forth in Section 4.1(c).

"Security Interest" shall mean any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer, or other encumbrance of any nature whatsoever.

"Security Requirements" shall have the meaning set forth in Section 6.11(a). "Separation" shall have the meaning set forth in the Recitals.

"Software" shall mean any and all (a) computer programs, including any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form, (b) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (c) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, (d) screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons and (e) documentation, including user manuals and other training documentation, relating to any of the foregoing.

"Subsidiary" shall mean, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (a) beneficially owns, either directly or indirectly, more than 50% of (i) the total combined voting power of all classes of voting securities, (ii) the total combined equity interests or (iii) the capital or profit interests, in the case of a partnership, or (b) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

"Systems" shall have the meaning set forth in Section 6.11(a).

"Tangible Information" shall mean information that is contained in written, electronic or other tangible forms.

"Technology" shall mean all technology, know-how and information, including sales methodologies and processes, training protocols and similar methods and processes, algorithms, APIs, apparatus, circuit designs and assemblies, gate arrays, net lists, test vectors, diagrams, models, formulae, inventions, discoveries, innovations, products, services, ideas, concepts, designs, drawings, methods, network configurations and architectures, processes, confidential or proprietary information, trade secrets, protocols, schematics, specifications, subroutines, techniques, URLs, web sites, works of authorship and other forms of technology, in each case whether or not patentable, copyrightable or otherwise registerable, whether or not embodied in any tangible form and including all tangible embodiments of any of the foregoing, including documents, reports, records, instruction manuals, laboratory notebooks, prototypes, samples, surveys, studies and summaries; provided, however, that Technology shall not include any Software.

"Third Party" shall mean any Person other than the Parties or any members of their respective Groups.

"Third-Party Claim" shall have the meaning set forth in Section 4.5(a).

"Transaction Accounting Principles" means GAAP applied on a basis consistent with the accounting principles, practices, methodologies and policies used in preparing the Grafiti Balance Sheet.

"Transfer Documents" shall have the meaning set forth in Section 2.1(b). "Transferred Entity" shall mean Inpixon Ltd., a United Kingdom limited company.

"Transition Services Agreement" shall mean the Transition Services Agreement to be entered into by and between Parent and Grafiti in connection with the Separation, the Distribution and the other transactions contemplated by this Agreement, as it may be amended from time to time.

"Unreleased Parent Liability" shall have the meaning set forth in Section 2.5(b)(ii).

"Unreleased Grafiti Liability" shall have the meaning set forth in Section 2.5(a)(ii).

ARTICLE II THE SEPARATION

2.1 Transfer of Assets and Assumption of Liabilities.

(a) On or prior to the Effective Time, but in any case prior to the Distribution:

(i) Transfer and Assignment of Grafiti Assets. Parent shall, and shall cause the applicable members of its Group to, contribute, assign, transfer, convey and deliver to Grafiti, or the applicable Grafiti Designees, and Grafiti or such Grafiti Designees shall accept from Parent and the applicable members of the Parent Group, all of Parent's and such Parent Group member's respective direct or indirect right, title and interest in and to all of the Grafiti Assets (it being understood that if any Grafiti Asset shall be held by the Transferred Entity or a wholly owned Subsidiary of the Transferred Entity, such Grafiti Asset may be assigned, transferred, conveyed and delivered to Grafiti as a result of the transfer of all of the equity interests in the Transferred Entity from Parent or the applicable members of the Parent Group to Grafiti or the applicable Grafiti Designee);

(ii) Acceptance and Assumption of Grafiti Liabilities. Grafiti and the applicable Grafiti Designees shall accept, assume and agree faithfully to perform, discharge and fulfill all the Grafiti Liabilities, as described in Section 2.3(a) below, including Grafiti Liabilities held by Parent or any Parent Designee, and Grafiti and the applicable members of the Grafiti Group shall be responsible for all Grafiti Liabilities in accordance with their respective terms (it being understood that if any Grafiti Liability is a liability of the Transferred Entity or a wholly owned Subsidiary of the Transferred Entity, such Grafiti Liability may be assumed by Grafiti as a result of the transfer of all of the equity interests in the Transferred Entity from Parent or the applicable members of the Parent Group to Grafiti or the applicable Grafiti Designee). Grafiti and such Grafiti Designees shall be responsible for all Grafiti Liabilities, regardless of when or where such Grafiti Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Effective Time, regardless of where or against whom such Grafiti Liabilities are asserted or determined (including any Grafiti Liabilities arising out of claims made by Parent's or Grafiti's respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the Parent Group or the Grafiti Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the Parent Group or the Grafiti Group, or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates;

(iii) Transfer and Assignment of Parent Assets. Parent and Grafiti shall cause Grafiti and the Grafiti Designees to contribute, assign, transfer, convey and deliver to Parent or certain members of the Parent Group designated by Parent, and Parent or such other members of the Parent Group shall accept from Grafiti and the Grafiti Designees, all of Grafiti's and such Grafiti Designees' respective direct or indirect right, title and interest in and to all Parent Assets held by Grafiti or a Grafiti Designee; and

(iv) Acceptance and Assumption of Parent Liabilities. Parent and certain of members of the Parent Group designated by Parent shall accept and assume and agree faithfully to perform, discharge and fulfill all of the Parent Liabilities, as described in Section 2.3(b) below, including Parent Liabilities held by Grafiti or any Grafiti Designee, and Parent and the applicable members of the Parent Group shall be responsible for all Parent Liabilities in accordance with their respective terms, regardless of when or where such Parent Liabilities arose or arise, whether the facts on which they are based occurred prior to or subsequent to the Effective Time, where or against whom such Parent Liabilities are asserted or determined (including any such Parent Liabilities arising out of claims made by Parent's or Grafiti's respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the Parent Group or the Grafiti Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the Parent Group or the Grafiti Group, or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates.

(b) Transfer Documents. In furtherance of the contribution, assignment, transfer, conveyance and delivery of the Assets and the assumption of the Liabilities in accordance with Section 2.1(a), (i) each Party shall execute and deliver, and shall cause the applicable members of its Group to execute and deliver, to the other Party, such bills of sale, quitclaim deeds, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of such Party's and the applicable members of its Group's right, title and interest in and to such Assets to the other Party and the applicable members of its Group in accordance with Section 2.1(a), and (ii) each Party shall execute and deliver, and shall cause the applicable members of its Group to execute and deliver, to the other Party, such assumptions of contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the Liabilities by such Party and the applicable members of its Group in accordance with Section 2.1(a). All of the foregoing documents contemplated by this Section 2.1(b) shall be referred to collectively herein as the "Transfer Documents." The Transfer Documents shall effect certain of the transactions contemplated by this Agreement and, notwithstanding anything in this Agreement to the contrary, shall not expand or limit any of the obligations, covenants or agreements in this Agreement. It is expressly agreed that in the event of any conflict between the terms of the Transfer Documents and the terms of this Agreement, the terms of this Agreement shall control.

(c) Misallocations. In the event that at any time or from time to time (whether prior to, at or after the Effective Time), one Party (or any member of such Party's Group) shall receive or otherwise possess any Asset that is allocated to the other Party (or any member of such Party's Group) pursuant to this Agreement or any Ancillary Agreement, such Party shall promptly transfer, or cause to be transferred, such Asset to the Party so entitled thereto (or to any member of such Party's Group), and such Party (or member of such Party's Group) shall accept such Asset. Prior to any such transfer, the Person receiving or possessing such Asset shall hold such Asset in trust for such other Person. In the event that at any time or from time to time (whether prior to, at or after the Effective Time), one Party hereto (or any member of such Party's Group) shall be liable for or otherwise assume any Liability that is allocated to the other Party (or any member of such Party's Group) pursuant to this Agreement or any Ancillary Agreement, such other Party shall promptly assume, or cause to be assumed, such Liability and agree to faithfully perform such Liability.

(d) Intellectual Property Rights.

(i) If and to the extent that, as a matter of Law in any jurisdiction, Parent or the applicable members of its Group cannot assign, transfer or convey any of Parent's or such Parent Group members' respective direct or indirect right, title and interest in and to any Technology, Software or Intellectual Property included in the Grafiti Assets, then, to the extent possible, Parent shall, and shall cause the applicable members of its Group to, irrevocably grant to Grafiti, or the applicable Grafiti Designees, an exclusive, irrevocable, assignable, transferable, sublicenseable, worldwide, perpetual, royalty-free license to use, exploit and commercialize in any manner now known or in the future discovered and for whatever purpose, any such right, title or interest.

(ii) If and to the extent that, as a matter of Law in any jurisdiction, Grafiti or the applicable members of its Group cannot assign, transfer or convey any of Grafiti's or such Grafiti Group members' respective direct or indirect right, title and interest in and to any Technology, Software or Intellectual Property included in the Parent Assets, then, to the extent possible, Grafiti shall, and shall cause the applicable members of its Group to, irrevocably grant to Parent, or the applicable Parent Designees, an exclusive, irrevocable, assignable, transferable, sublicenseable, worldwide, perpetual, royalty-free license to use, exploit and commercialize in any manner now known or in the future discovered and for whatever purpose, any such right, title or interest.

2.2 Grafiti Assets; Parent Assets.

(a) Grafiti Assets. For purposes of this Agreement, "Grafiti Assets" shall mean all issued and outstanding capital stock or other equity interests of the Transferred Entity that are owned by either Party or any members of its Group as of the Effective Time.

Notwithstanding the foregoing, the Grafiti Assets shall not in any event include any Asset referred to in clauses (i) through (vi) of Section 2.2(b).

(b) Parent Assets. For the purposes of this Agreement, "Parent Assets" shall mean all Assets of either Party or the members of its Group as of the Effective Time, other than the Grafiti Assets. Notwithstanding anything herein to the contrary, the Parent Assets shall include:

(i) all Assets that are expressly contemplated by this Agreement or any Ancillary Agreement (or the Schedules hereto or thereto) as Assets to be retained by Parent or any other member of the Parent Group;

(ii) all contracts and agreements of either Party or any of the members of its Group as of the Effective Time (other than the Grafiti Contracts);

(iii) all Permits of either Party or any of the members of its Group as of the Effective Time (other than the Grafiti Permits);

(iv) all cash and cash equivalents of either Party or any of the members of its Group as of the Effective Time that are not designated as Grafiti Assets;

(v) the Parent Name and Parent Marks; and

(vi) any and all Assets set forth on Schedule 2.2(b)(vi).

2.3 Grafiti Liabilities; Parent Liabilities.

(a) Grafiti Liabilities. For the purposes of this Agreement, "Grafiti Liabilities" shall mean the following Liabilities of either Party or any of the members of its Group:

(i) all Liabilities included or reflected as liabilities or obligations of Grafiti or the members of the Grafiti Group on the Grafiti Balance Sheet, subject to any discharge of such Liabilities subsequent to the date of the Grafiti Balance Sheet; provided that the amounts set forth on the Grafiti Balance Sheet with respect to any Liabilities

shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in the definition of Grafiti Liabilities pursuant to this clause (i);

(ii) all Liabilities as of the Effective Time that are of a nature or type that would have resulted in such Liabilities being included or reflected as liabilities or obligations of Grafiti or the members of the Grafiti Group on a pro forma combined balance sheet of the Grafiti Group or any notes or subledgers thereto as of the Effective Time (were such balance sheet, notes and subledgers to be prepared on a basis consistent with the determination of the Liabilities included on the Grafiti Balance Sheet), it being understood that (x) the Grafiti Balance Sheet shall be used to determine the types of, and methodologies used to determine, those Liabilities that are included in the definition of Grafiti Liabilities pursuant to this clause (ii); and (y) the amounts set forth on the Grafiti Balance Sheet with respect to any Liabilities shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in the definition of Grafiti Liabilities pursuant to this clause (ii);

(iii) all Liabilities relating to, arising out of or resulting from the actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to, at or after the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent that such Liabilities relate to, arise out of or result from the Grafiti Business or a Grafiti Asset;

(iv) any and all Liabilities that are expressly provided by this Agreement or any Ancillary Agreement (or the Schedules hereto or thereto) as Liabilities to be assumed by Grafiti or any other member of the Grafiti Group, and all agreements, obligations and Liabilities of any member of the Grafiti Group under this Agreement or any of the Ancillary Agreements;

(v) any and all Liabilities relating to, arising out of or resulting from the Grafiti Contracts, or the Grafiti Permits;

(vi) any and all Liabilities set forth on Schedule 2.3(a); and

(vii) all Liabilities arising out of claims made by any Third Party (including Parent's or Grafiti's respective directors, officers, stockholders, employees and agents) against any member of the Parent Group or the Grafiti Group to the extent relating to, arising out of or resulting from the Grafiti Business or the Grafiti Assets or the other business, operations, activities or Liabilities referred to in clauses (i) through (vi) above;

provided that, notwithstanding the foregoing, the Parties agree that the Liabilities set forth onSchedule 2.3(b) shall not be Grafiti Liabilities but instead shall be Parent Liabilities.

(b) Parent Liabilities. For the purposes of this Agreement, "Parent Liabilities" shall mean the following Liabilities of either Party or any of the members of its Group:

(i) all Liabilities relating to, arising out of or resulting from actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to, at or after the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time) of any member of the Parent Group and, prior to the Effective Time, any member of the Grafiti Group, in each case, to the extent that such Liabilities are not Grafiti Liabilities;

(ii) all Liabilities that are expressly provided by this Agreement or any Ancillary Agreement (or the Schedules hereto or thereto) as Liabilities to be assumed by Parent or any other member of the Parent Group, and all agreements, obligations and Liabilities of any member of the Parent Group under this Agreement or any of the Ancillary Agreements;

(iii) all Liabilities set forth on Schedule 2.3(b); and

(iv) all Liabilities arising out of claims made by any Third Party (including Parent's or Grafiti's respective directors, officers, stockholders, employees and agents) against any member of the Parent Group or the Grafiti Group to the extent relating to, arising out of or resulting from the Parent Business or the Parent Assets, or the other business, operations, activities or Liabilities referred to in clauses (i) through (iii) above.

2.4 Approvals and Notifications.

(a) Approvals and Notifications for Grafiti Assets. To the extent that the transfer or assignment of any Grafiti Asset, the assumption of any Grafiti Liability, the Separation, the Distribution or any other transaction contemplated under this Agreement requires any Approvals or Notifications, the Parties shall use their commercially reasonable efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in this Agreement or any of the Ancillary Agreements or as otherwise agreed between Parent and Grafiti, neither Parent nor Grafiti shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

(b) Delayed Grafiti Transfers. If and to the extent that the valid, complete and perfected transfer or assignment to the Grafiti Group of any Grafiti Asset or assumption by the Grafiti Group of any Grafiti Liability in connection with the Separation or the Distribution would be a violation of applicable Law or require any Approvals or Notifications that have not been obtained or made by the Effective Time then, unless the Parties mutually shall otherwise determine, the transfer or assignment to the Grafiti Group of such Grafiti Assets or the assumption by the Grafiti Group of such Grafiti Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Approvals or Notifications have been obtained or made. Notwithstanding the foregoing, any such Grafiti Assets or Grafiti Liabilities shall continue to constitute Grafiti Assets and Grafiti Liabilities for all other purposes of this Agreement.

(c) Treatment of Delayed Grafiti Assets and Delayed Grafiti Liabilities. If any transfer or assignment of any Grafiti Asset (or a portion thereof) or any assumption of any Grafiti Liability (or a portion thereof) intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Effective Time, whether as a result of the provisions of Section 2.4(b) or for any other reason (any such Grafiti Asset (or a portion thereof), a "Delayed Grafiti Asset" and any such Grafiti Liability (or a portion thereof), a "Delayed Grafiti Liability"), then, insofar as reasonably possible and subject to applicable Law, the member of the Parent Group retaining such Delayed Grafiti Asset or such Delayed Grafiti Liability, as the case may be, shall thereafter hold such Delayed Grafiti Asset or Delayed Grafiti Liability for the use and benefit (or the performance and obligation, in the case of a Liability) of the member of the Grafiti Group entitled thereto (at the expense of the member of the Grafiti Group entitled thereto). In addition, the member of the Parent Group retaining such Delayed Grafiti Asset or such Delayed Grafiti Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such Delayed Grafiti Asset or Delayed Grafiti Liability in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested by the member of the Grafiti Group to whom such Delayed Grafiti Asset is to be transferred or assigned, or which will assume such Delayed Grafiti Liability, as the case may be, in order to place such member of the Grafiti Group in a substantially similar position as if such Delayed Grafiti Asset

or Delayed Grafiti Liability had been transferred, assigned or assumed as contemplated hereby and so that all the benefits and burdens relating to such Delayed Grafiti Asset or Delayed Grafiti Liability, as the case may be, including use, risk of loss, potential for gain, and dominion, control and command over such Delayed Grafiti Asset or Delayed Grafiti Liability, as the case may be, and all costs and expenses related thereto, shall inure from and after the Effective Time to the Grafiti Group.

(d) Transfer of Delayed Grafiti Assets and Delayed Grafiti Liabilities. If and when the Approvals or Notifications, the absence of which caused the deferral of transfer or assignment of any Delayed Grafiti Asset or the deferral of assumption of any Delayed Grafiti Liability pursuant to Section 2.4(b), are obtained or made, and, if and when any other legal impediments for the transfer or assignment of any Delayed Grafiti Asset or the assumption of any Delayed Grafiti Liability have been removed, the transfer or assignment of the applicable Delayed Grafiti Asset or the assumption of the applicable Delayed Grafiti Liability, as the case may be, shall be effected in accordance with the terms of this Agreement or the applicable Ancillary Agreement.

(e) Costs for Delayed Grafiti Assets and Delayed Grafiti Liabilities. Except as otherwise agreed in writing between the Parties, any member of the Parent Group retaining a Delayed Grafiti Asset or Delayed Grafiti Liability due to the deferral of the transfer or assignment of such Delayed Grafiti Asset or the deferral of the assumption of such Delayed Grafiti Liability, as the case may be, shall not be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced (or otherwise made available) by Grafiti or the member of the Grafiti Group entitled to the Delayed Grafiti Asset or Delayed Grafiti Liability, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by Grafiti or the member of the Grafiti Group entitled to such Delayed Grafiti Asset or Delayed Grafiti Liability; provided, however, that the Parent Group shall not knowingly allow the loss or diminution in value of any Delayed Grafiti Asset without first providing the Grafiti Group commercially reasonable notice of such potential loss or diminution in value and afford the Grafiti Group commercially reasonable opportunity to take action to prevent such loss or diminution.

(f) Approvals and Notifications for Parent Assets. To the extent that the transfer or assignment of any Parent Asset, the assumption of any Parent Liability, the Separation or the Distribution requires any Approvals or Notifications, the Parties shall use their commercially reasonable efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in this Agreement or any of the Ancillary Agreements or as otherwise agreed between Parent and Grafiti, neither Parent nor Grafiti shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

(g) Delayed Parent Transfers. If and to the extent that the valid, complete and perfected transfer or assignment to the Parent Group of any Parent Asset or assumption by the Parent Group of any Parent Liability in connection with the Separation or the Distribution would be a violation of applicable Law or require any Approvals or Notifications that have not been obtained or made by the Effective Time then, unless the Parties mutually shall otherwise determine, the transfer or assignment to the Parent Group of such Parent Assets or the assumption by the Parent Group of such Parent Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Approvals or Notifications have been obtained or made. Notwithstanding the foregoing, any such Parent Assets or Parent Liabilities shall continue to constitute Parent Assets and Parent Liabilities for all other purposes of this Agreement.

(h) Treatment of Delayed Parent Assets and Delayed Parent Liabilities. If any transfer or assignment of any Parent Asset (or a portion thereof) or any assumption of any Parent Liability (or a portion thereof) intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Effective Time whether as a result of the provisions of Section 2.4(g) or for any other reason (any such Parent Asset (or a portion thereof), a "Delayed Parent Asset" and any such Parent Liability (or a portion thereof), a "Delayed Parent Liability"), then, insofar as reasonably possible and subject to applicable Law, the member of the Grafiti Group retaining such Delayed Parent Asset or such Delayed Parent Liability, as the case may be, shall thereafter hold such Delayed Parent Asset or Delayed Parent Liability for the use and benefit (or the performance or obligation, in the case of a Liability) of the member of the Parent Group entitled thereto (at the expense of the member of the Parent Group entitled thereto). In addition, the member of the Grafiti Group retaining such Delayed Parent Asset or such Delayed Parent Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such Delayed Parent Asset or Delayed Parent Liability in the ordinary course of business in accordance with past practice. Such member of the Grafiti Group shall also take such other actions as may be reasonably requested by the member of the Parent Group to which such Delayed Parent Asset is to be transferred or assigned, or which will assume such Delayed Parent Liability, as the case may be, in order to place such member of the Parent Group in a substantially similar position as if such Delayed Parent Asset or Delayed Parent Liability had been transferred, assigned or assumed and so that all the benefits and burdens relating to such Delayed Parent Asset or Delayed Parent Liability, as the case may be, including use, risk of loss, potential for gain, and dominion, control and command over such Delayed Parent Asset or Delayed Parent Liability, as the case may be, and all costs and expenses related thereto, shall inure from and after the Effective Time to the Parent Group.

(i) Transfer of Delayed Parent Assets and Delayed Parent Liabilities. If and when the Approvals or Notifications, the absence of which caused the deferral of transfer or assignment of any Delayed Parent Asset or the deferral of assumption of any Delayed Parent Liability pursuant to Section 2.4(g), are obtained or made, and, if and when any other legal impediments for the transfer or assignment of any Delayed Parent Asset or the assumption of any Delayed Parent Liability have been removed, the transfer or assignment of the applicable Delayed Parent Asset or the assumption of the applicable Delayed Parent Liability, as the case may be, shall be effected in accordance with the terms of this Agreement or the applicable Ancillary Agreement.

(j) Costs for Delayed Parent Assets and Delayed Parent Liabilities. Except as otherwise agreed in writing between the Parties, any member of the Grafiti Group retaining a Delayed Parent Asset or Delayed Parent Liability due to the deferral of the transfer or assignment of such Delayed Parent Asset or the deferral of the assumption of such Delayed Parent Liability, as the case may be, shall not be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced (or otherwise made available) by Parent or the member of the Parent Group entitled to the Delayed Parent Asset or Delayed Parent Liability, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by Parent or the member of the Parent Group entitled to such Delayed Parent Asset or Delayed Parent Liability; provided, however, that the Grafiti Group shall not knowingly allow the loss or diminution in value of any Delayed Parent Asset without first providing the Parent Group commercially reasonable notice of such potential loss or diminution in value and affording the Parent Group commercially reasonable opportunity to take action to prevent such loss or diminution in value.

2.5 Assignment and Novation of Liabilities.

(a) Assignment and Novation of Grafiti Liabilities.

(i) Each of Parent and Grafiti, at the request of the other, shall use its commercially reasonable efforts to obtain, or to cause to be obtained, as soon as reasonably practicable, any consent, substitution, approval or amendment required to novate or assign all Grafiti Liabilities and obtain in writing the unconditional release of each member of the Parent Group that is a party to any such arrangements, so that, in any such case, the members of the Grafiti Group shall be solely responsible for such Grafiti Liabilities; provided, however, that, except as otherwise expressly provided in this Agreement or any of the Ancillary Agreements, neither Parent nor Grafiti shall be obligated to contribute any capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any third Person from whom any such consent, substitution, approval, amendment or release is requested.

(ii) If Parent or Grafiti is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release and the applicable member of the Parent Group continues to be bound by such agreement, lease, license or other obligation or Liability (each, an "Unreleased Grafiti Liability"), Grafiti shall, except to the extent not prohibited by Law, indemnify or guarantee fully all the obligations or other Liabilities of such member of the Parent Group that constitute Unreleased Grafiti Liabilities from and after the Effective Time. If and when any such consent, substitution, approval, amendment or release shall be obtained or the Unreleased Grafiti Liabilities shall otherwise become assignable or able to be novated, Parent shall promptly assign or novate, or cause to be assigned or novated, and Grafiti or the applicable Grafiti Group member shall assume, such Unreleased Grafiti Liabilities without exchange of further consideration.

(b) Assignment and Novation of Parent Liabilities.

(i) Each of Parent and Grafiti, at the request of the other, shall use its commercially reasonable efforts to obtain, or to cause to be obtained, as soon as reasonably practicable, any consent, substitution, approval or amendment required to novate or assign all Parent Liabilities and obtain in writing the unconditional release of each member of the Grafiti Group that is a party to any such arrangements, so that, in any such case, the members of the Parent Group shall be solely responsible for such Parent Liabilities; provided, however, that, except as otherwise expressly provided in this Agreement or any of the Ancillary Agreements, neither Parent nor Grafiti shall be obligated to contribute any capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any third Person from whom any such consent, substitution, approval, amendment or release is requested.

(ii) If Parent or Grafiti is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release and the applicable member of the Grafiti Group continues to be bound by such agreement, lease, license or other obligation or Liability (each, an "Unreleased Parent Liability"), Parent shall, except to the extent not prohibited by Law, indemnify or guarantee fully all the obligations or other Liabilities of such member of the Grafiti Group. If and when any such consent, substitution, approval, amendment or release shall be obtained or the Unreleased Parent Liabilities shall otherwise become assignable or able to be novated, Grafiti shall promptly assign or novate, or cause to be assigned or novated, and Parent or the applicable Parent Group member shall assume, such Unreleased Parent Liabilities without exchange of further consideration.

2.6 Termination of Agreements.

(a) Except as set forth in Section 2.6(b), in furtherance of the releases and other provisions of Section 4.1, Grafiti and each member of the Grafiti Group, on the one hand, and Parent and each member of the Parent Group, on the other hand, hereby terminate any and all agreements, arrangements, commitments or understandings, whether or not in writing, between or among Grafiti or any member of the Grafiti Group, on the one hand, and Parent or any member of the Parent Group, on the other hand, effective as of the Effective Time. No such terminated agreement, arrangement, commitment or understanding (including any provision thereof which purports to survive termination) shall be of any further force or effect after the Effective Time. Each Party shall, at the reasonable request of the other Party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing.

(b) The provisions of Section 2.6(a) shall not apply to any of the following agreements, arrangements, commitments or understandings (or to any of the provisions thereof):

(i) this Agreement and the Ancillary Agreements (and each other agreement or instrument expressly contemplated by this Agreement or any Ancillary Agreement to be entered into by any of the Parties or any of the members of their respective Groups or to be continued from and after the Effective Time); (ii) any agreements, arrangements, commitments or understandings listed or described on Schedule 2.6(b)(ii); (iii) any agreements, arrangements, commitments or understandings to which any Third Party is a party thereto; and (iv) any intercompany accounts payable or accounts receivable accrued as of the Effective Time that are reflected in the books and records of the Parties or otherwise documented in writing in accordance with past practices, which shall be settled in the manner contemplated by Section 2.6(c).

(c) All of the intercompany accounts receivable and accounts payable between any member of the Parent Group, on the one hand, and any member of the Grafiti Group, on the other hand, outstanding as of the Effective Time and arising out of the contracts or agreements described in Section 2.6(b) or out of the provision, prior to the Effective Time, of the services to be provided following the Effective Time pursuant to the Ancillary Agreements shall be repaid or settled following the Effective Time in the ordinary course of business or, if otherwise mutually agreed prior to the Effective Time by duly authorized representatives of Parent and Grafiti, cancelled. All other intercompany accounts receivable and accounts payable between any member of the Parent Group, on the one hand, and any member of the Grafiti Group, on the other hand, outstanding as of the Effective Time shall be repaid or settled immediately prior to or as promptly as practicable after the Effective Time.

2.7 Bank Accounts; Cash Balances.

(a) Each Party agrees to take, or cause the members of its Group to take, at the Effective Time (or such earlier time as the Parties may agree), all actions necessary to amend all contracts or agreements governing each bank and brokerage account owned by Grafiti or any other member of the Grafiti Group (collectively, the "Grafiti Accounts") and all contracts or agreements governing each bank or brokerage account owned by Parent or any other member of the Parent Group (collectively, the "Parent Accounts") so that each such Grafiti Account and Parent Account, if currently linked (whether by automatic withdrawal, automatic deposit or any other authorization to transfer funds from or to) to any Parent Account or Grafiti Account, respectively, is de-linked from such Parent Account or Grafiti Account, respectively.

(b) It is intended that, following consummation of the actions contemplated by Section 2.7(a), there will be in place a cash management process pursuant to which the Grafiti Accounts will be managed and funds collected will be transferred into one or more accounts maintained by Grafiti or a member of the Grafiti Group.

(c) It is intended that, following consummation of the actions contemplated by Section 2.7(a), there will continue to be in place a cash management process pursuant to which the Parent Accounts will be managed and funds collected will be transferred into one or more accounts maintained by Parent or a member of the Parent Group.

(d) With respect to any outstanding checks issued or payments initiated by Parent, Grafiti, or any of the members of their respective Groups prior to the Effective Time, such outstanding checks and payments shall be honored following the Effective Time by the Person or Group owning the account on which the check is drawn or from which the payment was initiated, respectively.

(e) As between Parent and Grafiti (and the members of their respective Groups), all payments made and reimbursements received after the Effective Time by

either Party (or member of its Group) that relate to a business, Asset or Liability of the other Party (or member of its Group), shall be held by such Party in trust for the use and benefit of the Party entitled thereto and, promptly following receipt by such Party of any such payment or reimbursement, such Party shall pay over, or shall cause the applicable member of its Group to pay over to the other Party the amount of such payment or reimbursement without right of set-off.

(f) Within 30 days after the Distribution Date, Grafiti shall cause to be prepared in good faith and delivered to Parent a balance sheet (the "Balance Sheet") setting forth cash and cash equivalents held by each member of the Grafiti Group as of the Effective Time (the aggregate amount of such cash and cash equivalents the "Final Cash Balance"). For a period of 60 days following delivery by Grafiti of the Balance Sheet or such longer period as Parent is disputing the amount of cash or cash equivalents reflected in the Balance Sheet, Parent may review and analyze the Balance Sheet and Grafiti shall cooperate with and make available to Parent and its Representatives all information, records, data and working papers, in each case, to the extent related to the determination of the amount of cash and cash equivalents held by the members of the Grafiti Group as of the Effective Time, and Grafiti shall permit access to its facilities and personnel, as may be reasonably required in connection with the review and analysis of the Balance Sheet.

(g) If Parent disagrees with the amount of cash or cash equivalents reflected in the Balance Sheet, Parent and Grafiti shall attempt to resolve the dispute in good faith for 30 days following the delivery to Parent of the Balance Sheet. Following such 30 day period, Parent shall be entitled to dispute such amount or amounts pursuant to Article VII and shall be entitled to make an Arbitration Request without first complying with Section 7.1 or Section 7.2.

2.8 Ancillary Agreements. Effective on or prior to the Effective Time, each of Parent, Grafiti will, or will cause the applicable members of their Groups to, execute and deliver all Ancillary Agreements to which it is a party.

2.9 Disclaimer of Representations and Warranties.

(a) EACH OF PARENT (ON BEHALF OF ITSELF AND EACH MEMBER OF THE PARENT GROUP), GRAFITI (ON BEHALF OF ITSELF AND EACH MEMBER OF THE GRAFITI GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, NO PARTY TO THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR OTHERWISE, IS REPRESENTING OR WARRANTING IN ANY WAY AS TO THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, AS TO ANY CONSENTS OR APPROVALS REQUIRED IN CONNECTION THEREWITH (INCLUDING GOVERNMENTAL APPROVALS OR PERMITS OF ANY KIND), AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, OR AS TO THE ABSENCE OF ANY DEFENSES OR RIGHT OF SETOFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY CLAIM OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY, OR AS TO THE LEGAL SUFFICIENCY OF ANY ASSIGNMENT, DOCUMENT OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS," "WHERE IS" BASIS AND THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE WILL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (II) ANY NECESSARY APPROVALS OR NOTIFICATIONS ARE NOT OBTAINED OR MADE OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH.

(b) Each of Parent (on behalf of itself and each member of the Parent Group), Grafiti (on behalf of itself and each member of the Grafiti Group) further understands and agrees that if the disclaimer of express or implied representations and warranties contained in Section 2.13(a) is held unenforceable or is unavailable for any reason under the Laws of any jurisdiction outside the United States or if, under the Laws of a jurisdiction outside the United States, both Parent or any member of the Parent Group, on the one hand, and Grafiti or any member of the Grafiti Group, on the other hand, are jointly or severally liable for any Parent Liability, then, the Parties intend that, notwithstanding any provision to the contrary under the Laws of such foreign jurisdictions, the provisions of this Agreement, and the Ancillary Agreements (including the disclaimer of all representations and warranties (except as otherwise provided in any such agreements), allocation of Liabilities among the Parties and their respective Subsidiaries, releases, indemnification and contribution of Liabilities) shall prevail for any and all purposes among the Parties and their respective Group.

ARTICLE III THE DISTRIBUTION

3.1 Sole and Absolute Discretion; Cooperation.

(a) Parent shall, in its sole and absolute discretion, determine the terms of the Distribution, including the form, structure and terms of any transaction(s) or offering(s) to effect the Distribution and the timing and conditions to the consummation of the Distribution. In addition, Parent may, at any time and from time to time until the consummation of the Distribution, modify or change the terms of the Distribution, including by accelerating or delaying the timing of the consummation of all or part of the Distribution. Nothing shall in any way limit Parent's right to terminate this Agreement or the Distribution as set forth in Article IX or alter the consequences of any such termination from those specified in Article IX.

(b) Grafiti shall cooperate with Parent to accomplish the Distribution and shall, at Parent's direction, promptly take any and all actions necessary or desirable to effect the Distribution, including in respect of registration of the Grafiti Shares under the Securities Act or the Exchange Act. Parent shall select any investment bank or manager in connection with the Distribution, as well as any financial printer, solicitation or exchange agent and financial, legal, accounting and other advisors for Parent. Grafiti and Parent, as the case may be, will provide to the Agent any information required in order to complete the Distribution.

3.2 Actions Prior to the Distribution. Prior to the Effective Time and subject to the terms and conditions set forth herein, the Parties shall take, or cause to be taken, the following actions in connection with the Distribution:

(a) Notice of Record Date to Nasdaq. Parent shall, to the extent possible, give Nasdaq not less than 10 days' advance notice of the Record Date in compliance with Rule 10b-17 under the Exchange Act.

(b) Grafiti Directors and Officers. On or prior to the Distribution Date, Parent and Grafiti shall take all necessary actions so that as of the Effective Time: (i) the directors and executive officers of Grafiti shall be those set forth in the Form S-1 or only in case of and in connection with the Form 10 filing, the Information Statement made available to the Record Holders prior to the Distribution Date, unless otherwise agreed by the Parties; and (ii) Grafiti shall have such other officers as Grafiti shall appoint.

(c) Securities Law Matters. Grafiti shall file any amendments or supplements to the Form S-1 or Form 10 as may be necessary or advisable in order to cause the Form S-1 or Form 10 to become and remain effective as required by the SEC and federal state or other applicable securities Laws. Parent and Grafiti shall cooperate in preparing, filing with the SEC and causing to become effective registration statements or amendments thereof which are required to reflect the establishment of, or amendments to, any employee benefit and other compensatory plans necessary or advisable in connection with the transactions contemplated by this Agreement and the Ancillary Agreements. Parent and Grafiti will prepare, and Grafiti will, to the extent required under applicable Law, file with the SEC, any such documentation and any requisite no-action letters which Parent reasonably determines are necessary or desirable to effectuate the Distribution, and Parent and Grafiti shall each use reasonable best efforts to obtain all necessary approvals from the SEC with respect thereto as soon as practicable. Parent and Grafiti shall take all such action as may be necessary or appropriate under the

securities or blue sky laws of the United States (and any comparable Laws under any foreign jurisdiction) in connection with the Distribution.

(d) Availability of Prospectus or Information Statement. Parent shall, as soon as is reasonably practicable after the Form S-1 is declared effective under the Securities Act and the Parent Board has approved the Distribution, cause the prospectus included in the Form S-1 to be filed pursuant to Rule 424(b) under the Securities Act, or in the case of Form 10, as soon as is reasonably practicable after the Form 10 is declared effective under the Exchange Act and the Parent Board has approved the Distribution, cause the Information Statement to be mailed to the Record Holders.

(e) The Distribution Agent. Parent shall enter into a distribution agent agreement with the Agent or otherwise provide instructions to the Agent regarding the Distribution.

3.3 Conditions to the Distribution.

(a) The consummation of the Distribution will be subject to the satisfaction, or waiver by Parent in its sole and absolute discretion, of the following conditions:

(i) The Form S-1 shall have become effective under the Securities Act or the SEC shall have declared effective the Form 10; no order suspending the effectiveness of the Form S-1 or the Form 10 shall be in effect; and no proceedings for such purposes shall have been instituted or threatened by the SEC.

(ii) In the case of Form 10, the Information Statement shall have been mailed to Record Holder.

(iii) The transfer of the Grafiti Assets (other than any Delayed Grafiti Asset) and Grafiti Liabilities (other than any Delayed Grafiti Liability) contemplated to be transferred from Parent to Grafiti on or prior to the Distribution shall have occurred as contemplated by Section 2.1, and the transfer of the Parent Assets (other than any Delayed Parent Asset) and Parent Liabilities (other than any Delayed Parent Liability) contemplated to be transferred from Grafiti to Parent on or prior to the Distribution Date shall have occurred as contemplated by Section 2.1.

(iv) The actions and filings necessary or appropriate under applicable U .S. federal, U.S. state or other securities Laws or blue sky Laws and the rules and regulations thereunder shall have been taken or made, and, where applicable, have become effective or been accepted by the applicable Governmental Authority.

(v) Any required approvals of any Governmental Authority necessary to consummate the transactions contemplated by this Agreement and the Ancillary Agreements shall have been obtained and be in full force and effect;

(vi) Each of the Ancillary Agreements shall have been duly executed and delivered.

(vii) No order, injunction or decree issued by any Governmental Authority of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Separation, the Distribution or any of the transactions related thereto shall be in effect.

(viii) No other events or developments shall exist or shall have occurred that, in the judgment of the Parent Board, in its sole and absolute discretion, makes it inadvisable to effect the Separation, the Distribution or the transactions contemplated by this Agreement or any Ancillary Agreement.

(b) The foregoing conditions are for the sole benefit of Parent and shall not give rise to or create any duty on the part of Parent or the Parent Board to waive or not waive any such condition or in any way limit Parent's right to terminate this Agreement as set forth in Article IX or alter the consequences of any such termination from those specified in Article IX. Any determination made by the Parent Board prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in Section 3.3(a) shall be conclusive and binding on the Parties. If Parent waives any material condition, it shall promptly issue a press release disclosing such fact and file a Current Report on Form 8-K with the SEC describing such waiver.

3.4 The Distribution.

(a) Subject to Section 3.3, on or prior to the Effective Time, Grafiti will deliver to the Agent, for the benefit of the Record Holders, book-entry transfer authorizations for such number of the outstanding Grafiti Shares as is necessary to effect the Distribution, and shall cause the transfer agent for the Parent Shares to instruct the Agent to distribute at the Effective Time the appropriate number of Grafiti Shares to each such holder or designated transferee or transferees of such holder by way of direct registration in book-entry form. Grafiti will not issue paper stock certificates in respect of the Grafiti Shares. The Distribution shall be effective at the Effective Time.

(b) Subject to Sections 3.3, and 3.4(d), each Record Holder will be entitled to receive in the Distribution one Grafiti Share for a number of Parent Shares held by such Record Holder on the Record Date or issuable to such Record Holder upon complete conversion or exercise of the Other Parent Securities, as applicable. Such number of Parent Shares shall be calculated as follows: (1) 4,615,385 *minus* the number of the incentive shares allocated to Parent or Grafiti's management pursuant to any Grafiti's employee benefit and other compensatory plan; *divided by* (2) the number of the issued and outstanding Parent Shares,*plus* the number of Parent Shares underlying the Other Parent Securities as of the Record Date.

(c) No fractional shares will be distributed or credited to book-entry accounts in connection with the Distribution, and any such fractional share interests to which a Record Holder would otherwise be entitled shall not entitle such Record Holder to vote or to any other rights as a stockholder of Grafiti. In lieu of any such fractional shares, Parent will, in its sole discretion, either round up fractional shares that recipients of Grafiti Shares will otherwise be entitled to receive, but for the provisions of this Section 3.4(c) or pay cash, without any interest thereon, as hereinafter provided. If Parent determines to pay cash for fractional shares, as soon as practicable after the Effective Time, Parent shall direct the Agent to determine the number of whole and fractional Grafiti Shares allocable to each Record Holder, to aggregate all such fractional shares into whole shares, and to sell the whole shares obtained thereby in the open market at the then-prevailing prices on behalf of each Record Holder who otherwise would be entitled to receive fractional share interests (with the Agent, in its sole and absolute discretion, determining when, how and through which broker-dealer and at what price to make such sales), and to cause to be distributed to each such Record Holder, in lieu of any fractional share, such Record Holder's or owner's ratable share of the total proceeds of such sale, after deducting any Taxes required to be withheld and applicable transfer Taxes, and after deducting the costs and expenses of such sale and distribution, including brokers fees and commissions. None of Parent, Grafiti or the Agent will be required to guarantee any minimum sale price for the fractional Grafiti Shares sold in accordance with this Section 3.4(c). Neither Parent nor Grafiti will be required to pay any interest on the proceeds from the sale of fractional shares. Neither the Agent nor the broker-dealers through which the aggregated fractional shares are sold shall be Affiliates of Parent or Grafiti. Solely for purposes of computing fractional share interests pursuant to this Section 3.4(c) and Section 3.4(d), the beneficial owner of Parent Shares and Other Parent Securities held of record in the name of a nominee in any nominee account shall be treated as the Record Holder with respect to such shares.

(d) Any Grafiti Shares or cash in lieu of fractional shares (if applicable) with respect to Grafiti Shares that remain unclaimed by any Record Holder 180 days after

the Distribution Date shall be delivered to Grafiti, and Grafiti or its transfer agent on its behalf shall hold such Grafiti Shares or cash for the account of such Record Holder, and the Parties agree that all obligations to provide such Grafiti Shares and cash, if any, in lieu of fractional share interests shall be obligations of Grafiti, subject in each case to applicable escheat or other abandoned property Laws, and Parent shall have no Liability with respect thereto.

(e) Until the Grafiti Shares are duly transferred in accordance with this Section3 .4 and applicable Law, from and after the Effective Time, Grafiti will regard the Persons entitled to receive such Grafiti Shares as record holders of Grafiti Shares in accordance with the terms of the Distribution without requiring any action on the part of such Persons. Grafiti agrees that, subject to any transfers of such shares, from and after the Effective Time (i) each such holder will be entitled to receive all dividends, if any, payable on, and exercise voting rights and all other rights and privileges with respect to, the Grafiti Shares then held by such holder, and (ii) each such holder will be entitled, without any action on the part of such holder, to receive evidence of ownership of the Grafiti Shares then held by such holder.

ARTICLE IV MUTUAL RELEASES

4.1 Release of Pre-Distribution Claims.

(a) Grafiti Release of Parent. Except as provided in Sections 4.1(c) and 4.1(e), effective as of the Effective Time, Grafiti does hereby, for itself and each other member of the Grafiti Group, and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of the Grafiti Group (in each case, in their respective capacities as such), remise, release and forever discharge (i) Parent and the members of the Parent Group, and their respective successors and assigns, (ii) all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of the Parent Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, and (iii) all Persons who at any time prior to the Effective Time are or have been stockholders, directors, officers, agents or employees of the Transferred Entity and who are not, as of immediately following the Effective Time, directors, officers or employees of Grafiti or a member of the Grafiti Group, in each case from: (A) all Grafiti Liabilities, (B) all Liabilities arising from or in connection with the transactions and all other activities to implement the Separation and the Distribution (for the avoidance of doubt this clause (B) shall not limit or affect indemnification obligations of the Parties set forth in this Agreement or any Ancillary Agreement) and (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent relating to, arising out of or resulting from the Grafiti Business, the Grafiti Assets or the Grafiti Liabilities but excluding any Liabilities resulting from actions by any member of the Parent Group that are the result of intentional misconduct, wrongdoing, fraud or misrepresentation by such member of the Parent Group.

(b) Parent Release of Grafiti. Except as provided in Sections 4.1(c) and 4.1(e), effective as of the Effective Time, Parent does hereby, for itself and each other member of the Parent Group and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of the Parent Group (in each case, in their respective capacities as such), remise, release and forever discharge (i) Grafiti and the members of the Grafiti Group and their respective successors and assigns, and (ii) all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of the Grafiti Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from (A) all Parent Liabilities, (B) all Liabilities arising from or in connection with the transactions contemplated hereby and all other activities to implement the Separation and the Distribution (for the avoidance of doubt this clause (B) shall not limit or affect indemnification obligations of the Parties set forth in this Agreement or any Ancillary Agreement) and (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent relating to, arising out of or resulting from the Parent Business, the Parent Assets or the Parent Liabilities but excluding any Liabilities resulting from actions by any member of the Grafiti Group that are the result of intentional misconduct, wrongdoing, fraud or misrepresentation by such member of the Grafiti Group.

(c) Acknowledgment of Unknown Losses or Claims. The Parties expressly understand and acknowledge that it is possible that unknown losses or claims exist or might come to exist or that present losses may have been underestimated in amount, severity, or both. Accordingly, the Parties are deemed expressly to understand provisions and principles of law such as Section 1542 of the Civil Code of the State of California ("Section 1542") (as well as any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar or comparable to Section 1542), which provides: A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR. The Parties are hereby deemed to agree that the provisions of Section 1542 and all similar federal or state laws, rights, rules, or legal principles of California or any other jurisdiction that may be applicable herein, are hereby knowingly and voluntarily waived and relinquished with respect to the releases in Section 4.1(a) and Section 4.1(b).

(d) Obligations Not Affected. Nothing contained in Section 4.1(a) or 4.1(b) shall impair any right of any Person to enforce this Agreement, any Ancillary Agreement or any agreements, arrangements, commitments or understandings that are specified in Section 2.6(b) or the applicable Schedules thereto as not to terminate as of the Effective Time, in each case in accordance with its terms. Nothing contained in Section 4.1(a) or 4.1(b) shall release any Person from:

(i) any Liability provided in or resulting from any agreement among any members of the Parent Group or any members of the Grafiti Group that is specified in Section 2.6(b) or the applicable Schedules thereto as not to terminate as of the Effective Time, or any other Liability specified in Section 2.6(b) as not to terminate as of the Effective Time;

(ii) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement or any Ancillary Agreement;

(iii) any Liability for the sale, lease, construction or receipt of goods, property or services purchased, obtained or used in the ordinary course of business by a member of one Group from a member of the other Group prior to the Effective Time;

(iv) any Liability for unpaid amounts for products or services or refunds owing on products or services due on a value received basis for work done by a member of one Group at the request or on behalf of a member of the other Group;

(v) any Liability provided in or resulting from any Contract or understanding that is entered into after the Effective Time between any Party (or a member of such Party's Group), on the one hand, and any other Party (or a member of the other Party's Group), on the other hand;

(vi) any Liability that the Parties may have with respect to any indemnification or contribution or other obligation pursuant to this Agreement, any Ancillary Agreement or otherwise for claims brought against the Parties by third Persons, which Liability shall be governed by the provisions of this Article IV and Article V and, if applicable, the appropriate provisions of the Ancillary Agreements; or

(vii) any Liability the release of which would result in the release of any Person other than a Person released pursuant to this Section 4.1.

In addition, nothing contained in Section 4.1(a) shall release any member of the Parent Group from honoring its existing obligations to indemnify any director, officer or employee of Grafiti who was a director, officer or employee of any member of the Parent Group on or prior to the Effective Time, to the extent such director, officer or employee becomes a named defendant in any Action with respect to which such director, officer or employee was entitled to such indemnification pursuant to such existing obligations; it being understood that, if the underlying obligation giving rise to such Action is a Grafiti Liability, Grafiti shall indemnify Parent for such Liability (including Parent's costs to indemnify the director, officer or employee) in accordance with the provisions set forth in this Article IV.

(e) No Claims. Grafiti shall not make, and shall not permit any other member of the Grafiti Group to make, any claim or demand, or commence any Action asserting any claim or demand, against Parent or any other member of the Parent Group, or any other Person released pursuant to Section 4.1(a), with respect to any Liabilities released pursuant to Section 4.1(a). Parent shall not make, and shall not permit any other member of the Parent Group to make, any claim or demand, or commence any Action asserting any claim or demand, against Grafiti or any other member of the Grafiti Group, or any other Person released pursuant to Section 4.1(b), with respect to any Liabilities released pursuant to Section 4.1(b).

(f) Execution of Further Releases. At any time at or after the Effective Time, at the request of either Party, the other Party shall cause each member of its respective Group to execute and deliver releases reflecting the provisions of this Section 4.1.

4.2 Covenant Not to Sue. Each Party hereby covenants and agrees that none of it, the members of such Party's Group or any Person claiming through it shall bring suit or otherwise assert any claim against any Party, or assert a defense against any claim asserted by any Party, before any court, arbitrator, mediator or administrative agency anywhere in the world, alleging that: (a) the assumption of any Grafiti Liabilities by Grafiti or a member of the Grafiti Group on the terms and conditions set forth in this Agreement and the Ancillary Agreements is void or unenforceable for any reason; (b) the retention of any Parent Liabilities by Parent or a member of the Parent Group on the terms and conditions set forth in this Agreement and the Ancillary Agreements is void or unenforceable for any reason; or (c) the provisions of this Article IV are void or unenforceable for any reason.

ARTICLE V CERTAIN OTHER MATTERS

5.1 Insurance Matters.

(a) Parent and Grafiti agree to cooperate in good faith to provide for an orderly transition of insurance coverage from the date hereof through the Effective Time. In no event shall Parent, any other member of the Parent Group have Liability or obligation whatsoever to any member of the Grafiti Group in the event that any insurance policy or insurance policy related contract shall be terminated or otherwise cease to be in effect for any reason, shall be unavailable or inadequate to cover any Liability of any member of the Grafiti Group for any reason whatsoever or shall not be renewed or extended beyond the current expiration date.

(b) From and after the Effective Time, with respect to any losses, damages and Liability incurred by any member of the Grafiti Group prior to the Effective Time, Parent will pursue claims, at Grafiti's sole cost and expense on behalf of Grafiti (with Grafiti entitled to all Insurance Proceeds resulting from or arising out of any such claims) under Parent's Policies in place immediately prior to the Effective Time (and any extended reporting periods for claims made Policies) and Parent's historical Policies, but solely to the extent that such Policies provided coverage for members of the Grafiti Group or the Grafiti Business prior to the Effective Time; provided that such right to require Parent to make claims on behalf of Grafiti under such Policies shall be subject to the terms, conditions and exclusions of such Policies, including any limits on coverage or scope, any deductibles, self-insured retentions and other fees and expenses, and shall be subject to the following additional conditions:

(i) Grafiti shall provide written notification to Parent of any request for Parent to pursue a claim on behalf Grafiti pursuant to this Section 5.1(b), and Parent shall use commercially reasonable efforts to pursue such claim, at Grafiti's sole cost and expense, as promptly as is reasonably practicable;

(ii) Grafiti and the members of the Grafiti Group shall indemnify, hold harmless and reimburse Parent and the members of the Parent Group for any deductibles, self- insured retention, fees, indemnity payments, settlements, judgments, legal fees, allocated claims expenses and claim handling fees, and other expenses incurred by Parent or any members of the Parent Group to the extent resulting from any pursuit of claims on behalf of Grafiti or any other members of the Grafiti Group under any insurance provided pursuant to this Section 5.1(b), whether such claims are pursued on behalf of Grafiti, its employees or third Persons; and

(iii) Grafiti shall exclusively bear (and neither Parent nor any members of the Parent Group shall have any obligation to repay or reimburse Grafiti or any member of the Grafiti Group for) and shall be liable for all excluded, uninsured, uncovered, unavailable or uncollectible amounts of all such claims pursued on behalf of Grafiti or any member of the Grafiti Group under the Policies as provided for in this Section 5.1(b).

In the event that any member of the Parent Group incurs any losses, damages or Liability prior to or in respect of the period prior to the Effective Time for which such member of the Parent Group is entitled to coverage under Grafiti's third-party Policies, the same process pursuant to this Section 5.1(b) shall apply, substituting "Parent" for "Grafiti" and "Grafiti" for "Parent", including for purposes of the first sentence of Section 5.1(e).

(c) Except as provided in Section 5.1(b), from and after the Effective Time, neither Grafiti nor any member of the Grafiti Group shall have any rights to or under any of the Policies of Parent or any other member of the Parent Group. At the Effective Time, Grafiti shall have in effect all insurance programs required to comply with Grafiti's contractual obligations and such other Policies required by Law or as reasonably necessary or appropriate for companies operating a business similar to Grafiti's.

(d) In connection with Parent's pursuit of a claim on behalf of Grafiti or a member of the Grafiti Group under any insurance policy of Parent or any member of the Parent Group pursuant to this Section 5.1, Parent shall not be required to take any action that would be reasonably likely to (i) have a material and adverse impact on the then-current relationship between Parent or any member of the Parent Group, on the one hand, and the applicable insurance company, on the other hand; (ii) result in the applicable insurance company terminating or materially reducing coverage, or materially increasing the amount of any premium owed by Parent or any member of the Parent Group under the applicable insurance policy; or (iii) otherwise compromise, jeopardize or interfere in any material respect with the rights of Parent or any member of the Parent Group under

the applicable insurance policy.

(e) All payments and reimbursements by Grafiti pursuant to this Section 5.1 will be made within 45 days after Grafiti's receipt of an invoice therefor from Parent. Parent shall retain the exclusive right to control its Policies and programs, including the right to exhaust, settle, release, commute, buy-back or otherwise resolve disputes with respect to any of its Policies and programs and to amend, modify or waive any rights under any such Policies and programs, notwithstanding whether any such Policies or programs apply to any Grafiti Liabilities or claims Grafiti has made or could make in the future, and no member of the Grafiti Group shall erode, exhaust, settle, release, commute, buyback or otherwise resolve disputes with Parent's insurers with respect to any of Parent's Policies and programs, or amend, modify or waive any rights under any such Policies and programs. Grafiti shall cooperate with Parent and share such information as is reasonably necessary in order to permit Parent to manage and conduct its insurance matters as Parent deems appropriate. Neither Parent nor any member of the Parent Group shall have any obligation to secure extended reporting for any claims under any Policies of Parent or any member of the Parent Group for any acts or omissions by any member of the Grafiti Group incurred prior to the Effective Time. For the avoidance of doubt, each Party and any member of its applicable Group has the sole right to settle or otherwise resolve third party claims made against it or any member of its applicable Group covered under an applicable insurance Policy.

(f) This Agreement shall not be considered as an attempted assignment of any policy of insurance or as a contract of insurance and shall not be construed to waive any right or remedy of any member of the Parent Group in respect of any insurance policy or any other contract or policy of insurance.

(g) Grafiti does hereby, for itself and each other member of the Grafiti Group, agree that no member of the Parent Group shall have any Liability whatsoever as a result of the Policies and practices of Parent and the members of the Parent Group as in effect at any time, including as a result of the level or scope of any such insurance, the creditworthiness of any insurance carrier, the terms and conditions of any policy, or the adequacy or timeliness of any notice to any insurance carrier with respect to any claim or potential claim or otherwise.

(h) For 5 years after the Effective Time, each of Parent and Grafiti shall cause to be maintained in effect the same or no less favorable (in the aggregate) provisions in its respective articles of incorporation and bylaws or comparable governing documents in effect as of the Effective Time regarding elimination of liability, indemnification of officers and directors and advancement of expenses; provided that this clause (h) shall not be deemed to prevent any merger, liquidation or similar transaction.

5.2 Late Payments. Except as expressly provided to the contrary in this Agreement or in any Ancillary Agreement, or as otherwise agreed in writing by the Parties, any amount not paid when due pursuant to this Agreement or any Ancillary Agreement (and any amounts billed or otherwise invoiced or demanded and properly payable that are not paid within 45 days of such bill, invoice or other demand) shall accrue interest at a rate per annum equal to the Prime Rate plus 1%, provided that notice of any such late payment has been provided and the other Party has been provided 15 days to cure any such late payment.

5.3 Inducement. Grafiti acknowledges and agrees that Parent's willingness to cause, effect and consummate the Separation and the Distribution has been conditioned upon and induced by Grafiti's covenants and agreements in this Agreement and the Ancillary Agreements, including Grafiti's assumption of the Grafiti Liabilities pursuant to the Separation and the provisions of this Agreement and Grafiti's covenants and agreements contained in Article IV.

5.4 Post-Effective Time Conduct. The Parties acknowledge that, after the Effective Time, each Party shall be independent of the other Party, with responsibility for its own actions and inactions and its own Liabilities relating to, arising out of or resulting from the conduct of its business, operations and activities following the Effective Time, except as may otherwise be provided in any Ancillary Agreement, and each Party shall (except as otherwise provided in Article IV) use commercially reasonable efforts to prevent such Liabilities from being inappropriately borne by the other Party.

5.5 Tax Cooperation. After the Distribution, the Parties agree to provide (and to cause their Affiliates to provide) each other with such cooperation and information (including access to books and records, financial statements and copies of relevant tax returns or portions thereof, together with accompanying schedules) relating to the Transferred Entity that are in such party's possession for any tax period (or portion thereof) ending on or prior to the date of the Distribution (a "Tax Period") as any other party may reasonably request in connection with (i) preparing and filing any tax return, amended tax return or other ax filing for a Tax Period, (ii) conducting or defending any tax audit, exam or other proceeding for a Tax Period, or (iii) effectuating the terms of this Agreement and the Distribution from a tax perspective.

ARTICLE VI

EXCHANGE OF INFORMATION; CONFIDENTIALITY

6.1 Agreement for Exchange of Information.

(a) Subject to Section 6.9 and any other applicable confidentiality obligations, each of Parent and Grafiti, on behalf of itself and each member of its Group, agrees to use commercially reasonable efforts to provide or make available, or cause to be provided or made available, to the other Party and the members of such other Party's Group, at any time before, on or after the Effective Time, as soon as reasonably practicable after written request therefor is received by such Party, any information (or a copy thereof) in the possession or under the control of such Party or its Group which the requesting Party requests to the extent that (i) such information relates to the Grafiti Business, or any Grafiti Asset or Grafiti Liability, if Grafiti is the requesting Party, or to the Parent Business, or any Parent Asset or Parent Liability, if Parent is the requesting Party; (ii) such information is required by the requesting Party to comply with its obligations under this Agreement or any Ancillary Agreement; or (iii) such information is required by the requesting Party to comply with any obligation imposed by any Governmental Authority or under any securities exchange or marketplace rule; provided, however, that, in the event that the Party to whom the request has been made determines that any such provision of information could be detrimental to the Party providing the information, violate any Law or agreement, or waive any privilege available under applicable Law, including any attorney-client privilege, then the Parties shall use commercially reasonable efforts to permit compliance with such obligations to the extent and in a manner that avoids any such harm or consequence. The Party providing information pursuant to this Section 6.1 shall only be obligated to provide such information in the form, condition and format in which it then exists, and in no event shall such Party be required to perform any improvement, modification, conversion, updating or reformatting of any such information, and nothing in this Section 6.1 shall expand the obligations of a Party under Section 6.4.

(b) Without limiting the generality of the foregoing, until December 31, 2023 which is the end of Grafiti's 2023 fiscal year (and for a reasonable period of time afterwards as required for each Party to prepare consolidated financial statements or complete a financial statement audit for such fiscal year), each Party shall use its commercially reasonable efforts to cooperate with the other Party's information requests to enable (i) the other Party to meet its timetable for dissemination of its earnings releases, financial statements and management's assessment of the effectiveness of its disclosure controls and procedures and its internal control over financial reporting in accordance with Items 307 and 308, respectively, of Regulation S-K promulgated under the Exchange Act; and (ii) the other Party's accountants to timely complete their review of the quarterly financial statements and audit of the annual financial statements, including, to the extent applicable to such Party, its auditor's audit of its internal control over financial reporting and management's assessment thereof in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, the SEC's and Public Company Accounting

Oversight Board's rules and auditing standards thereunder and any other applicable Laws.

6.2 Ownership of Information. The provision of any information pursuant to Section 6.1 or Section 6.7 shall not affect the ownership of such information (which shall be determined solely in accordance with the terms of this Agreement and the Ancillary Agreements), or constitute a grant of rights in or to any such information.

6.3 Compensation for Providing Information. The Party requesting information agrees to reimburse the other Party for the reasonable costs, if any, of creating, gathering, copying, transporting and otherwise complying with the request with respect to such information (including any reasonable costs and expenses incurred in any review of information for purposes of protecting the Privileged Information of the providing Party or in connection with the restoration of backup media for purposes of providing the requested information). Except as may be otherwise specifically provided elsewhere in this Agreement, any Ancillary Agreement or any other agreement between the Parties, such costs shall be computed in accordance with the providing Party's standard methodology and procedures.

6.4 Record Retention. To facilitate the possible exchange of information pursuant to this Article VI and other provisions of this Agreement after the Effective Time, the Parties agree to use their commercially reasonable efforts, which shall be no less rigorous than those used for retention of such Party's own information, to retain all information in their respective possession or control at the Effective Time in accordance with their respective policies regarding retention of records; provided, however, that in the case of any information relating to Taxes, such retention period shall be extended to the expiration of the applicable statute of limitations (giving effect to any extensions thereof).

6.5 Limitations of Liability. Neither Party shall have any Liability to the other Party in the event that any information exchanged or provided pursuant to this Agreement is found to be inaccurate in the absence of gross negligence, bad faith or willful misconduct by the Party providing such information. Neither Party shall have any Liability to any other Party if any information is destroyed after commercially reasonable efforts by such Party to comply with the provisions of Section 6.4.

6.6 Other Agreements Providing for Exchange of Information.

(a) The rights and obligations granted under this Article VI are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention, destruction or confidential treatment of information set forth in any Ancillary Agreement.

(b) Any party that receives, pursuant to a request for information in accordance with this Article VI, Tangible Information that is not relevant to its request shall, at the request of the providing Party, (i) return it to the providing Party or, at the providing Party's request, destroy such Tangible Information; and (ii) deliver to the providing Party written confirmation that such Tangible Information was returned or destroyed, as the case may be, which confirmation shall be signed by an authorized representative of the requesting Party.

6.7 Production of Witnesses; Records; Cooperation.

(a) After the Effective Time, except in the case of a Dispute between Parent and Grafiti, or any members of their respective Groups, each Party shall use its commercially reasonable efforts to make available to the other Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available without undue burden, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action in which the requesting Party (or member of its Group) may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The requesting Party shall bear all costs and expenses in connection therewith.

(b) If a Party chooses to defend or to seek to compromise or settle any Third- Party Claim, the other Party shall make available to such Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available without undue burden, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be.

(c) Without limiting the foregoing, the Parties shall cooperate and consult to the extent reasonably necessary with respect to any Actions.

(d) Without limiting any provision of this Section 6.7, each of the Parties agrees to cooperate, and to cause each member of its respective Group to cooperate, with each other in the defense of any infringement or similar claim with respect to any Intellectual Property and shall not claim to acknowledge, or permit any member of its respective Group to claim to acknowledge, the validity or infringing use of any Intellectual Property of a third Person in a manner that would hamper or undermine the defense of such infringement or similar claim.

(e) The obligation of the Parties to provide witnesses pursuant to this Section 6.7 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to provide as witnesses directors, officers, employees, other personnel and agents without regard to whether such person or the employer of such person could assert a possible business conflict (subject to the exception set forth in the first sentence of Section 6.7(a)).

6.8 Privileged Matters.

(a) The Parties recognize that legal and other professional services that have been and will be provided prior to the Effective Time have been and will be rendered for the collective benefit of each of the members of the Parent Group and the Grafiti Group, and that each of the members of the Parent Group and the Grafiti Group should be deemed to be the client with respect to such services for the purposes of asserting all privileges which may be asserted under applicable Law in connection therewith. The Parties recognize that legal and other professional services will be provided following the Effective Time, which services will be rendered solely for the benefit of the Parent Group or the Grafiti Group, as the case may be. In furtherance of the foregoing, each Party shall authorize the delivery to or retention by the other Party of materials existing as of the Effective Time that are necessary for such other Party to perform such services.

(b) The Parties agree as follows:

(i) Parent shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to the Parent Business and not to the Grafiti Business, whether or not the Privileged Information is in the possession or under the control of any member of the Parent Group or any member of the Grafiti Group. Parent shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to any Parent Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the Privileged Information is in the possession or under the control of any member of the Parent Group or any member of the Grafiti Group;

(ii) Grafiti shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to the Grafiti Business and not to the Parent Business, whether or not the Privileged Information is in the possession or under the control of any member of the Grafiti Group or any member of the Parent Group. Grafiti shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to any Grafiti Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the Privileged Information is in the possession or under the control of any member of the Grafiti Group or any member of the Parent Group; and

(iii) if the Parties do not agree as to whether certain information is Privileged Information, then such information shall be treated as Privileged Information, and the Party that believes that such information is Privileged Information shall be entitled to control the assertion or waiver of all privileges and immunities in connection with any such information unless the Parties otherwise agree. The Parties shall use the procedures set forth in Article VII to resolve any disputes as to whether any information relates solely to the Parent Business, solely to the Grafiti Business, or to both the Parent Business and the Grafiti Business.

(c) Subject to the remaining provisions of this Section 6.8, the Parties agree that they shall have a shared privilege or immunity with respect to all privileges and immunities not allocated pursuant to Section 6.8(b) and all privileges and immunities relating to any Actions or other matters that involve both Parties (or one or more members of their respective Groups) and in respect of which both Parties have Liabilities under this Agreement, and that no such shared privilege or immunity may be waived by either Party without the prior written consent of the other Party.

(d) If any Dispute arises between the Parties or any members of their respective Groups regarding whether a privilege or immunity should be waived to protect or advance the interests of either Party or any member of their respective Groups, each Party agrees that it shall (i) negotiate with the other Party in good faith; (ii) endeavor to minimize any prejudice to the rights of the other Party; and (iii) not unreasonably withhold consent to any request for waiver by the other Party. Further, each Party specifically agrees that it shall not withhold its consent to the waiver of a privilege or immunity for any purpose except in good faith to protect its own legitimate interests.

(e) In the event of any Dispute between Parent and Grafiti, or any members of their respective Groups, either Party may waive a privilege in which the other Party or member of such other Party's Group has a shared privilege, without obtaining prior written consent pursuant to Section 6.8(c); provided that the Parties intend such waiver of a shared privilege to be effective only as to the use of information with respect to the Action between the Parties or the applicable members of their respective Groups, and is not intended to operate as a waiver of the shared privilege with respect to any Third Party.

(f) Upon receipt by either Party, or by any member of its respective Group, of any subpoena, discovery or other request that may reasonably be expected to result in the production or disclosure of Privileged Information subject to a shared privilege or immunity or as to which another Party has the sole right hereunder to assert a privilege or immunity, or if either Party obtains knowledge that any of its, or any member of its respective Group's, current or former directors, officers, agents or employees have received any subpoena, discovery or other requests that may reasonably be expected to result in the production or disclosure of such Privileged Information, such Party shall promptly notify the other Party of the existence of the request (which notice shall be delivered to such other Party no later than 5 business days following the receipt of any such subpoena, discovery or other request) and shall provide the other Party a reasonable opportunity to review the Privileged Information and to assert any rights it or they may have under this Section 6.8 or otherwise, to prevent the production or disclosure of such Privileged Information.

(g) Any furnishing of, or access or transfer of, any information pursuant to this Agreement is made in reliance on the agreement of Parent and Grafiti set forth in this Section 6.8 and in Section 6.9 to maintain the confidentiality of Privileged Information and to assert and maintain all applicable privileges and immunities. The Parties agree that their respective rights to any access to information, witnesses and other Persons, the furnishing of notices and documents and other cooperative efforts between the Parties contemplated by this Agreement, and the transfer of Privileged Information between the Parties and members of their respective Groups as needed pursuant to this Agreement, is not intended to be deemed a waiver of any privilege that has been or may be asserted under this Agreement or otherwise.

(h) In connection with any matter contemplated by Section 6.7 or this Section 6.8, the Parties agree to, and to cause the applicable members of their Group to, use commercially reasonable efforts to maintain their respective separate and joint privileges and immunities, including by executing joint defense or common interest agreements where necessary or useful for this purpose.

6.9 Confidentiality.

(a) Confidentiality. Subject to Section 6.10, from and after the Effective Time each of Parent and Grafiti, on behalf of itself and each member of its respective Group, agrees to hold, and to cause its respective Representatives to hold, in strict confidence, with at least the same degree of care that applies to Parent's confidential and proprietary information pursuant to policies in effect as of the Effective Time, all confidential and proprietary information concerning the other Party or any member of the other Party's Group or their respective businesses (giving effect to the Separation and Distribution) that is either in its possession (including confidential and proprietary information in its possession prior to the date hereof) or furnished by any such other Party or any member of such Party's Group or their respective Representatives at any time pursuant to this Agreement, any Ancillary Agreement or otherwise, and shall not use any such confidential and proprietary information other than for such purposes as shall be expressly permitted hereunder or thereunder, except, in each case, to the extent that such confidential and proprietary information has been (i) in the public domain or generally available to the public, other than as a result of a disclosure by such Party or any member of such Party's Group or any of their respective Representatives in violation of this Agreement, (ii) later lawfully acquired from other sources by such Party (or any member of such Party's Group) which sources are not themselves bound by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such confidential and proprietary information, or (iii) independently developed or generated without reference to or use of any proprietary or confidential information of the other Party or any member of such Party's Group. If any confidential and proprietary information of one Party or any member of its Group is disclosed to the other Party or any member of such other Party's Group in connection with providing services to such first Party or any member of such first Party's Group under this Agreement or any Ancillary Agreement, then such disclosed confidential and proprietary information shall be used only as required to perform such services.

(b) No Release; Return or Destruction. Each Party agrees not to release or disclose, or permit to be released or disclosed, any information addressed in Section 6.9(a) to any other Person, except its Representatives who need to know such information in their capacities as such (who shall be advised of their obligations hereunder with respect to such information), and except in compliance with Section 6.10. Without limiting the foregoing, when any such information is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, and is no longer subject to any legal hold or other document preservation obligation, each Party will promptly after request of the other Party either return to the other Party all such information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or notify the other Party in writing that it has destroyed such information (and such copies thereof and such notes, extracts or summaries based thereon); provided, that the Parties may retain electronic back-up versions of such information maintained on routine computer system backup tapes, disks or other backup storage devices; provided further, that any such information so retained shall remain subject to the confidentiality provisions of this Agreement or any Ancillary Agreement. Each Party agrees to comply with all applicable privacy, data protection, data security or other applicable Laws, policies and contracts with regard to the collection, maintenance, disclosure, retention or

destruction of the personal information in its possession, custody or control.

(c) Third-Party Information; Privacy or Data Protection Laws. Each Party acknowledges that it and members of its Group may presently have and, following the Effective Time, may gain access to or possession of confidential or proprietary information of, or legally- protected personal information relating to, Third Parties (i) that was received under privacy policies or confidentiality or non-disclosure agreements entered into between such Third Parties, on the one hand, and the other Party or members of such other Party's Group, on the other hand, prior to the Effective Time; or (ii) that, as between the two Parties, was originally collected by the other Party or members of such other Party's Group and that may be subject to and protected by privacy policies, as well as privacy, data protection or other applicable Laws. Each Party agrees that it shall hold, protect and use, and shall cause the members of its Group and its and their respective Representatives to hold, protect and use, in strict confidence the confidential and proprietary information of, or legally-protected personal information relating to, Third Parties in accordance with privacy policies and privacy, data protection, data security or other applicable Laws and the terms of any agreements that were either entered into before the Effective Time or affirmative commitments or representations that were made before the Effective Time by, between or among the other Party or members of the other Party's Group, on the one hand, and such Third Parties, on the other hand. With respect to legally-protected personal information received from consumers before the Effective Time, each Party agrees that it will not use data in a manner that is materially inconsistent with promises made at the time the data was collected unless it first obtains affirmative express consent from the relevant consumer.

6.10 Protective Arrangements. In the event that a Party or any member of its Group either determines on the advice of its counsel that it is required to disclose any information pursuant to applicable Law or receives any request or demand under lawful process or from any Governmental Authority or securities exchange or marketplace to disclose or provide information of the other Party (or any member of the other Party's Group) that is subject to the confidentiality provisions hereof, such Party shall notify the other Party (to the extent legally permitted) as promptly as practicable under the circumstances prior to disclosing or providing such information and shall cooperate, at the expense of the other Party, in seeking any appropriate protective order requested by the other Party. In the event that such other Party fails to receive such appropriate protective order in a timely manner, then the Party that received such request or demand may thereafter disclose or provide information to the extent required by such Law (as so advised by its counsel) or by lawful process or such Governmental Authority, and the disclosing Party shall promptly provide the other Party with a copy of the information so disclosed, in the same form and format so disclosed, together with a list of all Persons to whom such information was disclosed, in each case to the extent legally permitted.

6.11 Security.

(a) If either Party is given access to the other Party's (or its Affiliate's) computer systems or Software (collectively, the "Systems") or physical facilities in connection with the exchange of Information under this Agreement, such Party shall comply with all of the other Party's reasonable policies, procedures and requirements in relation to Systems or physical facilities (collectively, "Security Requirements") and will not tamper with, compromise, attempt to circumvent or circumvent any security or audit measures employed by such other Party. In the event of any conflict between this Agreement and any Security Requirements, this Agreement will govern. Each Party shall access and use only those Systems of the other Party for which it has been granted the right to access and use, and only to the extent reasonably necessary in connection with the provision or receipt, as applicable, of Information. Each Party shall be responsible for its employees' compliance with the confidentiality provisions of this Agreement in connection with such access, including access to comingled or sensitive Information.

(b) Each Party will ensure that only those of its personnel who are specifically authorized to have access to the Systems or physical facilities of the other Party (or its Affiliates) gain such access, and will prohibit the unauthorized access, use, destruction, alteration or loss of Information or other property contained therein, including notifying its personnel of the restrictions set forth in this Agreement and of the Security Requirements.

(c) If, at any time, either Party determines that (i) any of its personnel has sought to circumvent, or has circumvented, the Security Requirements of the other Party, (ii) any unauthorized personnel of such Party has accessed the Systems or physical facilities of the other Party, or (iii) any of the personnel of such Party has engaged in activities that may lead or leads to the unauthorized access, use, destruction, alteration or loss of Information or Software, such Party shall immediately terminate any such personnel's access to the Systems or physical facilities of the other Party and immediately notify the other Party. In addition, each Party shall have the right to deny the personnel of the other Party access to any Systems or physical facilities upon written notice to the other Party in the event that such Party reasonably believes that such personnel have engaged in any of the activities set forth above in this Section 6.11(c). Each Party will cooperate with the other Party in investigating any apparent unauthorized access to the Systems or facilities of the other Party.

ARTICLE VII

DISPUTE RESOLUTION

7.1 Good Faith Offer Negotiation. Subject to Section 7.4, either Party seeking resolution of any dispute, controversy or claim arising out of or relating to this Agreement or any Ancillary Agreement (including regarding whether any Assets are Grafiti Assets, any Liabilities are Grafiti Liabilities or the validity, interpretation, breach or termination of this Agreement or any Ancillary Agreement) (a "Dispute"), shall provide written notice thereof to the other Party (the "Offer Negotiation Request"). Within 15 days of the delivery of the Offer Negotiation Request, the Parties shall attempt to resolve the Dispute through good faith negotiation. All such negotiations shall be conducted by executives who hold, at a minimum, the title of Senior Vice President, Chief Financial Officer or Chief Operating Officer and who have authority to settle the Dispute. All such negotiations shall be confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. If the Parties are unable for any reason to resolve a Dispute within 30 days of receipt of the Offer Negotiation Request, and such 30 day period is not extended by mutual written consent of the Parties, the Chief Executive Officers of the Parties shall enter into good faith negotiations in accordance with Section 7.2.

7.2 Good-Faith Negotiation. If any Dispute is not resolved pursuant to Section 7.1, the Party that delivered the Offer Negotiation Request shall provide written notice of such Dispute to the Chief Executive Officer of each Party (a "CEO Negotiation Request"). As soon as reasonably practicable following receipt of a CEO Negotiation Request, the Chief Executive Officers of the Parties shall begin conducting good-faith negotiations with respect to such Dispute. All such negotiations shall be confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. If the Chief Executive Officers of the Parties are unable for any reason to resolve a Dispute within 30 days of receipt of a CEO Negotiation Request, and such 30 day period is not extended by mutual written consent of the Parties, the Dispute shall be submitted to arbitration in accordance with Section 7.3.

7.3 Arbitration.

(a) In the event that a Dispute has not been resolved within 30 days of the receipt of a CEO Negotiation Request in accordance with Section 7.2, or within such longer period as the Parties may agree to in writing, then such Dispute shall, upon the written request of a Party (the "Arbitration Request") be submitted to be finally resolved by binding arbitration in accordance with the then current International Institute for Conflict Prevention and Resolution ("CPR") arbitration procedure, except as modified herein. The arbitration shall be held in (i) Palo Alto, California, or (ii) such other place as the Parties may mutually agree in writing. Unless otherwise agreed by the Parties in writing, any Dispute to be decided pursuant to this Section 7.3 will be decided (i) before a sole arbitrator if the amount in dispute, inclusive of all claims and counterclaims, totals less than $1 million; or (ii) by a panel of 3 arbitrators if the amount in dispute, inclusive of all claims and counterclaims, totals $1 million or more.

(b) The panel of 3 arbitrators will be chosen as follows: (i) within 15 days from the date of the receipt of the Arbitration Request, each Party will name an arbitrator; and (ii) the 2 Party-appointed arbitrators will thereafter, within 30 days from the date on which the second of the 2 arbitrators was named, name a third, independent arbitrator who will act as chairperson of the arbitral tribunal. In the event that either Party fails to name an arbitrator within 15 days from the date of receipt of the Arbitration Request, then upon written application by either Party, that arbitrator shall be appointed pursuant to the CPR arbitration procedure. In the event that the 2 Party-appointed arbitrators fail to appoint the third, then the third, independent arbitrator will be appointed pursuant to the CPR arbitration procedure. If the arbitration will be before a sole independent arbitrator, then the sole independent arbitrator will be appointed by agreement of the Parties within 15 days of the date of receipt of the Arbitration Request. If the Parties cannot agree to a sole independent arbitrator during such 15 day period, then upon written application by either party, the sole independent arbitrator will be appointed pursuant to the CPR arbitration procedure.

(c) The arbitrator(s) will have the right to award, on an interim basis, or include in the final award, any relief which it deems proper in the circumstances, including money damages (with interest on unpaid amounts from the due date), injunctive relief (including specific performance) and attorneys' fees and costs; provided that the arbitrator(s) will not award any relief not specifically requested by the Parties and, in any event, will not award any indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other arising in connection with the transactions contemplated hereby (other than any such Liability with respect to a Third-Party Claim). Upon selection of the arbitrator(s) following any grant of interim relief by a special arbitrator or court pursuant to Section 7.4, the arbitrator(s) may affirm or disaffirm that relief, and the Parties will seek modification or rescission of the order entered by the court as necessary to accord with the decision of the arbitrator(s). The award of the arbitrator(s) shall be final and binding on the Parties, and may be enforced in any court of competent jurisdiction. The initiation of arbitration pursuant to this Article VII will toll the applicable statute of limitations for the duration of any such proceedings.

7.4 Litigation and Unilateral Commencement of Arbitration. Notwithstanding the foregoing provisions of this Article VII, (a) a Party may seek preliminary provisional or injunctive judicial relief with respect to a Dispute without first complying with the procedures set forth in Section 7.1, Section 7.2 and Section 7.3 if such action is reasonably necessary to avoid irreparable damage and (b) either Party may initiate arbitration before the expiration of the periods specified in Section 7.1, Section 7.2 or Section 7.3 if such Party has submitted an Offer Negotiation Request, a CEO Negotiation Request or an Arbitration Request and the other Party has failed to comply with Section 7.1, Section 7.2 or Section 7.3 in good faith with respect to such negotiation or the commencement and engagement in arbitration. In such event, the other Party may commence and prosecute such arbitration unilaterally in accordance with the CPR arbitration procedure.

7.5 Conduct During Dispute Resolution Process. Unless otherwise agreed in writing, the Parties shall, and shall cause the respective members of their Groups to, continue to honor all commitments under this Agreement and each Ancillary Agreement to the extent required by such agreements during the course of dispute resolution pursuant to the provisions of this Article VII, unless such commitments are the specific subject of the Dispute at issue.

ARTICLE VIII

FURTHER ASSURANCES AND ADDITIONAL COVENANTS

8.1 Further Assurances.

(a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the Parties shall use its reasonable best efforts, prior to, on and after the Effective Time, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable Laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements.

(b) Without limiting the foregoing, prior to, on and after the Effective Time, each Party hereto shall cooperate with the other Party, and without any further consideration, but at the expense of the requesting Party, to execute and deliver, or use its reasonable best efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain all Approvals or Notifications of, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument (including any consents or Governmental Approvals), and to take all such other actions as such Party may reasonably be requested to take by the other Party from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and the Ancillary Agreements and the transfers of the Grafiti Assets and the Parent Assets and the assignment and assumption of the Grafiti Liabilities and the Parent Liabilities and the other transactions contemplated hereby and thereby. Without limiting the foregoing, each Party will, at the reasonable request, cost and expense of the other Party, take such other actions as may be reasonably necessary to vest in such other Party good and marketable title to the Assets allocated to such Party under this Agreement or any of the Ancillary Agreements, free and clear of any Security Interest, if and to the extent it is practicable to do so.

(c) On or prior to the Effective Time, Parent and Grafiti, in their respective capacities as direct and indirect stockholders of the members of their Groups, shall each ratify any actions which are reasonably necessary or desirable to be taken by Parent, Grafiti or any of the members of their respective Groups, as the case may be, to effectuate the transactions contemplated by this Agreement and the Ancillary Agreements.

ARTICLE IX TERMINATION

9.1 Termination. This Agreement and all Ancillary Agreements may be terminated and the Distribution may be amended, modified or abandoned at any time prior to the Effective Time by Parent, in its sole and absolute discretion, without the approval or consent of any other Person, including Grafiti. After the Effective Time, this Agreement may not be terminated except by an agreement in writing signed by a duly authorized officer of each of the Parties.

9.2 Effect of Termination. In the event of any termination of this Agreement prior to the Effective Time, no Party (nor any of its directors, officers or employees) shall have any Liability or further obligation to the other Party by reason of this Agreement.

ARTICLE X MISCELLANEOUS

10.1 Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement and each Ancillary Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties.

(b) This Agreement, the Ancillary Agreements and the Exhibits, Schedules and appendices hereto and thereto contain the entire agreement between and among the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between and among the Parties other than those set forth or referred to herein or therein. This Agreement and the Ancillary Agreements together govern the arrangements in connection with the Separation and Distribution and would not have been entered independently.

(c) Parent represents on behalf of itself and each other member of the Parent Group, and Grafiti represents on behalf of itself and each other member of the Grafiti Group, as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and each Ancillary Agreement to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement and each Ancillary Agreement to which it is a party has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

(d) Each Party acknowledges that it and each other Party is executing certain of the Ancillary Agreements by facsimile, stamp, electronic (including via DocuSign) or mechanical signature, and that delivery of an executed counterpart of a signature page to this Agreement or any Ancillary Agreement (whether executed by manual, stamp, electronic (including via DocuSign) or mechanical signature) by facsimile or by email in portable document format (PDF) shall be effective as delivery of such executed counterpart of this Agreement or any Ancillary Agreement. Each Party expressly adopts and confirms each such facsimile, stamp, electronic (including via DocuSign) or mechanical signature (regardless of whether delivered in person, by mail, by courier, by facsimile or by email in portable document format (PDF)) made in its respective name as if it were a manual signature delivered in person, agrees that it will not assert that any such signature or delivery is not adequate to bind such Party to the same extent as if it were signed manually and delivered in person and agrees that, at the reasonable request of the other Party at any time, it will as promptly as reasonably practicable cause each such Ancillary Agreement to be manually executed (any such execution to be as of the date of the initial date thereof) and delivered in person, by mail or by courier.

10.2 Governing Law. This Agreement and, unless expressly provided therein, each Ancillary Agreement (and any claims or disputes arising out of or related hereto or thereto or to the transactions contemplated hereby and thereby or to the inducement of any Party to enter herein and therein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of Nevada irrespective of the choice of laws principles of the State of Nevada including all matters of validity, construction, effect, enforceability, performance and remedies.

10.3 Assignability. Except as set forth in any Ancillary Agreement, this Agreement and each Ancillary Agreement shall be binding upon and inure to the benefit of the Parties and the parties thereto, respectively, and their respective successors and permitted assigns; provided, however, that neither Party nor any such party thereto may assign its rights or delegate its obligations under this Agreement or any Ancillary Agreement without the express prior written consent of the other Party hereto or other parties thereto, as applicable. Notwithstanding the foregoing, no such consent shall be required for the assignment of a party's rights and obligations under this Agreement and the Ancillary Agreements (except as may be otherwise provided in any such Ancillary Agreement) in whole (i.e., the assignment of a party's rights and obligations under this Agreement and all Ancillary Agreements all at the same time) in connection with a change of control of a Party so long as the resulting, surviving or transferee Person assumes all the obligations of the relevant party thereto by operation of Law or pursuant to an agreement in form and substance reasonably satisfactory to the other Party.

10.4 Third-Party Beneficiaries. The provisions of this Agreement and each Ancillary Agreement are solely for the benefit of the Parties and are not intended to confer upon any Person except the Parties any rights or remedies hereunder, and there are no third-party beneficiaries of this Agreement or any Ancillary Agreement and neither this Agreement nor any Ancillary Agreement shall provide any third person with any remedy, claim, Liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement or any Ancillary Agreement.

10.5 Notices. All notices, requests, claims, demands or other communications under this Agreement and, to the extent, applicable and unless otherwise provided therein, under each of the Ancillary Agreements shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, or by facsimile with receipt confirmed, to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 10.5):

If to Parent, to:

Inpixon
2479 E. Bayshore Road, Suite 195
Palo Alto, California 94303
Attn.: Chief Executive Officer

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

Kevin Friedmann, Esq.
Norton Rose Fulbright US LLP
1045 W. Fulton Market, Suite 1200
Chicago, IL 60607

If to Graffiti, to:

Grafiti Holding Inc.
2479 E. Bayshore Road, Suite 195
Palo Alto, California 94303
Attn.: Chief Executive Officer

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

Daniel Steiner, Esq.

Norton Rose Fulbright Canada llp
510 West Georgia Street, Suite 1800
Vancouver, British Columbia
V6B 0M3 Canada

A Party may, by notice to the other Party, change the address to which such notices are to be given.

10.6 Severability. If any provision of this Agreement or any Ancillary Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

10.7 Force Majeure. No Party shall be deemed in default of this Agreement or, unless otherwise expressly provided therein, any Ancillary Agreement for any delay or failure to fulfill any obligation (other than a payment obligation) hereunder or thereunder so long as and to the extent to which any delay or failure in the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. In the event of any such excused delay, the time for performance of such obligations (other than a payment obligation) shall be extended for a period equal to the time lost by reason of the delay. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (a) provide written notice to the other Party of the nature and extent of any such Force Majeure condition; and (b) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement and the Ancillary Agreements, as applicable, as soon as reasonably practicable.

10.8 No Set-Off. Except as expressly set forth in any Ancillary Agreement or as otherwise mutually agreed to in writing by the Parties, neither Party nor any member of such Party's Group shall have any right of set-off or other similar rights with respect to (a) any amounts received pursuant to this Agreement or any Ancillary Agreement; or (b) any other amounts claimed to be owed to the other Party or any member of its Group arising out of this Agreement or any Ancillary Agreement.

10.9 Expenses. Except as otherwise expressly set forth in this Agreement or any Ancillary Agreement, or as otherwise agreed to in writing by the Parties, all fees, costs and expenses incurred on or prior to the Effective Time in connection with the preparation, execution, delivery and implementation of this Agreement, including the Separation and the Distribution, and any Ancillary Agreement, the Form S-1 or the Form 10, and the consummation of the transactions contemplated hereby and thereby, will be borne by Parent.

10.10 Headings. The article, section and paragraph headings contained in this Agreement and in the Ancillary Agreements are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement or any Ancillary Agreement.

10.11 Survival of Covenants. Except as expressly set forth in this Agreement or any Ancillary Agreement, the covenants, representations and warranties contained in this Agreement and each Ancillary Agreement, and Liability for the breach of any obligations contained herein, shall survive the Separation and the Distribution and shall remain in full force and effect.

10.12 Waivers of Default. Waiver by a Party of any default by the other Party of any provision of this Agreement or any Ancillary Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the other Party. No failure or delay by a Party in exercising any right, power or privilege under this Agreement or any Ancillary Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

10.13 Specific Performance. Subject to the provisions of Article VII, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any Ancillary Agreement, the Party or Parties who are, or are to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief in respect of its or their rights under this Agreement or such Ancillary Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any Action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties.

10.14 Amendments. No provisions of this Agreement or any Ancillary Agreement shall be deemed waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

10.15 Interpretation. In this Agreement and any Ancillary Agreement, (a) words in the singular shall be deemed to include the plural and vice versa and words of one gender shall be deemed to include the other genders as the context requires; (b) the terms "hereof," "herein," and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement (or the applicable Ancillary Agreement) as a whole (including all of the Schedules, Exhibits and Appendices hereto and thereto) and not to any particular provision of this Agreement (or such Ancillary Agreement); (c) Article, Section, Schedule, Exhibit and Appendix references are to the Articles, Sections, Schedules, Exhibits and Appendices to this Agreement (or the applicable Ancillary Agreement) unless otherwise specified; (d) unless otherwise stated, all references to any agreement (including this Agreement and each Ancillary Agreement) shall be deemed to include the exhibits, schedules and annexes (including all Schedules, Exhibits and Appendixes) to such agreement; (e) the word "including" and words of similar import when used in this Agreement (or the applicable Ancillary Agreement) shall mean "including, without limitation," unless otherwise specified; (f) the word "or" shall not be exclusive; (g) unless otherwise specified in a particular case, the word "days" refers to calendar days; (h) references to "business day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by law to close in the United States or New York, New York; (i) references herein to this Agreement or any other agreement contemplated herein shall be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified; and (j) unless expressly stated to the contrary in this Agreement or in any Ancillary Agreement, all references to "the date hereof," "the date of this Agreement," "hereby" and"hereupon" and words of similar import shall all be references to the date set forth in the introductory paragraph of this Agreement.

10.16 Limitations of Liability. Notwithstanding anything in this Agreement to the contrary, neither Grafiti or any member of the Grafiti Group, on the one hand, nor Parent or any member of the Parent Group, on the other hand, shall be liable under this Agreement to the other for any indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other arising in connection with the transactions contemplated hereby (other than any such Liability with respect to a Third-Party Claim).

10.17 Performance. Parent will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the Parent Group. Grafiti will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the Grafiti Group. Each Party (including its permitted successors and assigns) further agree that they will (a) give timely notice of the terms, conditions and continuing obligations contained in this Agreement and any applicable Ancillary Agreement to all of the other members of their respective Group and (b) cause all of the other members of their respective Group not to take any action or fail to take any such action inconsistent with such Party's obligations under this Agreement, any Ancillary Agreement or the transactions contemplated hereby or thereby.

10.18 Mutual Drafting. This Agreement and the Ancillary Agreements shall be deemed to be the joint work product of the Parties and any rule of construction that a document shall be interpreted or construed against a drafter of such document shall not be applicable.

IN WITNESS WHEREOF, the Parties have caused this Separation and Distribution Agreement to be executed by their duly authorized representatives as of the date first written above.

INPIXON

By: /s/ Nadir Ali
Nadir Ali, Chief Executive Officer

GRAFITI HOLDING INC.

By: /s/ Nadir Ali
Nadir Ali, Chief Executive Officer

Schedules to Separation and Distribution Agreement

(See Attached)

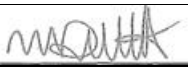
Exhibit A

Articles of Grafiti

(See Attached)

GRAFITI HOLDING INC.
(the "Company")

The Company has as its articles the following articles.

Full name and signature of each incorporator	Date of signing
BHT CORPORATE SERVICES INC.	
Per: 	October 17 , 2023

Incorporation number: BC1444838

ARTICLES

PROVINCE OF BRITISH COLUMBIA
BUSINESS CORPORATIONS ACT
ARTICLES OF
GRAFITI HOLDING INC.

1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

(1) "board of directors", "directors" and "board" mean the directors or sole director of the Company for the time being;

(2) *"Business Corporations Acf"* means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(3) "legal personal representative" means the personal or other legal representative of the shareholder;

(4) "registered address" of a shareholder means the shareholder's address as recorded in the central securities register;

(5) "seal" means the seal of the Company, if any.

1.2 Business Corporations Act and Interpretation Act Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act,* with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict between these Articles and the *Business Corporations Act,* the *Business Corporations Act* will prevail.

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the.Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act.*

2.3 Share Certificate or Acknowledgment

Unless the directors, by resolution, provide otherwise each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

(1) order the share certificate or acknowledgment, as the case may be, to be cancelled; and

(2) issue a replacement share certificate or acknowledgment, as the case may be.

2.6 Replacement of lost, Stolen or Destroyed Certificate or Acknowledgment

If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgment, as the case may be, must be issued to the person entitled to that share certificate or acknowledgment, as the case may be, if the directors receive:

(1) proof satisfactory to them that the share certificate or acknowledgment is lost, stolen or destroyed; and

(2) any indemnity the directors consider adequate.

2.7 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.8 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act,* determined by the directors.

2.9 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise.dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act,* no share may be issued until it is fully paid. A share is fully paid when:

(1) consideration is provided to the Company for the issue of the share by one or more of the following:

(a) past services performed for the Company;

(b) property;

(c) money; and

(d) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act,* the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

4. SHARE REGISTERS

4.1 Central Securities Register

As required by and subject to the *Business Corporations Act,* the Company must maintain in British Columbia a central securities register. The directors may, subject to the *Business Corporations Act,* appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of ariy agent at any time and may appoint another agent in its place.

4.2 Closing Register

The Company must not at any time close its central securities register.

5. SHARE TRANSFERS

5.1 Registering Transfers

A transfer of a share of the Company must not be registered unless:

(1) a duly signed instrument of transfer in respect of the share has been received by the Company;

(2) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and

(3) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment has been surrendered to the Company.

5.2 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be acceptable to the directors from time to time.

5.3 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

(1) in the name of the person named as transferee in that instrument of transfer; or

(2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.5 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.6 Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

6. TRANSMISSION OF SHARES

6.1 legal Personal Representative Recognized on Death

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative

The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

7. PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act,* the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

7.2 Purchase When Insolvent

The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

(1) the Company is insolvent; or

(2) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

(1) is not entitled to vote the share at a meeting of its shareholders;

(2) must not pay a dividend in respect of the share; and

(3) must not make any other distribution in respect of the share.

8. BORROWING POWERS

The Company, if authorized by the directors, may:

(1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;

(2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;

(3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

(4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act,* the Company may by special resolution:

(1) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;

(2) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

(3) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;

(4) if the Company is authorized to issue shares of a class of shares with par value:

(a) decrease the par value of those shares; or

(b) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;

(5) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;

(6) alter the identifying name of any of its shares; or

(7) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act.*

9.2 Special Rights and Restrictions

Subject to the *Business Corporations Act,* the Company may by special resolution:

(1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

(2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued.

9.3 Change of Name

The Company may by special resolution authorize an alteration of its Notice of Articles in order to change its name.

9.4 Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act,* the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, whenever they think fit, call a meeting of shareholders.

10.4 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may

be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

(1) if and for so long as the Company is a public company, 21 days;

(2) otherwise, 10 days.

10.5 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act,* by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

(1) if and for so long as the Company is a public company, 21 days;

(2) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.6 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act,* by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or redu.ce the period of notice of such meeting.

10.8 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

(1) state the general nature of the special business; and

(2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:

(a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

(b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

(1) at a meeting of shareholders that is not an annual general meeting, ;:ill business is special business except business relating to the conduct of or voting at the meeting;

(2) at an annual general meeting, all business is special business except for the following:

(a) business relating to the conduct of or voting at the meeting;

(b) consideration of any financial statements of the Company presented to the meeting;

(c) consideration of any reports of the directors or auditor;

(d) the setting or changing of the number of directors;

(e) the election or appointment of directors;

(f) the appointment of an auditor;

(g) the setting of the remuneration of an auditor;

(h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;

(i) any other business which, under these Articles or the *Business Corporations Act,* may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

(1) the quorum is one person who is, or who represents by proxy, that shareholder, and

(2) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Other Persons May Attend

The directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

(1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and

(2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

(1) the chair of the board, if any; or

(2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is

adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act,* every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

11.14 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.15 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16 Casting Vote

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.17 Manner of Taking Poll

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

(1) the poll must be taken:

(a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and

(b) in the manner, at the time and at the place that the chair of the meeting directs;

(2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and

(3) the demand for the poll may be withdrawn by the person who demanded it.

11.18 Demand for Poll on Adjournment

A poll demand.ad at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.19 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.20 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.21 Demand for Poll

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.22 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.23 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

(1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and

(2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, ·or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

(1) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

(2) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

12.5 Representative of a Corporate Shareholder

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

(1) for that purpose, the instrumenl appointing a representative must:

(a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no riumber of days is specified, two business days before the day set for the holding of the meeting; or

(b) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting;

(2) if a representative is appointed under this Article 12.5:

(a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

(b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the •Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6 Proxy Provisions Do Not Apply to All Companies

Articles 12.7 to 12.10 and Article 12.12 do not apply to the Company if and for so long as it is a public company.

12.7 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.9 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

(1) the person appointing the proxy holder is a corpo’ration or a representative of a corporation appointed under Article 12.5;

(2) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or

(3) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

(1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of t_he meeting; or

(2) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.11 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

(1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(2) by the chair of the meeting, before the vote is taken.

12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

name of company
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the shareholder):

Signed *[month, day, year]*

[Signature of shareholder]

[Name of shareholder-printed]

12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is:

(1) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(2) provided, at the meeting, to the chair of the meeting.

12.14 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

(1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;

(2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

13. DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act.* The number of directors, excluding additional directors appointed under Article 14.8, is set at:

(1) subject to paragraphs (2) and (3), the number of directors that is equal to the number of the Company's first directors;

(2) if the Company is a public company, the greater of three and the most recently set of:

(a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(b) the number of directors set under Article 14.4;

(3) if the Company is not a public company, the most recently set of:

(a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(b) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(2}(a) or 13.1(3)(a):

(1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;

(2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the Business *Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting.

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

(1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and

(2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

(1) that individual consents to be a director in the manner provided for in the *Business Corporations Act;*

(2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or

(3) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act.*

14.3 Failure to Elect or Appoint Directors

If:

(1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act;* or

(2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

(3) the date on which his or her successor is elected or appointed; and

(4) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should .be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act,* for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

(1) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or

(2) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

(1) the term of office of the director expires;

(2) the director dies;

(3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or

(4) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be.qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

15. ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director

Any director (an "appointor") may by notice in writing received by the Company appoint any person (an "appointee") who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

15.2 Notice of Meetings

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

15.3 Alternate for More Than One Director Attending Meetings

A person may be appointed as an alternate director by more than one director, and an alternate director:

(1) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;

(2) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;

(3) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;

(4) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

15.4 Consent Resolutions

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

15.5 Alternate Director Not an Agent

Every alternate director is deemed not to be the agent of his or her appointor.

15.6 Revocation of Appointment of Alternate Director

An appointor may at any time, by notice in writing received by the Company, reyoke the appointment of an alternate director appointed by him or her.

15.7 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

(1) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;

(2) the alternate director dies;

(3) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;

(4) the alternate director ceases to be qualified to act as a director; or

(5) his or her appointor revokes the appointment of the alternate director.

15.8 Remuneration and Expenses of Alternate Director

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

16. POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

16.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such

purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

16.3 Setting the Remuneration of Auditors

The directors may from time to time set the remuneration of the auditors of the Company.

17. DISCLOSURE OF INTEREST OF DIRECTORS

17.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the*Business Corporations Act)* in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act.*

17.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

17.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

17.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act.*

17.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

17.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

17.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act,* a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

17.8 Director or Officer in **Other Corporations**

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act,* the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

18. PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

18.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or

casting vote.

18.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

(1) the chair of the board, if any;

(2) in the absence of the chair of the board, the president, if any, if the president is a director; or

(3) any other director chosen by the directors if:

(a) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

(b) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or

(c) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

18.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

18.5 Calling of Meetings

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

18.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors .and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

18.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director br an alternat director if:

(1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or

(2) the director or alternate director, as the case may be, has waived notice of the meeting.

18.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

18.9 Waiver of Notice of Meetings

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and.may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

18.10 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at two directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

18.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act,* an act of a director or officer is not invalid merely because of an irregularity in. the election or appointment or a defect in the qualification of that director or officer.

18.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors may be passed without a meeting:

(1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or

(2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who are entitled to vote on the resolution consents to it in writing.

A consent in writing under this Article may be by signed document, fax, email or any other method of transmitting legibly recorded messages. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

19. EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

(1) the power to fill vacancies in the board of directors;

(2) the power to remove a director;

(3) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

(1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;

(2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:

(a) the power to fill vacancies in the board of directors;

(b) the power to remove a director;

(c) the power to change the membership of, or ·fill vacancies in, any committee of the directors; and

(d) the power to appoint or remove officers appointed by the directors; and

(3) make any delegation referred to in paragr,aph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3 Obligations of Committees

Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

(1) conform to any rules that may from time to time be imposed on it by the directors; and

(2) report every act or thing done in exercise of those powers at such times as the directors may require.

19.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles19.1 or 19.2:

(1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;

(2) terminate the appointment of, or change the membership of, the committee; and

(3) fill vacancies in the committee.

19.5 Committee Meetings

Subject to Article 19.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

(1) the committee may meet and adjourn as it thinks proper;

(2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

(3) a majority of the members of the committee constitutes a quorum of the committee; and

(4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

20. OFFICERS

20.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

(1) determine the functions and duties of the officer;

(2) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

(3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

20.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act.* One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

20.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors thinks fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

21. INDEMNIFICATION

21.1 Definitions

In this Article 21:

(1) "eligible penalty" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

(2) "eligible proceeding" means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an "eligible party") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:

(a) is or may be joined as a party; or

(b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

(3) "expenses" has the meaning set out in the *Business Corporations Act.*

21.2 Mandatory Indemnification of Directors, Former Directors and Officers Prior to October 17, 2028

Until October 17, 2028, and subject to the *Business Corporations Act,* the Company must indemnify and use commercially reasonable efforts to purchase and maintain insurance for the benefit of its director, former directors, alternate directors or officers of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, in advance of the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding provided that this Article 21.2 shall not be deemed to prevent any merger, liquidation or similar transaction. Each director, alternate director and officer is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

21.3 Mandatory Indemnification of Directors and Former Directors After October 17, 2028

Following October 17, 2028, and subject to the *Business Corporations Act,* the Company must indemnify a director, former directors or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director, alternate director and officer is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.3.

21.4 Indemnification of Other Persons

Subject to any restrictions in the *Business Corporations Act,* the Company may indemnify any person.

21.5 Non-Compliance with *Business Corporations Act*

The failure of a director, alternate director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

21.6 Company May Purchal?e Insurance

Notwithstanding the obligations of the Company under the foregoing Article 21.2, the Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

(1) is or was a director, alternate director, officer, employee or agent of the Company;

(2) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;

(3) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;

(4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

22. DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

The provisions of this Article 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

22.2 Declaration of Dividends

Subject to the *Business Corporations Act,* the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

22.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 22.2.

22.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

22.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

22.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

(1) set the value for distribution of specific assets;

(2) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and

(3) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

22.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

22.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

22.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such.cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid ori presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

22.13 Capitalizat'ion of Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

23. DOCUMENTS, RECORDS AND REPORTS

23.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act.*

23.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

24. NOTICES

24.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

(1) mail addressed to the person at the applicable address for that person as follows:

(a) for a record mailed to a shareholder, the shareholder's registered address;

(b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

(c) in any other case, the mailing address of the intended recipient;

(2) delivery at the applicable address for that person as follows, addressed to the person:

(a) for a record delivered to a shareholder, the shareholder's registered address;

(b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

(c) in any other case, the delivery address of the intended recipient;

(3) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(4) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;

(5) physical delivery to the intended recipient.

24.2 Deemed Receipt of Mailing

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

24.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 24.1, prepaid and mailed or otherwise sent as permitted by Article 24.1 is conclusive evidence of that fact.

24.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in

the central securities register in respect of the share.

24.5 Notice to Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(1) mailing the record, addressed to them:

(a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

25. SEAL

25.1 Who May Attest Seal

Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

(1) any two directors;

(2) any officer, together with any director;

(3) if the Company only has one director, that director; or

(4) any one or more directors or officers or persons as may be determined by the directors.

25.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer.

25.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

26. PROHIBITIONS

26.1 Definitions

In this Article 26:

(1) "designated security" means:

(a) a voting security of the Company;

(b) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or

(c) a security of the Company convertible, directly or indirectly, into a security described in paragraph (a) or (b);

(2) "security" has the meaning assigned in the *Securities Act* (British Columbia);

(3) "voting security" means a security of the Company that:

(a) is not a debt security, and

(b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

26.2 Application

Article 26.3 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

26.3 Consent Required for Transfer of Shares or Designated Securities

No share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

Norton Rose Fulbright Canada llp

Exhibit 2.2

BUSINESS COMBINATION AGREEMENT

by and among

INPIXON

GRAFITI HOLDING INC.

1444842 B.C. LTD.

and

DAMON MOTORS INC.

Dated as of October 23, 2023

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BUSINESS COMBINATION AGREEMENT

THIS BUSINESS COMBINATION AGREEMENT (this "**Agreement**") is made and entered into as of October 23, 2023 by and among:

A. Inpixon, a Nevada corporation (the "**Parent**");

B. Grafiti Holding Inc., a British Columbia company ("**Spinco**");

C. 1444842 B.C. Ltd., a British Columbia company ("**Amalco Sub**"); and

D. Damon Motors Inc., a British Columbia company (the "**Company**").

The Parent, Spinco, Amalco Sub and the Company are sometimes referred to herein individually as a "**Party**" and, collectively, as the "Parties." Capitalized terms used and not otherwise defined herein have the meaning set forth in Article XI.

RECITALS:

WHEREAS, the Parent was incorporated under the laws of the State of Nevada on April 8, 1999, and is in the business of providing technology solutions to organizations;

WHEREAS, the Parent will contribute the Spinout Assets to Spinco, following which Spinco Common Shares will be distributed to the shareholders of the Parent (the "**Spinout**");

WHEREAS, Amalco Sub is a wholly-owned, direct Subsidiary of Spinco, and was newly formed for the sole purpose of consummating the transactions contemplated by this Agreement, including the Amalgamation;

WHEREAS, the Parties intend to carry out a business combination by way of an arrangement on the terms and subject to the conditions set forth in a plan of arrangement under Part 9 Division 5 of the *Business Corporations Act* (British Columbia) ("**BCBCA**"), substantially in the form attached hereto as Exhibit A (the "**Plan of Arrangement**"), and in accordance with the terms of this Agreement, subject to any amendments or variations to the Plan of Arrangement made in accordance with the terms of this Agreement and the Plan of Arrangement, or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Parent, each acting reasonably (such arrangement, the "**Arrangement**");

WHEREAS, on the terms and subject to the conditions of this Agreement and the Plan of Arrangement and in accordance with the applicable provisions of the BCBCA, Amalco Sub and the Company will amalgamate and continue as one corporate entity pursuant to Section 276 of the BCBCA (the "**Amalgamation**"), and in connection with the Arrangement and the Amalgamation, (i) each Company Note issued and outstanding immediately prior to the Effective Time will automatically be exchanged for such number Company Common Shares as set out in Section 1.13; (ii) each Company SAFE issued and outstanding immediately prior to the Effective Time will automatically be exchanged for such number Company Common Shares as set out in Section 1.13; (iii) each Company Preferred Share issued and outstanding immediately prior to the Effective Time will be automatically exchanged for such number Company Common Shares as set out in Section 1.13, (iv) each Company Common Share (including Company Common Shares issued pursuant to items (i), (ii) and (iii) above) issued and outstanding immediately prior to the Effective Time will be automatically exchanged for the number of Spinco Common Shares as set forth in Section 1.13; (iv) each Company Option issued and outstanding immediately prior to the Effective Time will be exchanged for a Converted Option of Spinco as set forth in Section 1.13, and iv) each Company Warrant issued and outstanding immediately prior to the Effective Time will be exchanged for a Converted Warrant of Spinco as set forth in Section 1.13.

WHEREAS, for U.S. federal and state income tax purposes, (i) each of Spinco, Amalco Sub and the Company hereby intends that, to the greatest extent permitted by Law, the Amalgamation will qualify as a "reorganization" within the meaning of Sections 368(a) of the Code and the Treasury Regulations promulgated thereunder (the "**Intended Tax Treatment**"), (ii) each of Spinco, Amalco Sub and the Company will be a party to the reorganization under Section 368(b) of the Code, and (iii) this Agreement be, and hereby is, adopted as a "plan of reorganization" for the purposes of Section 368 of the Code and Treasury Regulations Section 1.368-2(g) and 1.368-3(a);

WHEREAS, the Parties desire for the provisions of subsection 87(9) and section 51, as applicable, of the ITA to apply to the Arrangement;

WHEREAS, the Parent Board has unanimously (i) determined that it is in the best interests of the Parent and its stockholders, and declared it advisable, to enter into this Agreement and the Ancillary Documents to which it is a party, and (ii) approved, among other things, this Agreement and the Ancillary Documents to which it is a party and the transactions contemplated hereunder and thereby, including the Spinout and the Amalgamation, on the terms and subject to the conditions of this Agreement;

WHEREAS, the Company Board has unanimously (i) determined that it is fair to and in the best interests of the Company and the Company Shareholders, and declared it advisable, to enter into this Agreement and the Ancillary Documents to which it is a party, (ii) approved this Agreement, the Ancillary Documents to which it is a party, and the transactions contemplated hereunder and thereunder, including the Amalgamation, on the terms and subject to the conditions of this Agreement, and (iii) agreed to recommend that the Company Shareholders vote in favor of the Arrangement Resolution;

WHEREAS, as a condition and inducement to Spinco's willingness to enter into this Agreement, simultaneously with the execution and delivery of this Agreement, Jay Giraud, the Company's Chief Executive Officer, has executed and delivered to the Parent and Spinco a support agreement, substantially in the form attached hereto as Exhibit B (the "**Company Support Agreement**"), pursuant to which Mr. Giraud has agreed to vote any Company Securities held by him in favor of the Company Shareholder Approval Matters, on the terms and subject to the conditions set forth therein;

WHEREAS, pursuant to Section 6.19(a) and Section 6.19(b) of this Agreement, the Company has agreed to obtain additional Company Support Agreements from certain other Company Securityholders, pursuant to which each such Company Securityholder will agree to vote any Company Securities held by him, her or it in favor of the Company Shareholder Approval Matters, on the terms and subject to the conditions set forth therein;

WHEREAS, as a condition and inducement to Spinco's willingness to enter into this Agreement, simultaneously with the execution and delivery of this Agreement, each Company Insider has executed and delivered to the Parent and Spinco a lock-up agreement, substantially in the form attached hereto as Exhibit C-1 (the "**Company Insider Lock-Up Agreement**"), pursuant to which such Company Insider has agreed, effective as of the Closing, to certain lock-up restrictions with respect to any Spinco securities to be received by him, her or it hereunder, on the terms and subject to the conditions set forth therein;

WHEREAS, pursuant to Section 6.19(c) of this Agreement, the Company has agreed to obtain lock-up agreements, substantially in the form attached hereto as Exhibit C-2 (the "**Company Lock-Up Agreement**"), from certain other Company Securityholders, pursuant to which each such Company Securityholder will agree, effective as of the Closing, to certain lock-up restrictions with respect to any Spinco securities to be received by him, her or it hereunder, on the terms and subject to the conditions set forth therein;

WHEREAS, pursuant to Section 6.20 of this Agreement, the Parties shall cause the Spinco Organizational Documents to be amended and restated to contain lock-up restrictions on the Spinco Shareholders, with respect to their Spinco Common Shares, effective as of the time of receiving such Spinco Common Shares, on substantially the same terms contained in the Company Lock-Up Agreement, or alternatively the Parties shall apply such lock-up restrictions to the Spinco Shareholders' Spinco Common Shares through another mechanism reasonably acceptable to Spinco and the Company; and

WHEREAS, immediately following the execution of this Agreement, the Parent will purchase a Company Note in the original principal amount of $3,000,000 (the "**Parent Note**") together with certain Company Warrants pursuant to June 2023 Note Offering.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, and agreements set forth in this Agreement, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

ARTICLE I
PLAN OF ARRANGEMENT

1.1 Plan of Arrangement.

The Parties agree that the Arrangement will be implemented in accordance with and subject to the terms and conditions of this Agreement and the Plan of Arrangement. In the event of any conflict between the terms of this Agreement and the Plan of Arrangement, the Plan of Arrangement shall govern. The Parties shall each effect and carry out the steps, actions or transactions to be carried out by them pursuant to the Plan of Arrangement.

1.2 Interim Order.

No later than three (3) Business Days after the Registration Statement has been declared effective by the SEC, the Company shall apply in a manner reasonably acceptable to the Parent pursuant to Part 9 Division 5 of the BCBCA and, in cooperation with Spinco and the Parent, prepare, file and diligently pursue a motion for the Interim Order, which must provide, among other things:

(a) for the classes of Persons to whom notice is to be provided in respect of the Arrangement and the Company Meeting and for the manner in which such notice is to be provided;

(b) that the required level of approval for the Arrangement Resolution shall be (i) two-thirds of the votes cast on such resolution by the Company Shareholders present in person or represented by proxy at the Company Meeting; (ii) two-thirds of the votes cast on such resolution by the holders of Company Class B Preferred Shares and Class A Series 2 Company Preferred Shares, voting together as a single class on an as converted basis; (iii) two-thirds of the votes cast on such resolution by the holders of Company Warrants; (iv) two-thirds of the votes cast on such resolution by the holders of Company Options; (v) three-quarters of the underlying value of the votes cast on such resolution by the holders of Company Notes and a majority of the holders of Company Notes; and (vii) any approval requirements as may be imposed by the Court.

(c) that the record date for the Company Shareholders entitled to receive notice of and to vote at the Company Meeting will not change in respect or as a consequence of any adjournment(s) or postponement(s) of the Company Meeting, unless required by Law;

(d) that, in all other respects, the terms, restrictions and conditions of the Company's Organizational Documents, including quorum requirements and all other matters, shall apply in respect of the Company Meeting;

(e) for the grant of Dissent Rights to those Company Shareholders who are registered Company Shareholders as contemplated in the Plan of Arrangement;

(f) for the notice requirements with respect to the presentation of the application to the Court for the Final Order;

(g) that the Company Meeting may be adjourned or postponed from time to time by the Company in accordance with the terms of this Agreement without the need for additional approval of the Court;

(h) that it is the Company's intention to rely upon the exemption from registration provided by Section 3(a)(10) of the Securities Act with respect to the issuance of Spinco Common Shares and other securities of Spinco as described herein to be issued pursuant to the Arrangement to Company Securityholders upon completion of the Arrangement, based on the Court's determination that the Arrangement is substantially and procedurally fair and reasonable to the Company Shareholders participating in the Arrangement; and

(i) for such other matters as the Parent or Spinco may reasonably require, subject to obtaining the prior consent of the Company, acting reasonably.

1.3 The Company Meeting.

The Company shall:

(a) subject to and in accordance with the terms of this Agreement, the Interim Order, the Company's Organizational Documents and Law, convene and conduct the Company Meeting as soon as reasonably practicable (and no later than within twenty (20) days following receipt of the Interim Order), and set the record date for the Company Shareholders entitled to vote at the Company Meeting as promptly as practicable, and not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the Company Meeting without the prior written consent of Spinco, acting reasonably, or as required by Law or by a Governmental Authority;

(b) subject to the terms of this Agreement and compliance by the directors and officers of the Company with their fiduciary duties, use commercially reasonable efforts to solicit proxies in favor of the approval of the Arrangement Resolution and against any resolution submitted by any Person that is inconsistent with the Arrangement Resolution and the completion of any of the transactions contemplated by this Agreement;

(c) give notice to Spinco of the Company Meeting and allow Spinco's representatives and legal counsel to attend the Company Meeting;

(d) as promptly as reasonably practicable, advise Spinco, at such times as Spinco may reasonably request and at least on a daily basis on each of the last ten Business Days prior to the date of the Company Meeting, and promptly following receipt of proxy tallies over the last three Business Days prior to the date of the Company Meeting, as to the aggregate tally of the proxies received by the Company in respect of the Arrangement Resolution and provide the right to Spinco to demand postponement or adjournment of the Company Meeting if, based on the tally of proxies, the Company will not receive the Required Company Shareholder Approval; provided that the Company Meeting, so postponed or adjourned, shall not be later than five (5) Business Days prior to the Outside Date;

(e) promptly advise Spinco of any material communication (written or oral) from or claims brought by (or threatened to be brought by) any Person in opposition to the Arrangement and any purported exercise or withdrawal of Dissent Rights by Company Shareholders; and

(f) not make any payment or settlement offer, or agree to any payment or settlement with respect to Dissent Rights, without the prior written consent of Spinco, acting reasonably.

1.4 The Company Circular.

(a) Subject to Spinco's compliance with Section 1.4(c), the Company shall as promptly as reasonably practicable prepare and complete, in consultation with Spinco as contemplated by this Section 1.4(a), the Company Circular together with any other documents required by Law in connection with the Company Meeting, and the Company shall, promptly after obtaining the Interim Order, cause the Company Circular and such other documents to be filed and sent to each Company Shareholder and other Persons as required by the Interim Order and Law, in each case so as to permit the Company Meeting to be held by the date specified in Section 1.3.

(b) The Company shall ensure that the Company Circular complies in all material respects with Law, does not contain any misrepresentation (provided that the Company shall not be responsible for the accuracy of any information furnished by the Parent for purposes of inclusion in the Company Circular pursuant to Section 1.4(c)) and provides the Company Shareholders with sufficient information to permit them to form a reasoned judgement concerning the matters to be placed before the Company Meeting. Without limiting the generality of the foregoing, the Company Circular must include: (i) a statement that the Company Board has determined that the Arrangement is in the best interests of the Company and is fair to the Company Shareholders and the Company Board unanimously recommends that Company Shareholders vote in favor of the Arrangement Resolution (the "**Company Board Recommendation**"); and (ii) a statement that each executive officer and director of the Company who owns Company Shares or holds Company Options intends to vote all of such Person's Company Shares (including any Company Shares issued upon the exercise of any Company Options) in favor of the Arrangement Resolution.

(c) The Company shall give Spinco and its legal counsel a reasonable opportunity to review and comment on drafts of the Company Circular and other related documents, and shall accept the reasonable comments made by Spinco and its legal counsel, and agrees that all information relating solely to Spinco or any of its affiliates included in the Company Circular must be in a form consistent with the information provided to the Company by the Parent. The Company shall provide Spinco with a final copy of the Company Circular in connection with its mailing to Company Shareholders,

(d) Spinco shall provide to the Company all information regarding the Parent and its affiliates as required by the Interim Order or Laws for inclusion in the Company Circular or in any amendments or supplements to such Company Circular. The Parent shall ensure that such information does not include any material misrepresentation concerning the Parent or its affiliates.

(e) Each Party shall promptly notify the other Parties if it becomes aware that the Company Circular contains a misrepresentation, or otherwise requires an amendment or supplement. The Parties shall cooperate in the preparation of any such amendment or supplement as required or appropriate, and the Company shall promptly mail, file or otherwise publicly disseminate any such amendment or supplement to the Company Shareholders and, if required by the Court or by Law, file the same with any other Governmental Authority.

1.5 Final Order.

(a) If the Interim Order is obtained and the Arrangement Resolution is passed at the Company Meeting as provided for in the Interim Order, the Company shall take all steps necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order pursuant to Part 9 Division 5 of the BCBCA, as soon as reasonably practicable, but in any event not later than three (3) Business Days after the date on which the Arrangement Resolution is passed at the Company Meeting as provided for in the Interim Order.

1.6 Court Proceedings.

(a) In connection with all Court proceedings relating to obtaining the Interim Order and the Final Order, the Company shall diligently pursue, and cooperate with Spinco in diligently pursuing, the Interim Order and the Final Order, and the Company will provide Spinco and its legal counsel with reasonable opportunity to review and comment upon drafts of all materials to be filed with the Court in connection with the Arrangement, prior to the service and filing of such materials, and will accept the reasonable comments of Spinco and its legal counsel with respect to any information required to be supplied by Spinco and included in such materials. The Company will not file any material with the Court in connection with the Plan of Arrangement or serve any such material, and will not agree to modify or amend any materials so filed or served, except as contemplated by this Agreement or with Spinco's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed, provided that Spinco is not required to agree or consent to any increase or variation in the form of the consideration payable hereunder or other modification or amendment to such filed or served materials that expands or increases its obligations, or diminishes or limits its rights, set forth in any such filed or served materials or under this Agreement or the Plan of Arrangement. In addition, the Company will not object to legal counsel to Spinco making such submissions on the motion for the Interim Order and the application for the Final Order as such counsel considers appropriate, acting reasonably, provided Spinco advises the Company of the nature of any such submissions prior to the hearing and such submissions are consistent with this Agreement and the Plan of Arrangement. The Company will also provide legal counsel to Spinco with copies of any notice and evidence served on the Company or its legal counsel in respect of the application for the Final Order or any appeal therefrom, and any notice, written or oral, indicating the intention of any Person to appeal, or oppose the granting of, the Interim Order or Final Order. The Company shall also oppose any proposal from any party that the Final Order contain any provision inconsistent with this Agreement and the Plan of Arrangement and, if at any time after the issuance of the Final Order and prior to the Effective Date, the Company is required by the terms of the Final Order or by Law to return to Court with respect to the Final Order, it shall do so after notice to, and in consultation and cooperation with, Spinco.

1.7 Spinout.

Prior to the Closing, the Parent will consummate the Spinout by contributing the Spinout Assets to Spinco and issuing Spinout Common Shares to the Parent Securityholders in accordance with the terms and conditions of the Separation and Distribution Agreement. Prior to consummating the Spinout, the Parent will allow the Company reasonable time to review and comment on the documents needed to effectuate the Spinout.

1.8 Arrangement and Effective Date.

(a) At the reasonable request of Spinco at any time and from time to time prior to the Effective Date, the Company shall amend the Plan of Arrangement, provided that no such amendment (i) is inconsistent with the Interim Order, the Final Order or this Agreement, (ii) is prejudicial to the Company or Company Shareholders or (iii) creates a reasonable risk of delaying, impairing or impeding in any material respect any conditions set forth in Article VIII.

(b) Subject to the satisfaction or waiver of the conditions set forth in Article VIII or unless this Agreement is earlier terminated in accordance with Article IX, the Effective Date will occur on the date upon which the Parties agree in writing as the date upon which the Arrangement becomes effective, which date shall be no later than the second (2nd) Business Day after all the closing conditions to this Agreement have been satisfied or, if permissible, waived (other than those conditions that by their nature are required to be satisfied at the Effective Date, it being understood that the occurrence of the closing shall remain subject to the satisfaction, or if permissible, waiver of such conditions at the closing), or at such other date, time as the Parties may mutually agree, and the Arrangement shall be effective at the Effective Time on the Effective Date and will have all of the effects provided by applicable law.

(c) The closing of the Arrangement will take place via electronic document exchange or at the offices of Gowling WLG (Canada) LLP in Vancouver, British Columbia, or at such other location as may be agreed upon by the Parties.

1.9 Effect of the Arrangement.

At the Effective Time, the effect of the Amalgamation shall be as provided in this Agreement, the Plan of Arrangement and the applicable provisions of the BCBCA. The Amalgamation shall occur pursuant to subsection 87(9) of the ITA. The exchange of each Company Note and Company Preferred Share into Company Common Shares shall occur pursuant to section 51 of the ITA. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all the property, rights, privileges, agreements, powers and franchises, debts, Liabilities, duties and obligations of Amalco Sub and the Company shall be the property, rights, privileges, agreements, powers and franchises, debts, Liabilities, duties and obligations of the Damon Surviving Company, which shall include the assumption by the Damon Surviving Company of any and all agreements, covenants, duties and obligations of Amalco Sub and the Company set forth in this Agreement to be performed after the Effective Time.

1.10 Organizational Documents.

(a) At the Effective Time, by virtue of the Amalgamation, the Company Organizational Documents, each as in effect immediately prior to the Effective Time, shall become the Organizational Documents of the Damon Surviving Company.

(b) The Parties shall cause the Spinco Organizational Documents to be amended and restated as of immediately prior to the Spinout on mutually-agreeable terms not inconsistent with the other terms of this Agreement.

1.11 Directors and Officers

(a) At the Effective Time, by virtue of the Amalgamation, (i) the directors of the Company immediately prior to the Effective Time shall be the directors of the Damon Surviving Company, with each such director to hold office in accordance with the Organizational Documents of the Damon Surviving Company, and (ii) the officers of the Company immediately prior to the Effective Time shall be the officers of the Damon Surviving Company, with each such officer to hold office in accordance with the Organizational Documents of the Damon Surviving Company

(b) The Parties shall cause the board of directors of Spinco as of immediately following the Effective Time to consist of those individuals contemplated by Section 6.15(a), each to hold office in accordance with the BCBCA and the Spinco Organizational Documents until their respective successors are, in the case of the directors, duly elected or appointed and qualified and, in the case of the officers, duly appointed.

1.12 Amalgamation Consideration.

As consideration for the Amalgamation, Spinco shall issue, and the Company Securityholders collectively shall be entitled to receive, in accordance with Section 1.13, an amount of Spinco Common Shares, including those underlying the Converted Options and Converted Warrants, equal to the Amalgamation Consideration.

1.13 Effect of Arrangement and Amalgamation.

In accordance with the Plan of Arrangement, commencing at the Effective Time, the following transactions will occur and will be deemed to occur in the order set out below without any further authorization, act or formality required on the part of any Person, except as otherwise expressly provided herein:

(a) Without any action on the part of any Person, the Company Notes issued and outstanding immediately prior to the Effective Time will be automatically converted into such number of Company Common Shares such that upon the Amalgamation, pursuant to Section 1.13(d)(i), the holders of Company Notes will each receive such number of Spinco Common Shares that they are entitled to receive in accordance with the terms of the Company Notes upon a Public Company Event (as such term is defined in the Company Notes);

(b) Without any action on the part of any Person, the Company SAFEs issued and outstanding immediately prior to the Effective Time will be automatically converted into such number of Company Common Shares such that upon the Amalgamation, pursuant to Section 1.13(d)(i), the holders of Company SAFEs will each receive such number of Spinco Common Shares that they are entitled to receive in accordance with the terms of the Company SAFEs; and

(c) Without any action on the part of any Person, the Company Preferred Shares issued and outstanding immediately prior to the Effective Time (other than Company Preferred Shares held by a Company Dissenting Shareholder) will be automatically exchanged for such number of Company Common Shares as set out in Schedule "A" to the Plan of Arrangement;

(d) Amalco Sub shall amalgamate with the Company to form a new company ("**Damon Surviving Company**") under section 276 of the BCBCA, which Amalgamation shall be consummated by filing an Amalgamation Application (the "**Amalgamation Application**") resulting in the issuance of the Certificate of Amalgamation. As a result of the Amalgamation:

(i) Without any action on the part of any Person, all Company Common Shares issued and outstanding immediately prior to the Effective Time, inclusive of all Company Common Shares issued pursuant to Sections 1.13(a), 1.13(b) and 1.13(c) (other than Company Shares held by a Company Dissenting Shareholder) will be transferred and assigned to Spinco free and clear of all Liens in consideration for a number of Spinco Common Shares determined by *multiplying* such number of Company Common Shares by the Exchange Ratio;

(ii) Upon the Amalgamation, the name of each Company Shareholder will be removed as the registered holder of Company Shares from the applicable central securities register of the Company maintained by or on behalf of the Company and added as a registered holder of Spinco Common Shares, as applicable, on the applicable central securities registers of Spinco maintained by or on behalf of Spinco;

(iii) Spinco will be recorded as the registered holder of the Company Shares so transferred and acquired in accordance with this Section 1.13(d) and will be deemed to be the legal and beneficial owner thereof free and clear of all Liens;

(iv) Upon the Amalgamation, without any action on the part of any Person, Damon Surviving Company shall issue to Spinco one common share of Damon Surviving Company for each Spinco Common Share issued in Section 1.13(d)(i) above and Spinco will be added to the central securities register of holders of Damon Surviving Company common shares and the Company Shares so exchanged will be cancelled without any repayment of capital;

(v) Upon the Amalgamation, each share of Amalco Sub issued and outstanding will be exchanged for one common share of Damon Surviving Company, the holder such Damon Surviving Company share will be added to the register of holders of Damon Surviving Company shares and the Amalco Sub shares so exchanged will be cancelled without any repayment of capital;

(vi) Without any action on the part of any Person, each Company Option issued and outstanding immediately prior to the Effective Time will be exchanged for a Spinco option (a "**Converted Option**") (i) to acquire, subject to substantially the same terms and conditions as were applicable under such Company Option and the Company Stock Option Plan, a number of Spinco Common Shares (rounded down to the nearest whole share) equal to the product of (A) the number of Company Common Shares underlying such Company Option, *multiplied by* (B) the Exchange Ratio, (ii) at an exercise price per share (rounded up to the nearest whole cent) equal to (A) the exercise price per share of such Company Option immediately prior to the Effective Time *divided by* (B) the Exchange Ratio. For the avoidance of doubt, each Converted Option shall be subject to the terms and conditions of the Incentive Plan.

(vii) As soon as practicable after the Effective Time, Spinco shall deliver to the holders of Converted Options appropriate notices (the form and substance of which notices shall be subject to review and approval of the Parent) setting forth such holders' rights, and the agreements evidencing the grants of such Converted Options in exchange for Company Options (subject to the adjustments required by this 1.13 after giving effect to the Arrangement).

(viii) Without any action on the part of any Person, each Company Warrant issued and outstanding immediately prior to the Effective Time will be exchanged for a Spinco warrant (a "**Converted Warrant**") (i) to acquire, subject to substantially the same terms and conditions as were applicable under such Company Warrant, a number of Spinco Common Shares (rounded down to the nearest whole share) equal to the product of (A) the number of Company Common Shares underlying such Company Warrant, *multiplied by* (B) the Exchange Ratio, (ii) at an exercise price per share (rounded up to the nearest whole cent) equal to (A) the exercise price per share of such Company Warrant immediately prior to the Effective Time *divided by* (B) the Exchange Ratio.

(ix) As soon as practicable after the Effective Time, Spinco shall deliver to the holders of Converted Warrants appropriate notices (the form and substance of which notices shall be subject to review and approval of the Parent) setting forth such holders' rights, and the agreements evidencing the grants of such Converted Warrants in exchange for Company Warrants (subject to the adjustments required by this 1.13 after giving effect to the Arrangement).

(x) Upon the Amalgamation, the capital of the common shares of Damon Surviving Company will be the sum of: (i) the aggregate paid-up capital (as such term is defined in the ITA) of the Company Shares immediately prior to the Amalgamation (which in each case, for greater certainty, does not include any paid-up capital attributable to the Company Shares of Company Dissenting Shareholders); and (ii) the aggregate paid-up capital (as such term is defined in the ITA) of the Amalco Sub shares immediately prior to the Amalgamation;

(xi) Upon the Amalgamation, the capital of the Spinco Common Shares will be increased by an amount equal to the aggregate paid-up capital (as such term is defined in the ITA) of the Company Shares immediately prior to the Amalgamation (which, for greater certainty, does not include any paid-up capital attributable to the Company Shares held by Company Dissenting Shareholders).

(xii) Damon Surviving Company will become a wholly-owned subsidiary of the Spinco.

1.14 Effective Date.

The Amalgamation shall be completed on the Effective Date and shall be effective at the Effective Time.

1.15 Name Change.

The name of Spinco following the Effective Time shall be as determined by the Company in its sole discretion.

1.16 Effecting the Amalgamation.

Subject to the rights of termination contained in this Agreement, upon the approval of the Company Shareholders and the shareholders of Amalco Sub being obtained, and the other conditions contained in this Agreement being complied with or waived, Amalco Sub and the Company shall file the Amalgamation Application and deliver such other documents as may be required in order to effect the Amalgamation.

1.17 Treasury Stock.

At the Effective Time, if there are any Company Securities that are owned by the Company as treasury securities, such securities shall be canceled without any conversion or exchange thereof and no payment or distribution shall be made with respect thereto.

1.18 Surrender of Company Securities; Payment of Amalgamation Consideration.

(a) At or prior to the Effective Time, Spinco shall (i) appoint Computershare Trust Company of Canada, or such other transfer agent as is mutually agreeable between the parties, as transfer agent (the "**Exchange Agent**") for the purposes set forth in this Section 1.18 and (ii) deposit, or cause to be deposited, with the Exchange Agent, the Amalgamation Consideration to be issued pursuant to the Amalgamation.

(b) At or prior to the Effective Time, Spinco shall send, or shall cause the Exchange Agent to send, to each holder of Company Notes, Company SAFEs and Company Shares evidenced by Certificates (the "**Certificates**") or represented by book-entry (the "**Book-Entry Shares**") and not held by the Depository Trust Company ("**DTC**") or the Canadian Depository for Securities ("**CDS**"), a letter of transmittal for use in such exchange, in a form to be mutually agreed upon by the Parties (the "**Letter of Transmittal**") (which shall specify that the delivery of the exchanged Spinco Common Shares shall be effected, and risk of loss and title shall pass, only upon proper delivery of a properly completed and duly executed Letter of Transmittal and appropriate Certificates, if any (or a Lost Certificate Affidavit)), to the Exchange Agent for use in such exchange.

(c) With respect to Book-Entry Shares, including the Spinco Common Shares, held through the DTC or CDS, Spinco and the Company shall cooperate to establish procedures with the Exchange Agent, DTC or CDS to ensure that the Exchange Agent will transmit to DTC or CDS, as the case may be (or their respective nominees) as soon as reasonably practicable on or after the Effective Date, upon surrender of Book-Entry Shares held of record by DTC or CDS (or their respective nominees) in accordance with customary surrender procedures, the applicable Spinco Common Shares to be exchanged for such Book-Entry Shares held through the DTC or CDS, as applicable.

(d) Each holder of Company Shares, Company Notes and Company SAFEs shall be entitled to receive its share of the Amalgamation Consideration in respect of the Company Securities tendered for exchange, within 30 days after the Effective Time, but subject to the delivery to the Exchange Agent of the following items prior thereto (collectively, the "**Transmittal Documents**"): (i) the Company Certificate(s), if any, for its Company Shares (or a Lost Certificate Affidavit), or a properly completed and duly executed Letter of Transmittal and (ii) such other documents as may be reasonably requested by the Exchange Agent or Spinco. Until so surrendered, each Company Certificate shall represent after the Effective Time for all purposes only the right to receive such portion of the Amalgamation Consideration attributable to such Company Certificate.

(e) If any portion of the Amalgamation Consideration is to be delivered or issued to a Person other than the Person in whose name the surrendered Company Certificate is registered immediately prior to the Effective Time, it shall be a condition to such delivery that: (i) the transfer of such Company Shares shall have been permitted in accordance with the terms of the Company's Organizational Documents and any shareholders agreement with respect to the Company, each as in effect immediately prior to the Effective Time, (ii) such Company Certificate shall be properly endorsed or shall otherwise be in proper form for transfer, (iii) the recipient of such portion of the Amalgamation Consideration, or the Person in whose name such portion of the Amalgamation Consideration is delivered or issued, shall have already executed and delivered such other Transmittal Documents as are reasonably deemed necessary by the Exchange Agent or Spinco, and (iv) the Person requesting such delivery shall pay to the Exchange Agent any transfer or other Taxes required as a result of such delivery to a Person other than the registered holder of such Company Certificate or establish to the satisfaction of the Exchange Agent that such Tax has been paid or is not payable.

(f) Notwithstanding anything to the contrary contained herein, in the event that any Company Certificate shall have been lost, stolen or destroyed, in lieu of delivery of a Certificate to the Exchange Agent, the Company Shareholder may instead deliver to the Exchange Agent an affidavit of lost certificate and indemnity of loss in form and substance reasonably acceptable to Spinco (a "**Lost Certificate Affidavit**"), which at the reasonable discretion of Spinco may include a requirement that the owner of such lost, stolen or destroyed Company Certificate deliver a bond in such sum as it may reasonably direct as indemnity against any claim that may be made against Spinco or the Company with respect to the Company Shares represented by the Certificates alleged to have been lost, stolen or destroyed. Any Lost Certificate Affidavit properly delivered in accordance with this Section 1.18(f) shall be treated as a Company Certificate for all purposes of this Agreement.

(g) After the Effective Time, there shall be no further registration of transfers of Company Shares. If, after the Effective Time, the Transmittal Documents are presented to Spinco or the Exchange Agent, the Company Shares and any Company Certificates representing such Company Shares shall be exchanged for the applicable portion of the Amalgamation Consideration, and in accordance with the procedures set forth in this Section 1.18. No dividends or other distributions declared or made after the date of this Agreement with respect to Spinco Common Shares with a record date after the Effective Time will be paid to the holders of any Company Shares that has not yet been surrendered with respect to the Spinco Common Shares to be issued upon surrender thereof until the holders of record of such Company Shares shall surrender the Company Certificates, if any (or provide a Lost Certificate Affidavit), or provide the other Transmittal Documents. Subject to applicable Law, following surrender of any such Company Certificates, if any (or delivery of a Lost Certificate Affidavit), or delivery of the other Transmittal Documents, Spinco shall promptly deliver to the record holders thereof, without interest, the certificates (if any) representing the Spinco Common Shares issued in exchange therefor and the amount of any such dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such Spinco Common Shares.

(h) All securities issued upon the surrender of Company Securities in accordance with the terms hereof shall be deemed to have been issued in full satisfaction of all rights pertaining to such Company Securities.

(i) Notwithstanding anything to the contrary contained herein, no fraction of a Spinco Common Share will be issued by virtue of the Amalgamation or the other transactions contemplated by this Agreement, and each Person who would otherwise be entitled to a fraction of a Spinco Common Share (after aggregating all fractional Spinco Common Shares that otherwise would be received by such holder) shall instead have the number of Spinco Common Shares issued to such Person rounded down in the aggregate to the nearest whole Spinco Common Share.

1.19 Withholding.

Spinco, the Company, the Damon Surviving Company and the Exchange Agent shall be entitled to deduct and withhold from the Amalgamation Consideration and any other amounts issuable or payable hereunder (whether in cash or kind) such amounts as the applicable party may be required to deduct and withhold therefrom under any applicable Law in respect of Taxes. To the extent that any amounts are so deducted, withheld and remitted to the appropriate Governmental Authority when required by applicable Law, such amounts shall be treated for all purposes under this Agreement as having been paid to the Person to whom such amounts would otherwise have been paid. Spinco, the Company, the Damon Surviving Company and the Exchange Agent, as applicable, may sell or otherwise dispose of such portion of the Amalgamation Consideration or other amount otherwise payable to such Person in the form of Spinco Common Shares as is necessary to provide sufficient funds to enable the withholding party to comply with such deduction or withholding requirements, and none of Spinco, the Company, the Damon Surviving Company or the Exchange Agent, as applicable, shall be liable to any Person for any deficiency in respect of any proceeds received, and Spinco, the Company, the Damon Surviving Company or the Exchange Agent, as applicable, shall notify the holder thereof and remit to the holder thereof any unapplied balance of the net proceeds of such sale.

1.20 U.S. Securities Laws

The Parties agree that the Arrangement will be carried out with the intention that all Spinco Common Shares and other securities of Spinco issuable pursuant to the Arrangement to Company Securityholders upon completion of the Arrangement in connection therewith will be issued by Spinco in reliance on the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereunder, or another applicable exemption from the registration requirements of the Securities Act. In order to ensure the availability of the exemption under Section 3(a)(10) of the Securities Act, the Parties agree that the Arrangement will, to the extent practical, be carried out on the following basis:

(a) the Arrangement will be subject to the approval of the Court, and the Court must approve the procedural and substantive fairness of the terms and conditions of the Arrangement;

(b) the Court will be advised, prior to the hearing required to approve the Interim Order, as to the intention of the Parties to rely on the exemption from registration provided by Section 3(a)(10) of the Securities Act for the issuance of all Spinco Common Shares and other securities of Spinco issuable pursuant to the Arrangement to Company Securityholders upon completion of the Arrangement based on the Court's approval of the Arrangement;

(c) the Court will be required to find, before approving the Arrangement, that the terms and conditions of the Arrangement are fair procedurally and substantively to Company Securityholders participating in the Arrangement;

(d) the Court will be required to hold a hearing before approving the fairness of the terms and conditions of the Arrangement, and such hearing must be open to every Company Securityholder to whom securities would be issued in the Arrangement;

(e) prior to the issuance of the Interim Order, the Company will file with the Court a copy of the proposed text of the Company Circular together with any other documents required by Law in connection with the Meeting;

(f) Company will ensure that each Company Securityholder will be given adequate notice advising them of their right to attend the hearing of the Court at which the Court will consider the procedural and substantive fairness of the terms and conditions of the Arrangement and providing them with sufficient information necessary for them to exercise that right;

(g) holders of Company Warrants entitled to receive Converted Warrants and holders of Company Options entitled to receive Converted Options pursuant to the Arrangement will be advised that the Converted Warrants and Converted Options issued pursuant to the Arrangement have not been registered under the Securities Act and will be issued and exchanged by the holders of Company Warrants and Company Options, respectively, in reliance on the exemption from registration provided by Section 3(a)(10) of the Securities Act, but that such exemption does not exempt the issuance of securities upon the exercise of such Converted Warrants or Converted Options and that; therefore, the Spinco Common Shares issuable upon exercise of the Converted Warrants and Converted Options cannot be issued in the U.S. or to a person in the U.S. in reliance on the exemption from registration provided by Section 3(a)(10) of the Securities Act, and such Spinco Common Shares issuable upon exercise of the Converted Warrants and Converted Options may only be issued and subsequently resold pursuant to one or more alternative exemptions from registration or an effective registration statement under the Securities Act and compliance with applicable state securities laws;

(h) Company Shareholders will be advised that the Spinco Common Shares to be issued pursuant to the Arrangement in exchange for Company Shares and Company Notes have not been registered under the Securities Act and will be issued by Spinco in reliance on the exemption provided by Section 3(a)(10) of the Securities Act and in the case of Company Shareholders that are, or, have been within 90 days of the Effective Date, affiliates of Spinco or the Company, will be subject to restrictions on resale under the securities laws of the United States;

(i) the Interim Order approving the Meeting will specify that each Company Securityholder will have the right to appear before the Court at the hearing of the Court to give approval of the Arrangement so long as they enter an appearance within a reasonable time;

(j) the Final Order approving the terms and conditions of the Arrangement that is obtained from the Court will expressly state that the Arrangement is approved by the Court as being procedurally and substantively fair to Company Securityholders, after a hearing upon the fairness of the terms and conditions on which all persons to whom it was proposed to issue the securities had a right to appear (following such persons' receipt of timely and adequate notice of the hearing, and without any improper impediments to their appearance at the hearing), and after a finding by the Court of such fairness;

(k) the Court will hold a hearing before approving the procedural and substantive fairness of the terms and conditions of the Arrangement; and

(l) the Final Order shall include a statement to substantially the following effect: "This Order will serve as a basis of a claim to an exemption, pursuant to Section 3(a)(10) of the Securities Act, from the registration requirements otherwise imposed by that act, regarding the distribution of securities of Spinco in connection with the Arrangement approved hereby".

1.21 Taking of Necessary Action; Further Action.

If, at any time after the Effective Time, any further action is necessary or desirable to carry out the purposes of this Agreement, including to vest the Damon Surviving Company with full right, title and possession to all assets, property, rights, privileges, powers and franchises of the Company, the officers and directors of Spinco, Amalco Sub and the Company are fully authorized in the name of their respective corporations or otherwise to take, and will use their best efforts to take, all such lawful and necessary action, so long as such action is not inconsistent with this Agreement.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF THE PARENT

Except as set forth in the disclosure schedules delivered by the Parent and Spinco to the Company on the date hereof (the "**Parent Disclosure Schedules**"), the Section numbers of which are numbered to correspond to the Section numbers of this Agreement to which they refer, the Parent represents and warrants to the Company as set forth below.

2.1 Organization and Standing.

The Parent is a corporation duly organized, validly existing and in good standing under the laws of the state of the State of Nevada, and has the requisite corporate power and authority to own, The Parent is duly qualified or licensed and in good standing to do business in each jurisdiction in which the character of the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except where the failure to be so qualified or licensed or in good standing has not and would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect.

2.2 Authorization; Binding Agreement.

The Parent has all requisite corporate power and authority to execute and deliver this Agreement and each Ancillary Document to which it is a party, to perform the Parent's obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and each Ancillary Document to which the Parent is a party and the consummation of the transactions contemplated hereby and thereby (a) have been duly and validly authorized by the Parent Board, and (b) other than as set forth elsewhere in this Agreement, no other corporate proceedings on the part of the Parent are necessary to authorize the execution and delivery of this Agreement and each Ancillary Document to which it is a party or to consummate the transactions contemplated hereby and thereby. This Agreement has been, and each Ancillary Document to which the Parent is a party shall be when delivered, duly and validly executed and delivered by the Parent and, assuming the due authorization, execution and delivery of this Agreement and such Ancillary Documents by the other parties hereto and thereto, constitutes, or when delivered shall constitute, the valid and binding obligation of the Parent, enforceable against the Parent in accordance with its terms, except to the extent that enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization and moratorium Laws and other Laws of general application affecting the enforcement of creditors' rights generally or by any applicable statute of limitation or by any valid defense of set-off or counterclaim, and the fact that equitable remedies or relief (including the remedy of specific performance) are subject to the discretion of the court from which such relief may be sought (collectively, the "**Enforceability Exceptions**"). The Parent's Board has by resolutions duly adopted at a meeting duly called and held, as of the date of this Agreement, or by written consent as of the date prior to the date of this Agreement, (i) determined that this Agreement, the Amalgamation and the other transactions contemplated hereby are advisable, fair to, and in the best interests of, the Parent Shareholders, (ii) approved and adopted this Agreement and the Ancillary Documents to which it is a party and approved the Amalgamation and the other transactions contemplated by hereby and thereby, and (iii) recommended the approval and adoption of this Agreement, the Ancillary Documents to which it is a party, the Amalgamation, and the other transactions contemplated hereby and thereby by the Parent Shareholders.

2.3 Governmental Approvals.

Except as otherwise described in Schedule 2.3, no Consent of or with any Governmental Authority on the part of the Parent is required to be obtained or made in connection with the execution, delivery or performance by the Parent of this Agreement and each Ancillary Document to which it is a party or the consummation by the Parent of the transactions contemplated hereby and thereby, other than (a) such filings as are contemplated by this Agreement, (b) any filings required with the Stock Exchange or the SEC with respect to the transactions contemplated by this Agreement, (c) applicable requirements, if any, of the Securities Act, the Exchange Act, or any state "blue sky" securities laws, and the rules and regulations thereunder, (d) applicable requirements, if any, pursuant to the HSR Act, and (e) where the failure to obtain or make such Consents or to make such filings or notifications, would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect.

2.4 Non-Contravention.

Except as otherwise described in Schedule 2.4, the execution and delivery by the Parent of this Agreement and each Ancillary Document to which it is a party, the consummation by the Parent of the transactions contemplated hereby and thereby, and compliance by the Parent with any of the provisions hereof and thereof, will not (a) contravene or conflict with or violate any provision of the Parent's Organizational Documents, (b) contravene or conflict with or constitute a violation of any provisions of Law or Order binding upon or applicable to the Parent, (c) subject to obtaining the Consents from Governmental Authorities referred to in Section 2.3 hereof, and the waiting periods referred to therein having expired, and any condition precedent to such Consent or waiver having been satisfied, conflict with or violate any Law, Order or Consent applicable to the Parent, or any of its properties or assets, or (d) (i) violate, conflict with or result in a breach of, (ii) constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, (iii) result in the termination, withdrawal, suspension, cancellation or modification of, (iv) accelerate the performance required by the Parent under, (v) result in a right of termination or acceleration under, (vi) give rise to any obligation to make payments or provide compensation under, (vii) result in the creation of any Lien upon any of the properties or assets of the Parent under, (viii) give rise to any obligation to obtain any third party Consent or provide any notice to any Person or (ix) give any Person the right to declare a default, exercise any remedy, claim a rebate, chargeback, penalty or change in delivery schedule, accelerate the maturity or performance, cancel, terminate or modify any right, benefit, obligation or other term under, any of the terms, conditions or provisions of, any Spinco Material Contract, except for any deviations from any of the foregoing clauses that would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect.

2.5 Finders and Brokers.

Except as set forth on Schedule 2.5, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission from the Parent or Spinco, the Company or any of their respective Affiliates in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of the Parent.

2.6 Independent Investigation.

The Parent has conducted its own independent investigation, review and analysis of the business, results of operations, prospects, condition (financial or otherwise) or assets of the Company and acknowledges that it has been provided access certain personnel, properties, assets, premises, books and records, and other documents and data of the Company for such purpose. The Parent acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, it has relied solely upon its own investigation and the express representations and warranties of the Company set forth in this Agreement (including the related portions of the Company Disclosure Schedules), and in any certificate delivered to the Parent pursuant hereto, and the information provided by or on behalf of the Company for the Registration Statement; and (b) none of the Company nor its respective Representatives have made any representation or warranty as to this Agreement, except as expressly set forth in this Agreement (including the related portions of the Company Disclosure Schedules) or in any certificate delivered to the Parent pursuant hereto, or with respect to the information provided by or on behalf of the Company for the Registration Statement.

2.7 Information Supplied.

The information relating to the Parent and its Subsidiaries to be supplied by or on behalf of the Parent and its Subsidiaries for inclusion or incorporation by reference in the Registration Statement will not, or at the time of any amendment or supplement thereof, contain any untrue statement of any material fact, or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not false or misleading at the time and in light of the circumstances under which such statement is made.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SPINCO

Except as set forth in the Parent Disclosure Schedules, the Section numbers of which are numbered to correspond to the Section numbers of this Agreement to which they refer, Spinco represents and warrants to the Company as set forth below:

3.1 Organization and Standing; Spinco Activities.

(a) Spinco is a corporation duly incorporated, validly existing and in good standing under the Laws of British Columbia. Spinco has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted. Spinco is duly qualified or licensed and in good standing to do business in each jurisdiction in which the character of the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary. Spinco has heretofore made available to the Company accurate and complete copies of the Organizational Documents of Spinco, as currently in effect as of the date hereof. Spinco is not in violation of any provision of its Organizational Documents in any material respect.

(b) Since its formation, Spinco has not engaged in any business activities other than as contemplated by this Agreement and the Separation and Distribution Agreement; does not own directly or indirectly any ownership, equity, profits or voting interest in any Person (other than Amalco Sub and Spinco Subsidiary, of which it owns all of the issues and outstanding shares); has no assets or Liabilities except those incurred in connection with this Agreement and the Ancillary Documents, the Separation and Distribution Agreement and any agreements contemplated by or ancillary to the Separation and Distribution Agreement, to which it is a party and the Arrangement and the Amalgamation, and other than this Agreement and the Ancillary Documents to which it is a party, Spinco is not party to or bound by any Contract other than the Separation and Distribution Agreement and any agreements contemplated by or ancillary to the Separation and Distribution Agreement.

3.2 Authorization; Binding Agreement.

Spinco has all requisite corporate power and authority to execute and deliver this Agreement and each Ancillary Document to which it is a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and each Ancillary Document to which it is a party and the consummation of the transactions contemplated hereby and thereby, (a) have been duly and validly authorized by the Spinco Board and, as applicable, shareholders of Spinco in accordance with Spinco's Organizational Documents and any other applicable Law, and (b) no other corporate proceedings, other than as expressly set forth elsewhere in this Agreement, on the part of Spinco are necessary to authorize the execution and delivery of this Agreement and each Ancillary Document to which it is a party, or to consummate the transactions contemplated hereby and thereby. This Agreement has been, and each Ancillary Document to which Spinco is a party has been or shall be when delivered, duly and validly executed and delivered and, assuming the due authorization, execution and delivery of this Agreement and such Ancillary Documents by the other parties hereto and thereto, constitutes, or when delivered shall constitute, the valid and binding obligation of Spinco, enforceable against Spinco in accordance with its terms, subject to the Enforceability Exceptions.

3.3 Capitalization.

(a) Prior to giving effect to the Amalgamation and the Spinout, Spinco is authorized to issue an unlimited number of Spinco Common Shares, of which one Spinco Common Share is issued and outstanding, which Spinco Common Share is owned by the Parent.

(b) Except as set forth in their Organizational Documents or required in connection with the transactions contemplated by this Agreement and the Separation and Distribution Agreement, Spinco and the Spinco Subsidiary (i) have no obligation to issue, sell or transfer any equity securities of Spinco or the Spinco Subsidiary, (ii) are not party or subject to any contract that affects or relates to voting or giving of written consents with respect to, or the right to cause the redemption, or repurchase of, any equity interests of Spinco or the Spinco Subsidiary, (iii) have not granted any registration rights or information rights to any other Person, (iv) have not granted any phantom shares (and there are no voting or similar agreements entered into by Spinco or the Spinco Subsidiary which relate to their capital or equity interests), (v) have no outstanding bonds, debentures, notes or other obligations the holders of which have the right to vote (or convertible into or exercisable for voting interests of Spinco or the Spinco Subsidiary or equity interests of Spinco or the Spinco Subsidiary) with the owners or holders of Spinco or the Spinco Subsidiary on any matter or any agreements to issues such bonds, debentures, notes or other obligations and (vi) have no outstanding contractual obligations to provide funds to, or make any investment (other than the transactions contemplated herein) in, any other Person.

3.4 Subsidiaries.

(a) Prior to giving effect to the transactions contemplated by this Agreement, Spinco has never had any Subsidiaries or owned any equity interests in any other Person (other than Amalco Sub and the Spinco Subsidiary, of which it owns all of the issues and outstanding shares).

(b) The Spinco Subsidiary is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, organization or formation and has all requisite corporate, trust, limited liability company or partnership power and authority to own, lease and operate its properties and assets and to carry on its business as now being conducted, except where the failure to be so organized, validly existing, qualified or in good standing, or to have such power or authority, would not, individually or in the aggregate, reasonably be expected to be material to Spinco.

(c) After giving effect to the Spinout, Spinco will remain the registered and beneficial owner of all of the outstanding common shares or other equity interests of the Spinco Subsidiary, free and clear of any Liens, and all such common shares or other equity interests to be so owned by Company will have been validly issued and will be fully paid and non-assessable, as the case may be, and no such shares or other equity interests will have been issued in violation of any pre-emptive or similar rights or in violation of applicable Laws.

3.5 Governmental Approvals.

No Consent of or with any Governmental Authority, on the part of Spinco or the Spinco Subsidiary is required to be obtained or made in connection with the execution, delivery or performance by Spinco of this Agreement and each Ancillary Document to which Spinco or the Spinco Subsidiary is a party or the consummation by Spinco or the Spinco Subsidiary of the transactions contemplated hereby and thereby, other than (a) such filings as expressly contemplated by this Agreement, (b) any filings required with the Stock Exchange or the SEC or the British Columbia Securities Commission with respect to the transactions contemplated by this Agreement, (c) applicable requirements, if any, of the Securities Act, the Exchange Act, any state "blue sky" securities Laws, or any similar Canadian or provincial securities laws , and the rules and regulations thereunder, (d) applicable requirements, if any, pursuant to the HSR Act, and (e) where the failure to obtain or make such Consents or to make such filings or notifications has not and would not, individually or in the aggregate, reasonably be expected to have a Spinco Material Adverse Effect.

3.6 Non-Contravention.

The execution and delivery by Spinco of this Agreement and each Ancillary Document to which Spinco or the Spinco Subsidiary is a party, the consummation by Spinco and the Spinco Subsidiary of the transactions contemplated hereby and thereby, and compliance by Spinco and the Spinco Subsidiary with any of the provisions hereof and thereof, will not (a) conflict with or violate any provision of Spinco's or the Spinco Subsidiary's Organizational Documents, (b) subject to obtaining the Consents from Governmental Authorities referred to in Section 4.3 hereof, and the waiting periods referred to therein having expired, and any condition precedent to such Consent or waiver having been satisfied, conflict with or violate any Law, Order or Consent applicable to Spinco or the Spinco Subsidiary or any of their respective properties or assets, or (c) (i) violate, conflict with or result in a breach of, (ii) constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, (iii) result in the termination, withdrawal, suspension, cancellation or modification of, (iv) accelerate the performance required by Spinco or the Spinco Subsidiary under, (v) result in a right of termination or acceleration under, (vi) give rise to any obligation to make payments or provide compensation under, or (vii) result in the creation of any Lien upon any of the properties or assets of Spinco or the Spinco Subsidiary under, except for any deviations from any of the foregoing clauses (a), (b) or (c) that would not reasonably be expected to have a Spinco Material Adverse Effect.

3.7 Financial Statements.

(a) Spinco has delivered to the Company a copy of the unaudited balance sheets of the Spinco Subsidiary as of the end of each of the fiscal years ended December 31, 2022 and 2021 and the related unaudited combined statements of income, comprehensive income, equity and cash flows of the Spinco Subsidiary for each such fiscal year (the "**Spinco Financial Statements**"). The Spinco Financial Statements, together with the notes thereto, fairly present, in all material respects, the financial position of the Spinco Subsidiary at the dates thereof and the results of the operations, changes in shareholders' equity, and cash flows of the Spinco Subsidiary for the respective periods referred to in such financial statements, all in accordance with GAAP methodologies applied on a consistent basis throughout the periods involved.

(b) Spinco and the Spinco Subsidiary have no off-balance sheet arrangements that are not disclosed in the Spinco Financial Statements. The books and records of Spinco and the Spinco Subsidiary have been, and are being, maintained in all material respects in accordance with GAAP and any other applicable legal and accounting requirements and reflect only actual transactions.

(c) Spinco and the Spinco Subsidiary have established and maintains Internal Controls. Spinco and the Spinco Subsidiary have not identified in writing and have not received written or, to the Knowledge of Spinco, oral notice from an independent auditor of (i) any significant deficiency or material weakness in their system of Internal Controls, (ii) any facts that, in their totality, reasonably constitute fraud that involves Spinco or Spinco Subsidiary's management or other employees who have a role in the preparation of financial statements or the Internal Controls utilized by Spinco Subsidiary, or (iii) any claim or allegation regarding any of the foregoing. There are no significant deficiencies or material weaknesses in the design or operation of Spinco and the Spinco Subsidiary's Internal Controls that would reasonably be expected to adversely affect, in a material manner, Spinco and the Spinco Subsidiary's ability to record, process, summarize and report financial information, and, to the Knowledge of Spinco, there are no facts that, in their totality, reasonably constitute fraud committed by Spinco or any of its Affiliates, the management of Spinco or any other Person, which actual and intentional common law fraud involves Spinco, Spinco Subsidiary, or their management, employees, assets or operations.

(d) The Spinco Subsidiary's independent auditor is an independent registered public accounting firm within the meaning of the Securities Act and the applicable rules and regulations adopted by the SEC and is registered with the PCAOB.

(e) There are no outstanding loans or other extensions of credit made by Spinco to any executive officer (as defined in Rule 3b-7 under the Exchange Act) or director of Spinco.

(f) Except as and to the extent reflected or reserved against in the Spinco Financial Statements or as incurred in connection with this Agreement, Spinco and the Spinco Subsidiary have not incurred any Liabilities or obligations of the type required to be reflected on a balance sheet in accordance with GAAP that are not adequately reflected or reserved on or provided for in the Spinco Financial Statements, other than (i) Liabilities of the type required to be reflected on a balance sheet in accordance with GAAP that have been incurred since the Balance Sheet Date in the ordinary course of business or (ii) Liabilities that are not, individually or in the aggregate, material in amount. All debts and Liabilities, fixed or contingent, which should be included under GAAP on a balance sheet are included in all material respects in the Spinco Financial Statements as of the date of such Spinco Financial Statements.

(g) When delivered as required by Section 6.4(e) and Section 6.4(f), respectively, the Spinco PCAOB Financial Statements and Subsequent Unaudited Spinco Financial Statements, together with the notes thereto, (i) will fairly present, in all material respects, the financial position of the Spinco Subsidiary at the dates thereof and the results of the operations, changes in shareholders' equity, and cash flows of the Spinco Subsidiary for the respective periods referred to in such financial statements, all in accordance with GAAP methodologies applied on a consistent basis throughout the periods involved, and (ii) will comply in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto.

3.8 Absence of Certain Changes.

Since the Balance Sheet Date, there has not occurred a Spinco Material Adverse Effect. Since the Balance Sheet Date, Spinco and the Spinco Subsidiary have conducted their business in the ordinary course and consistent with past practice and Spinco and the Spinco Subsidiary have not taken any action that, if taken after the date of this Agreement and prior to the Effective Date, would require the consent of the Company pursuant to Section 6.3.

3.9 Compliance with Laws.

Spinco and the Spinco Subsidiary are not, and since the date of their respective formations, have not been, in material conflict or material non-compliance with, or in material default or violation of, any Laws applicable to them. To Spinco's Knowledge, Spinco and the Spinco Subsidiary have not, since the date of their respective formation, received any written or, to the Knowledge of Spinco, oral notice of, or are under investigation with respect to, any material conflict or non-compliance with, or material default or violation of, any applicable Laws by which they are or were bound.

3.10 Spinco Permits.

Spinco and the Spinco Subsidiary (and their respective employees who are legally required to be licensed by a Governmental Authority in order to perform his or her duties with respect to his or her employment with Spinco or the Spinco Subsidiary), hold all licenses and Permits necessary to lawfully own, lease and conduct in all material respects their respective businesses as presently conducted and to own, lease and operate their respective assets and properties (collectively, the "**Spinco Permits**"). All the Spinco Permits are in full force and effect and not subject to, or threatened to be subject to, any revocation or modification Proceeding, and Spinco and the Spinco Subsidiary are conducting business in full compliance with the Spinco Permits. Spinco and the Spinco Subsidiary are not in violation in any material respect of the terms of the Spinco Permits, and Spinco and the Spinco Subsidiary have not received any written or oral notice of any Actions relating to the revocation or modification of the Spinco Permits.

3.11 Litigation.

There is no (a) Action of any nature currently pending or, to Spinco's Knowledge, threatened, and no such Action has been brought in the past five (5) years; or (b) Order now pending or outstanding or that was rendered by a Governmental Authority in the past five (5) years, in either case of (a) or (b) by or against Spinco or the Spinco Subsidiary, any of their respective current or former directors, officers or equity holders (provided, that any litigation involving the directors, officers or equity holders of the Company must be related to Spinco's or the Spinco Subsidiary's business, equity securities or assets), or any of their respective business, equity securities or assets.

3.12 Material Contracts.

(a) True, correct and complete copies of all Material Contracts of Spinco and the Spinco Subsidiary (each, a "**Spinco Material Contract**") (including written summaries of oral Spinco Material Contracts) have been made available to the Company.

(b) With respect to each Spinco Material Contract: (i) the Spinco Material Contract is valid, binding and enforceable in all material respects against Spinco or the Spinco Subsidiary, as applicable, and, to the Knowledge of Spinco, the other parties thereto, and is in full force and effect (except, in each case, as such enforcement may be limited by the Enforceability Exceptions); (ii) the consummation of the transactions contemplated by this Agreement and the Ancillary Documents will not affect the validity or enforceability of the Spinco Material Contracts (iii) Spinco or the Spinco Subsidiary, as applicable, is not in breach or default in any material respect, and to the Knowledge of Spinco, no event has occurred that with the passage of time or giving of notice or both would constitute such a breach or default in any material respect by Spinco or the Spinco Subsidiary, or permit termination or acceleration by the other party, under such Spinco Material Contract; (iv) to the Knowledge Spinco, no other party to any Spinco Material Contract is in breach or default in any material respect, and no event has occurred that with the passage of time or giving of notice or both would constitute such a breach or default by such other party, or permit termination or acceleration by Spinco or the Spinco Subsidiary under any Spinco Material Contract; (v) Spinco and the Spinco Subsidiary have received neither written nor, to Spinco's Knowledge, oral notice of an intention by any party to any such Spinco Material Contract that provides for a continuing obligation by any party thereto to terminate such Spinco Material Contract or amend the terms thereof, other than modifications in the ordinary course of business and do not adversely affect Spinco or the Spinco Subsidiary in any material respect; and (vi) Spinco and the Spinco Subsidiary have not waived any material rights under any such Spinco Material Contract.

3.13 Intellectual Property.

Except as would not and would not be reasonably expected to have, individually or in the aggregate, a Spinco Material Adverse Effect: (i) Spinco and the Spinco Subsidiary owns all right, title and interest, or have valid licenses (and are not in material breach of such licenses), in and to all Intellectual Property that is material to the conduct of the business, as presently conducted, of Spinco or the Spinco Subsidiary (collectively, the "**Spinco Intellectual Property Rights**"); (ii) all such Spinco Intellectual Property Rights that are owned by or licensed to Spinco or the Spinco Subsidiary are sufficient, in all material respects, for conducting the business, as presently conducted, of Spinco or the Spinco Subsidiary; (iii) to the Knowledge of Spinco, all Spinco Intellectual Property Rights owned or leased by Spinco or the Spinco Subsidiary is valid and enforceable, and, to the Knowledge of Spinco, the carrying on of the business of Spinco and the Spinco Subsidiary and the use by Spinco and the Spinco Subsidiary of any of the Spinco Intellectual Property Rights or Spinco Technology (as defined below) owned by or licensed to Spinco or the Spinco

Subsidiary, as applicable, does not breach, violate, infringe or interfere with any rights of any other Person; (iv) to the Knowledge of Spinco, no third party is infringing upon the Spinco Intellectual Property Rights owned or licensed by Spinco or the Spinco Subsidiary and no Proceeding is currently pending or threatened with respect to the foregoing; (v) all computer hardware and associated firmware and operating systems, application software, database engines and processed data, technology infrastructure and other computer systems used in connection with the conduct of the business, as presently conducted, of Spinco (collectively, the "**Spinco Technology**"), are sufficient, in all material respects, for conducting the business, as presently conducted, of Spinco and the Spinco Subsidiary; and (vi) Spinco and the Spinco Subsidiary collectively own, or have validly licensed or leased (and are not in material breach of such licenses or leases), such Spinco Technology.

3.14 Taxes and Returns.

(a) Spinco and the Spinco Subsidiary have timely filed, or caused to be timely filed, all income and other material Tax Returns required to be filed by it, which such Tax Returns are accurate and complete in all material respects.

(b) Spinco and the Spinco Subsidiary have paid on a timely basis all material Taxes which are due and payable by it, all assessments and reassessments, and all other material Taxes due and payable by it on or before the date of this Agreement, other than those Taxes which are being or have been contested in good faith and in respect of which reserves have been provided in the Spinco Financial Statements in accordance with GAAP.

(c) Nether Spinco nor the Spinco Subsidiary has received a Tax refund to which it was not entitled.

(d) No material deficiencies, litigation, proposed adjustments or matters in controversy exist or have been asserted in writing with respect to Taxes of Spinco or the Spinco Subsidiary, and Spinco and the Spinco Subsidiary are not a party to any Proceeding for assessment or collection of Taxes and no such event has been asserted in writing or, to the knowledge of Spinco, threated against Spinco or the Spinco Subsidiary or any of their respective assets, which has not been resolved or finally settled.

(e) No claim has been made in writing by any Governmental Authority in a jurisdiction where Spinco or the Spinco Subsidiary does not file Tax Returns that Spinco or the Spinco Subsidiary is or may be subject to Tax by that jurisdiction.

(f) There are no Liens with respect to any Taxes upon any of Spinco or the Spinco Subsidiary's assets, other than Permitted Liens.

(g) Spinco and the Spinco Subsidiary have withheld or collected all amounts required to be withheld or collected by it on account of Taxes and has remitted all such amounts to the appropriate Governmental Authority when required by applicable Law to do so.

(h) There are no outstanding agreements, extending or waiving the statutory period of limitations applicable to any claim for, or the period for the collection or assessment or reassessment of Taxes due from Spinco or the Spinco Subsidiary for any taxable period and no request for any such waiver or extension is currently pending.

(i) No closing agreements, private letter rulings, technical advice memoranda, or similar agreements or rulings regarding Taxes have been requested by or entered into by Spinco or the Spinco Subsidiary with any Governmental Authority or issued by any Governmental Authority to Spinco or the Spinco Subsidiary.

(j) Spinco and the Spinco Subsidiary are not a party to any Contract with any third party relating to allocating or sharing the payment of, or liability for, any Taxes or Tax benefits (other than pursuant to customary provisions included in Contracts entered into in the ordinary course of Spinco or the Spinco Subsidiary's business, the principal subject matter of which is not Taxes).

(k) Spinco and the Spinco Subsidiary does not have any liability for the Taxes of any third party under Section 1.1502-6 of the Treasury Regulations (or any similar provision under applicable Laws) as a transferee or successor or otherwise by operation of applicable Laws.

(l) The Spinout will not be a tax-deferred transaction governed in whole or in part by Sections 355 or 361 of the Code, for U.S. federal income tax purposes.

(m) The Spinout Assets do not constitute substantially all of the properties held directly or indirectly by Parent. As of the date of this Agreement, the fair market value of the Spinout Assets is less than 50% of the fair market value of the Parent assets.

(n) None of the Spinout Assets consist of assets constituting a U.S. trade or business, shares in a U.S. domestic corporation, or partnership interests in an entity classified as a domestic partnership for U.S. federal income tax purposes.

(o) Spinco and the Spinco Subsidiary have not participated in any "listed transaction" within the meaning of Section 1.6011-4 of the Treasury Regulations.

(p) Spinco and the Spinco Subsidiary have not taken, permitted or agreed to take any action, and does not as of the date hereof or as of prior to the Closing on the Closing Date, intend to or plan to take any action, in each case that would reasonably be expected to prevent the transactions contemplated by this Agreement from qualifying for the Intended Tax Treatment (with the exception of any actions specifically contemplated by this Agreement).

3.15 Real Property.

Except as disclosed in Schedule 3.15:

(a) Spinco and the Spinco Subsidiary have valid, good and marketable title to all of the real or immovable property owned by Spinco or the Spinco Subsidiary (the "**Spinco Owned Properties**"), free and clear of any Liens, except for Permitted Liens, and there are no outstanding options or rights of first refusal to purchase the Spinco Owned Properties, or any portion thereof or interest therein;

(b) Each lease, sublease, license or occupancy agreement (in each case, together with any amendments, supplements, notices and ancillary agreements thereto) for real or immovable property leased, subleased, licensed or occupied by Spinco or the Spinco Subsidiary, is valid, legally binding and enforceable against Spinco or the Spinco Subsidiary in accordance with its terms and in full force and effect, true and complete copies of which (including all related amendments, supplements, notices and ancillary agreements) have been made available to the Company. Spinco and the Spinco Subsidiary are not in breach of, or default under, such lease, sublease, license or occupancy agreement, and, to the Knowledge of Spinco, no event has occurred which, with notice, lapse of time or both, would constitute such a breach or default by Spinco or the Spinco Subsidiary, or permit termination, modification or acceleration by any third party thereunder;

(c) No third party has repudiated or has the right to terminate or repudiate any such lease, sublease, license or occupancy agreement (except for the normal exercise of remedies in connection with a default thereunder or any termination rights set forth in the lease, sublease, license or occupancy agreement) or any provision thereof; and

(d) None of the leases, subleases, licenses or occupancy agreements has been assigned by Spinco or the Spinco Subsidiary in favor of any Person or sublet or sublicensed.

3.16 Personal Property; Condition of Personal Property.

Spinco and the Spinco Subsidiary have good title to all material personal or movable property of any kind or nature which Spinco or the Spinco Subsidiary purports to own, free and clear of all Liens (other than Permitted Liens). Spinco and the Spinco Subsidiary, as lessees, have the right under valid and subsisting leases to use, possess and control all personal or movable property leased by, and material to, Spinco or the Spinco Subsidiary, as used, possessed and controlled by Spinco or the Spinco Subsidiary. All real and tangible personal property of Spinco and the Spinco Subsidiary are in generally good repair and are operational and usable in the manner in which such property is currently being utilized, subject to normal wear and tear and technical obsolescence, repair or replacement.

3.17 Title to and Sufficiency of Assets.

Spinco and the Spinco Subsidiary have good and marketable title to, or a valid leasehold interest in or right to use, all of their material assets, free and clear of all Liens other than (a) Permitted Liens, (b) the rights of lessors under leasehold interests and (c) Liens set forth in the Spinco Financial Statements. The assets (including Intellectual Property Rights and contractual rights) of Spinco and the Spinco Subsidiary constitute all of the material assets, rights and properties that are used in the operation of the businesses of Spinco and the Spinco Subsidiary as it is now conducted or that are used or held by Spinco or the Spinco Subsidiary for use in the operation of Spinco's or the Spinco Subsidiary's businesses.

3.18 Employee Matters.

(a) Spinco and the Spinco Subsidiary are not party to, or bound by, any labor agreement, collective bargaining agreement, work rules or practices, or any other labor-related Contract with any labor or trade union, labor organization or works council, and have never been party to, or bound by, any such Contracts. There are no labor strikes, slowdowns, work stoppages, boycotts, picketing, lockouts, job actions, labor disputes, or to Spinco's Knowledge threat of any of the foregoing, or union organizing activity (of unrepresented employees) or question concerning representation, by or with respect to any of the employees of Spinco or the Spinco Subsidiary, and no such activities have ever occurred. No employees of Spinco or the Spinco Subsidiary are represented by any labor organization, labor or trade union, or works council with respect to their employment with Spinco or the Spinco Subsidiary. Spinco and the Spinco Subsidiary have not engaged in any unfair labor practices.

(b) Spinco and the Spinco Subsidiary (i) are and have been in compliance in all material respects with all applicable Laws respecting employment and employment practices, terms and conditions of employment, health and safety, wages and hours, discrimination, harassment, retaliation, disability, labor relations, classification, withholding, hours of work, payment of wages and overtime wages, pay equity, immigration, workers compensation, working conditions, employee scheduling, occupational safety and health, family and medical leave and other time off, and employee terminations, and has not received written or, to the Knowledge of Spinco, oral notice that there is any instance of noncompliance in any of the foregoing respects, (ii) have correctly classified all current and former employees as either self-employed, employees, independent contractors, and as exempt or non- exempt for all purposes, (iii) have correctly classified all current and former employees as either self- employed, employees, independent contractors, and as exempt or non-exempt for all purposes, and is not liable for any past due arrears of wages or other compensation due to employees, independent contractors or consultants of the Parent or any penalty for failure to comply with any of the foregoing; and (iv) are not liable for any material payment to any Governmental Authority with respect to unemployment compensation benefits, social security or other benefits or obligations for employees, independent contractors or consultants (other than routine payments to be made in the ordinary course of business and consistent with past practice). There are no Actions pending or, to Spinco's Knowledge, threatened, and there have been no such Actions brought in the past three (3) years, against Spinco the Spinco Subsidiary brought by or on behalf of any applicant for employment, any current or former employee, consultant, or independent contractor, any Person alleging to be a current or former employee, or any Governmental Authority or any other Person relating to violations of any federal, state, or local labor or employment Laws, or making any other allegation relating to the employment of or services rendered by such Person including alleging breach of any express or implied contract of employment, wrongful termination of employment, or alleging any other discriminatory, wrongful or tortious conduct in connection with the employment relationship. No executive or key employee of Spinco or the Spinco Subsidiary has informed Spinco or the Spinco Subsidiary, orally or in writing, of any plan to terminate their employment with or services to Spinco or the Spinco Subsidiary (provided that, for purposes of this Section 3.18(b), individuals who provide services to Spinco or the Spinco Subsidiary while employed by the Parent or its other Subsidiaries shall not be deemed to be executives or key employees of Spinco or the Spinco Subsidiary).

(c) Except as set forth on Schedule 3.18(c), Spinco and the Spinco Subsidiary have paid in full to all their employees all wages, salaries, commission, bonuses and other compensation due to their employees, including overtime compensation, and Spinco and the Spinco Subsidiary have no obligation or Liability (whether or not contingent) with respect to severance payments to any such employees under the terms of any written or, to Spinco's Knowledge, oral agreement, or commitment or any applicable Law, custom, trade or practice.

(d) Except as set forth on Schedule 3.18(d), Spinco and the Spinco Subsidiary have paid in full to all their independent contractors all compensation, commission, bonuses and other compensation due, including overtime compensation, and Spinco and the Spinco Subsidiary have no obligation or Liability (whether or not contingent) with respect to payments to any such independent contractors upon termination of Contracts pursuant to which such independent contractors are engaged.

(e) In the past three (3) years, Spinco and the Spinco Subsidiary have not implemented any plant closing, mass layoff or similar event that has triggered the notification requirement of the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101 et seq. or any similar state, local or foreign Law.

(f) There has not at any time been and there is not pending or, to the Knowledge of Spinco, threatened, any allegation, investigation (including any internal investigation), complaint, lawsuit or Action concerning any Misconduct with respect to any Spinco or Spinco Subsidiary employee, contractor, or other service provider, and Spinco and the Spinco Subsidiary maintain and have at all times maintained appropriate policies prohibiting their service providers from engaging in acts of Misconduct.

3.19 Benefit Plans.

(a) "**Spinco Benefit Plans**" means any "employee benefit plan," and all material contracts, plans, agreements, programs, arrangements, employee benefit plans, compensation arrangements and other benefit arrangements, whether written or unwritten and whether or not providing cash- or equity-based incentives (e.g., restricted stock, stock option, stock appreciation right, phantom stock, etc.), health, medical, dental, disability, accident or life insurance benefits, change in control or retention payments, vacation, severance, salary continuation, or other termination pay, bonus, commissions or other variable compensation, vacation, paid-time-off, sick leave, fringe benefit, retirement, deferred compensation, pension or savings benefits, that are sponsored, maintained, contributed to or required to be contributed by Spinco or the Spinco Subsidiary or under which Spinco or the Spinco Subsidiary has any liability or obligation (including any contingent liability or obligation) and all employment or other agreements providing compensation, vacation, severance or other benefits to any officer, employee, consultant or former employee of Spinco or the Spinco Subsidiary to which Spinco or the Spinco Subsidiary is a party.

(b) With respect to each Spinco Benefit Plan, (i) Spinco has made available to the Company or will make available to the Company promptly following the date hereof true and complete copies, to the extent applicable, of each material writing constituting a part of such Spinco Benefit Plan, including all plan documents and amendments thereto, or if not in writing, a summary of such Spinco Benefit Plan, (ii) there are no funded benefit obligations for which contributions have not been made or properly accrued and (iii) there are no unfunded benefit obligations that have not been accounted for by reserves, or otherwise properly footnoted in accordance with GAAP on the Spinco Financial Statements. Spinco and the Spinco Subsidiary have not in the past been either a member of a "controlled group," nor does Spinco or the Spinco Subsidiary have any Liability with respect to any collectively-bargained for plans. No fact exists which could reasonably be expected to adversely affect the qualified status of any Spinco Benefit Plans or the exempt status of such trusts.

(c) With respect to each Spinco Benefit Plan: (i) such Spinco Benefit Plan is and has at all times been operated, maintained, funded, and administered in accordance with its material terms, and applicable Laws; (ii) no breach of fiduciary duty has occurred; (iii) no Action is pending, or to Spinco's Knowledge, threatened (other than routine claims for benefits arising in the ordinary course of administration); (iv) no prohibited transaction, as defined by any applicable Laws, has occurred, excluding transactions effected pursuant to a statutory or administration exemption, and (v) all material contributions and premiums due through the Effective Date have been timely made or have been fully accrued on the Spinco Financial Statements.

(d) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (either alone or in combination with another event) (i) result in any payment becoming due, or increase the amount of any compensation or benefits due, to any current or former employee of Spinco or the Spinco Subsidiary or with respect to any Spinco Benefit Plan; (ii) increase any benefits otherwise payable under any Spinco Benefit Plan; (iii) result in the acceleration of the time of payment or vesting of any such compensation or benefits; or (iv) to the Spinco's Knowledge, result in a non-exempt prohibited transaction, as defined by any applicable Laws. No person is entitled to receive any additional payment (including any tax gross-up or other payment) from Spinco or the Spinco Subsidiary as a result of the imposition of any excise taxes required by any applicable Laws.

3.20 Environmental Matters.

(a) Spinco and the Spinco Subsidiary are and have been in material compliance with all applicable Environmental Laws, including obtaining, maintaining in good standing, and complying in all material respects with all Permits required for their business and operations by Environmental Laws ("**Environmental Permits**"). No Action is pending or, to Spinco's Knowledge, threatened to revoke, modify, or terminate any such Environmental Permit, and to Spinco's Knowledge, no facts, circumstances, or conditions currently exist that could adversely affect such continued compliance with Environmental Laws and Environmental Permits or require capital expenditures to achieve or maintain such continued compliance with Environmental Laws and Environmental Permits.

(b) Spinco and the Spinco Subsidiary are not the subject of any outstanding Order or Contract with any Governmental Authority or other Person in respect of any (i) Environmental Laws, (ii) Remedial Action, or (ii) Release or threatened Release of a Hazardous Material. Spinco and the Spinco Subsidiary have not assumed, contractually or by operation of Law, any Liabilities or obligations under any Environmental Laws.

(c) No Action has been made or is pending, or to Spinco's Knowledge, threatened against Spinco or the Spinco Subsidiary or any assets of Spinco or the Spinco Subsidiary alleging either or both that Spinco or the Spinco Subsidiary may be in violation of any Environmental Law or Environmental Permit or may have any material Liability under any Environmental Law.

(d) There is no investigation of the business, operations, or currently owned, operated, or leased property of Spinco or the Spinco Subsidiary or, to Spinco's Knowledge, previously owned, operated, or leased property of Spinco or the Spinco Subsidiary pending or, to Spinco's Knowledge, threatened that could lead to the imposition of any Liens under any Environmental Law or Environmental Liabilities.

(e) There are no (i) underground storage tanks, (ii) asbestos-containing material, or (iii) equipment containing polychlorinated biphenyls located at any of the properties of Spinco or the Spinco Subsidiary.

3.21 Transactions with Affiliates.

Schedule 3.21 sets forth a true, correct and complete list of the Contracts and arrangements that are in existence as of the date of this Agreement under which there are any existing or future Liabilities or obligations in an amount in excess of $120,000 between Spinco or the Spinco Subsidiary, on the one hand, and, on the other hand, any (a) present or former director, officer, employee, agent, independent contractor or Affiliate of Spinco or the Spinco Subsidiary, or any immediate family member of any of the foregoing, excluding customary employment arrangements, agreements providing for indemnification rights, Benefit Plans and agreements related primarily to an investment in Spinco or the Spinco Subsidiary, or (b) any record or beneficial owner of more than five percent (5%) of the Parent's outstanding capital stock as of the date hereof.

3.22 Insurance.

(a) All premiums due and payable under all material insurance policies of Spinco or the Spinco Subsidiary have been paid and Spinco and the Spinco Subsidiary, as applicable, is otherwise in material compliance with the terms of such insurance policies and each such insurance policy (i) is legal, valid, binding, enforceable and in full force and effect and (ii) unless otherwise disclosed in Schedule 3.22, will continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms following the Effective Date. Spinco and the Spinco Subsidiary have no self-insurance or co-insurance programs. In the past five (5) years (or since the date of Spinco's or the Spinco Subsidiary's formation if less than five years ago), neither Spinco nor the Spinco Subsidiary has received any notice from, or on behalf of, any insurance carrier relating to or involving any adverse change or any change other than in the ordinary course of business, in the conditions of insurance, any refusal to issue an insurance policy or non-renewal of a policy.

(b) Spinco and the Spinco Subsidiary have reported to their insurers all claims and pending circumstances that would reasonably be expected to result in a claim, except where such failure to report such a claim would not be reasonably likely to be material to Spinco or the Spinco Subsidiary. To the Knowledge of Spinco, no event has occurred, and no condition or circumstance exists, that would reasonably be expected to (with or without notice or lapse of time) give rise to or serve as a basis for the denial of any such material insurance claim. In the last three (3) years, Spinco and the Spinco Subsidiary have not made any claim against an insurance policy as to which the insurer is denying or has denied coverage.

3.23 Books and Records.

All of the financial books and records of Spinco and the Spinco Subsidiary are complete and accurate in all material respects and have been maintained in the ordinary course of business consistent with past practice and in accordance with applicable Laws.

3.24 Certain Business Practices.

(a) Neither Spinco nor the Spinco Subsidiary, nor to the Knowledge of Spinco, any of their respective Representatives acting on their behalf, has (i) used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees, to foreign or domestic political parties or campaigns or violated any provision of the U.S. Foreign Corrupt Practices Act of 1977 or any other local or foreign anti-corruption or bribery Law, (iii) made any other unlawful payment or (iv) since the incorporation of Spinco and the Spinco Subsidiary, as applicable, directly or indirectly, given or agreed to give any unlawful gift or similar benefit in any material amount to any customer, supplier, governmental employee or other Person who is or may be in a position to help or hinder Spinco or the Spinco Subsidiary or assist any of them in connection with any actual or proposed transaction.

(b) The operations of Spinco and the Spinco Subsidiary are, and to the Knowledge of Spinco have been, conducted at all times in material compliance with money laundering statutes in all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority, and no Action involving Spinco or the Spinco Subsidiary with respect to any of the foregoing is pending or, to the Knowledge of Spinco, threatened.

(c) None of Spinco, the Spinco Subsidiary, nor any of their respective directors or officers, or, to the Knowledge of Spinco, any other Representative acting on behalf of Spinco or the Spinco Subsidiary is currently identified on the specially designated nationals or other blocked person list or otherwise currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**"), and Spinco and the Spinco Subsidiary have not in the last five (5) fiscal years, directly or indirectly, used any funds, or loaned, contributed or otherwise made available such funds to any Subsidiary, joint venture partner or other Person, in connection with any sales or operations in Cuba, Iran, North Korea, Sudan, Syria, or the Crimean Region of Ukraine, or any other country sanctioned by OFAC or for the purpose of financing the activities of any Person currently subject to, or otherwise in violation of, any U.S. sanctions administered by OFAC.

3.25 Compliance with Privacy Laws, Privacy Policies and Certain Contracts.

(a) Spinco and the Spinco Subsidiary, and to the Knowledge of Spinco, the officers, directors, employees, agents, subcontractors and vendors to whom Spinco or the Spinco Subsidiary has given access to Personal Data, are and have been at all times in compliance with all applicable Privacy Laws, except as would not, individually or in the aggregate, have a Spinco Material Adverse Effect;

(b) To the Knowledge of Spinco, except as would not, individually or in the aggregate, have a Spinco Material Adverse Effect, Spinco and the Spinco Subsidiary have not experienced any loss, damage or unauthorized access, use, disclosure, modification, or breach of security of Personal Data maintained by or on behalf of Spinco or the Spinco Subsidiary (including, to the Knowledge of Spinco, by any agent, subcontractor or vendor of Spinco or the Spinco Subsidiary); and

(c) To the Knowledge of Spinco, except as would not, individually or in the aggregate, have a Spinco Material Adverse Effect, (i) no Person, including any Governmental Authority, has made any written claim or commenced any Proceeding with respect to any violation of any Privacy Law by Spinco or the Spinco Subsidiary; and (ii) Spinco and the Spinco Subsidiary have not been given written notice of any criminal, civil or administrative violation of any Privacy Law, in any case including any claim or Action with respect to any loss, damage or unauthorized access, use, disclosure, modification, or breach of security, of Personal Data maintained by or on behalf of Spinco or the Spinco Subsidiary (including by any agent, subcontractor or vendor of Spinco or the Spinco Subsidiary).

3.26 Investment Company Act.

Neither Spinco nor the Spinco Subsidiary is an "investment company" or a Person directly or indirectly controlled by or acting on behalf of a person subject to registration and regulation as an "investment company," in each case within the meanings of the Investment Company Act.

3.27 Finders and Brokers.

No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission from Spinco or the Spinco Subsidiary or any of their respective Affiliates in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of such Person.

3.28 Ownership of Amalgamation Consideration.

All Spinco Common Shares to be issued to the Company Shareholders at the Effective Time in accordance with Article I shall be, upon issuance and delivery of such Spinco Common Shares, fully paid and non-assessable, free and clear of all Liens, other than restrictions arising from applicable securities Laws or the Company Lock-Up Agreements, and the issuance and sale of such Spinco Common Shares pursuant hereto will not be subject to or give rise to any pre-emptive rights or rights of first refusal.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF AMALCO SUB

Amalco Sub represents and warrants to the Company with respect to Amalco Sub as follows:

4.1 Organization and Standing.

Amalco Sub is a corporation duly incorporated, validly existing and in good standing under the Laws of British Columbia. Amalco Sub has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted. Amalco Sub is duly qualified or licensed and in good standing to do business in each jurisdiction in which the character of the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary. Amalco Sub has heretofore made available to the Company accurate and complete copies of the Organizational Documents of Amalco Sub, as currently in effect as of the date hereof. Amalco Sub is not in violation of any provision of its Organizational Documents in any material respect.

4.2 Authorization; Binding Agreement.

Amalco Sub has all requisite corporate power and authority to execute and deliver this Agreement and each Ancillary Document to which it is a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and each Ancillary Document to which it is a party and the consummation of the transactions contemplated hereby and thereby, (a) have been duly and validly authorized by the Amalco Sub Board and, as applicable, shareholders of Amalco Sub in accordance with Amalco Sub's Organizational Documents and any other applicable Law, and (b) no other corporate proceedings, other than as expressly set forth elsewhere in this Agreement, on the part of Amalco Sub are necessary to authorize the execution and delivery of this Agreement and each Ancillary Document to which it is a party, or to consummate the transactions contemplated hereby and thereby. This Agreement has been, and each Ancillary Document to which Amalco Sub is a party has been or shall be when delivered, duly and validly executed and delivered and, assuming the due authorization, execution and delivery of this Agreement and such Ancillary Documents by the other parties hereto and thereto, constitutes, or when delivered shall constitute, the valid and binding obligation of Amalco Sub, enforceable against Amalco Sub in accordance with its terms, subject to the Enforceability Exceptions.

4.3 Governmental Approvals.

No Consent of or with any Governmental Authority, on the part of Amalco Sub is required to be obtained or made in connection with the execution, delivery or performance by Amalco Sub of this Agreement and each Ancillary Document to which it is a party or the consummation by Amalco Sub of the transactions contemplated hereby and thereby, other than (a) such filings as expressly contemplated by this Agreement, (b) any filings required with the Stock Exchange or the SEC with respect to the transactions contemplated by this Agreement, (c) applicable requirements, if any, of the Securities Act, the Exchange Act, or any state "blue sky" securities Laws, and the rules and regulations thereunder, (d) applicable requirements, if any, pursuant to the HSR Act, and (e) where the failure to obtain or make such Consents or to make such filings or notifications has not and would not, individually or in the aggregate, reasonably be expected to have a Spinco Material Adverse Effect.

4.4 Non-Contravention.

The execution and delivery by Amalco Sub of this Agreement and each Ancillary Document to which it is a party, the consummation by Amalco Sub of the transactions contemplated hereby and thereby, and compliance by Amalco Sub with any of the provisions hereof and thereof, will not (a) conflict with or violate any provision of Amalco Sub's Organizational Documents, (b) subject to obtaining the Consents from Governmental Authorities referred to in Section 4.3 hereof, and the waiting periods referred to therein having expired, and any condition precedent to such Consent or waiver having been satisfied, conflict with or violate any Law, Order or Consent applicable to Amalco Sub, or any of their properties or assets, or (c) (i) violate, conflict with or result in a breach of, (ii) constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, (iii) result in the termination, withdrawal, suspension, cancellation or modification of, (iv) accelerate the performance required by Amalco Sub under, (v) result in a right of termination or acceleration under, (vi) give rise to any obligation to make payments or provide compensation under, or (vii) result in the creation of any Lien upon any of the properties or assets of Amalco Sub under, except for any deviations from any of the foregoing clauses (a), (b) or (c) that would not reasonably be expected to have a Company Material Adverse Effect.

4.5 Capitalization.

(a) Prior to giving effect to the Amalgamation, Amalco Sub is authorized to issue an unlimited number of common shares, of which one common share is issued and outstanding, which common share is owned by Spinco. Prior to giving effect to the transactions contemplated by this Agreement, Amalco Sub has never had any Subsidiaries or owned any equity interests in any other Person.

(b) Except as set forth in its Organizational Documents, Amalco Sub (i) has no obligation to issue, sell or transfer any equity securities of Amalco Sub, (ii) is not party or subject to any contract that affects or relates to voting or giving of written consents with respect to, or the right to cause the redemption, or repurchase of, any equity interests of Amalco Sub, (iii) has not granted any registration rights or information rights to any other Person, (iv) has not granted any phantom shares and there are no voting or similar agreements entered into by Amalco Sub which relate to its capital or equity interests, (v) has no outstanding bonds, debentures, notes or other obligations the holders of which have the right to vote (or convertible into or exercisable for voting interests of Amalco Sub or equity interests of Amalco Sub) with the owners or holders of Amalco Sub on any matter or any agreements to issues such bonds, debentures, notes or other obligations and (vi) has no outstanding contractual obligations to provide funds to, or make any investment (other than the transactions contemplated herein) in, any other Person.

4.6 Amalco Sub Activities.

Since its formation, Amalco Sub has not engaged in any business activities other than as contemplated by this Agreement, does not own directly or indirectly any ownership, equity, profits or voting interest in any Person and has no assets or Liabilities except those incurred in connection with this Agreement and the Ancillary

Documents to which it is a party and the Arrangement and the Amalgamation, and other than this Agreement and the Ancillary Documents to which it is a party, Amalco Sub is not party to or bound by any Contract.

4.7 Compliance with Laws.

Amalco Sub is not, and since the date of its formation, has not been, in conflict or non-compliance with, or in default or violation of, any Laws applicable to it. To Amalco Sub's Knowledge, Amalco Sub, has not, since the date of its formation, received any written or oral notice of, or is under investigation with respect to, any material conflict or non-compliance with, or material default or violation of, any applicable Laws by which it is or was bound.

4.8 Actions; Orders.

There is no pending or, to the Knowledge of Amalco Sub, threatened Action to which Amalco Sub is subject, and there is no Action that Amalco Sub has pending against any other Person. Amalco Sub is not subject to any Orders of any Governmental Authority, nor to the Knowledge of Amalco Sub, are any such Orders pending.

4.9 Transactions with Affiliates.

There are no transactions, Contracts or understandings between Amalco Sub, on the one hand, and any (a) present or former director, officer, employee, agent, independent contractor or Affiliate of Amalco Sub, or any immediate family member of any of the foregoing, or (b) record or beneficial owner of more than five percent (5%) of Amalco Sub outstanding capital stock as of the date hereof, on the other hand.

4.10 Finders and Brokers.

No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission from Amalco Sub or any of its respective Affiliates in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of Amalco Sub.

4.11 Investment Company Act.

Amalco Sub is not an "investment company" or a Person directly or indirectly controlled by or acting on behalf of a person subject to registration and regulation as an "investment company," in each case within the meanings of the Investment Company Act.

4.12 Taxes.

Amalco Sub has not taken, permitted or agreed to take any action, and does not as of the date hereof or as of prior to the Closing on the Closing Date, intend to or plan to take any action, in each case that would reasonably be expected to prevent the transactions contemplated by this Agreement from qualifying for the Intended Tax Treatment (with the exception of any actions specifically contemplated by this Agreement).

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the disclosure schedules delivered by the Company to the Parent on the date hereof (the "**Company Disclosure Schedules**"), the Section numbers of which are numbered to correspond to the Section numbers of this Agreement to which they refer, the Company hereby represents and warrants to the Parent as set forth below. Any reference to "Company" in this Article V, other than Sections 5.1, 5.2, 5.3, 5.4, 5.7, 5.21, 5.22, 5.26, 5.27, 5.28, and 5.29, are deemed to include the Company and its Subsidiaries.

5.1 Organization and Standing.

The Company is a corporation duly incorporated and validly existing under the Laws of British Columbia, is duly qualified to do business, and has all requisite corporate power and authority to own, make use of, lease and operate its assets and properties and to carry on its business as now being conducted. The Company has heretofore made available to the Parent accurate and complete copies of its Organizational Documents, as currently in effect as of the date hereof. The Company is not in violation of any provision of its Organizational Documents in any material respect.

5.2 Authorization; Binding Agreement.

The Company has all requisite corporate power and authority to execute and deliver this Agreement and each Ancillary Document to which it is a party, to perform its obligations hereunder and thereunder and to consummate the Arrangement, the Amalgamation and the other transactions contemplated hereby and thereby, subject to the receipt of the Required Company Shareholder Approval and the approval of the Arrangement by the Court. The execution and delivery of this Agreement and each Ancillary Document to which the Company is or is required to be a party and the consummation of the transactions contemplated hereby and thereby, (a) have been duly and validly authorized by the Company's Board and, where applicable, its shareholders, in accordance with the Company's Organizational Documents, any applicable Law or any Contract to which the Company or any of its shareholders is a party or by which it or its securities are bound and (b) no other corporate proceedings on the part of the Company are necessary to authorize the execution and delivery of this Agreement and each Ancillary Document to which it is a party or to consummate the transactions contemplated hereby and thereby except for obtaining Required Company Shareholder Approval and the approval of the Arrangement by the Court. This Agreement has been, and each Ancillary Document to which the Company is a party shall be when delivered, duly and validly executed and delivered by the Company and assuming the due authorization, execution and delivery of this Agreement and any such Ancillary Document by the other parties hereto and thereto, constitutes, or when delivered shall constitute, the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to the Enforceability Exceptions. The Company's Board, by resolutions duly adopted at a meeting duly called and held or by action by unanimous written consent in accordance with its Organizational Documents, has (i) determined that this Agreement, and thereby the Ancillary Documents, and the Arrangement, the Amalgamation and the other transactions contemplated hereby and thereby are advisable, fair to, and in the best interests of, the Company and its shareholders, (ii) approved and adopted this Agreement, the Ancillary Documents, and approved the Arrangement, the Amalgamation and the other transactions contemplated hereby and thereby in accordance with applicable law, (iii) directed that this Agreement be submitted to the Company's Shareholders for consideration, approval and adoption, (iv) recommended that the Company's Shareholders approve and adopt this Agreement, the Ancillary Documents, the Amalgamation and other transactions contemplated hereby and thereby. Except for the Required Company Shareholder Approval and approval of the Arrangement by the Court, no additional approval or vote of any holders of capital stock or other equity interests of the Company would then be necessary to approve and adopt this Agreement and the Ancillary Documents and approve the Amalgamation and the other transactions contemplated hereby and thereby.

5.3 Capitalization.

(a) The authorized capital stock of the Company consists of an unlimited number of Company Common Shares and an unlimited number of Company Preferred Shares, of which, as of the date of this Agreement, 12,218,827 Company Common Shares and 16,758,528 Company Preferred Shares were issued and outstanding. All outstanding Company Shares are duly authorized, are fully paid and non-assessable and are not subject to or issued in violation of any purchase option, right of first refusal, pre-emptive right, subscription right or any similar right under any provision of any applicable Law, or any Contract to which the Company is a party or by which it or its securities are bound. None of the outstanding Company Securities have been issued in violation of any applicable securities law.

(b) Schedule 5.3(b) contains a complete and correct list, as of the date hereof, of (i) the name of the holder of each such Company Option, (ii) the number of Company Common Shares underlying each such Company Option, (iii) the date on which each such Company Option was granted, (iv) the exercise price of each Company Option, and (v) the expiration date of each Company Option. Except as set forth on Schedule 5.3(b), there are no outstanding or authorized equity appreciation rights, phantom equity rights, other equity or equity-based awards or other similar rights with respect to the Company other than the Company Stock Option Plan.

(c) Schedule 5.3(c) contains a complete and correct list, as of the date hereof, of (i) the name of the holder of each such Company Warrant, (ii) the number of Company Common Shares underlying each such Company Warrant, (iii) the date on which each such Company Warrant was granted, (iv) the exercise price of each Company Warrant, and (v) the expiration date of each Company Warrant.

(d) Schedule 5.3(d) contains a complete and correct list, as of the date hereof, of all holders of outstanding Company Notes and Company SAFEs, indicating as applicable, with respect to each Company Note or Company SAFE then outstanding, the number of shares of Company Common Shares subject to such Company Note or Company SAFE, the date of issuance, outstanding principal and interest balance, interest rate and whether (and to what extent) the terms of such Company Note or Company SAFE will be accelerated or otherwise adjusted in any way by the consummation of the transactions contemplated by this Agreement.

(e) Other than as set forth on Schedule 5.3(a), Schedule 5.3(b), Schedule 5.3(c) and Schedule 5.3(d) there are no other equity or voting interests in, or any Company Convertible Securities, or pre-emptive rights or other outstanding rights, options, warrants, subscriptions, puts, calls, conversion rights, or agreements or commitments of any rights of first refusal or first offer, nor are there any Contracts, commitments, arrangements or restrictions to which the Company or, to the Knowledge of the Company, any of its shareholders is a party or bound relating to any equity securities of the Company, whether or not outstanding.

(f) There are no voting trusts, proxies, shareholder agreements or any other agreements or understandings with respect to the voting of the Company's equity interests, other than the Company Shareholders Agreement. Except as set forth in the Company's Certificate of Incorporation or as expressly set forth in this Agreement, there are no outstanding contractual obligations of the Company to repurchase, redeem or otherwise acquire any equity interests or securities of the Company, nor has the Company granted any registration rights to any Person with respect to the Company's equity securities. All of the Company Securities have been granted, offered, sold and issued in compliance with all applicable securities Laws.

(g) There are no equity interests of the Company are issuable, and no rights in connection with any interests, warrants, rights, options or other securities of the Company accelerate or otherwise become triggered (whether as to vesting, exercisability, convertibility or otherwise) as a result of the transactions contemplated hereby.

(h) Since June 30, 2023, the Company has not declared or paid any distribution or dividend in respect of its equity interests and has not repurchased, redeemed, or otherwise acquired any equity interests of the Company, and the Company Board has not authorized any of the foregoing.

5.4 Subsidiaries.

(a) The Company has one Subsidiary, Damon Motors Corporation, incorporated under the laws of Delaware on April 26, 2021 (the "**Company Subsidiary**").

(b) The Company Subsidiary is a corporation, duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, organization or formation and has all requisite corporate, trust, limited liability company or partnership power and authority to own, lease and operate its properties and assets and to carry on its business as now being conducted, except where the failure to be so organized, validly existing, qualified or in good standing, or to have such power or authority, would not, individually or in the aggregate, reasonably be expected to be material to the Company.

(c) The Company is, directly or indirectly, the registered and beneficial owner of all of the outstanding common shares or other equity interests of the Company Subsidiary, free and clear of any Liens. All such common shares or other equity interests so owned by Company have been validly issued and are fully paid and non-assessable, as the case may be, and no such shares or other equity interests have been issued in violation of any pre-emptive or similar rights or in violation of applicable Laws.

5.5 Governmental Approvals.

Except for approval of the Arrangement by the Court, no Consent of or with any Governmental Authority on the part of the Company is required to be obtained or made in connection with the execution, delivery or performance by the Company of this Agreement or any Ancillary Documents or the consummation by the Company of the transactions contemplated hereby or thereby other than (a) such filings and approvals as expressly contemplated by this Agreement, (b) any filings required with the British Columbia Securities Commission with respect to the transactions contemplated by this Agreement, (c) applicable requirements, if any, pursuant to the HSR Act, (d) applicable requirements, if any, pursuant to the *Competition Act* (Canada) or the *Investment Canada Act*, and (e) where the failure to obtain or make such Consents or to make such filings or notifications, would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

5.6 Non-Contravention.

The execution and delivery of this Agreement and the Ancillary Documents by the Company and of the transactions contemplated hereby and thereby, consummation by the Company of the transactions contemplated hereby and thereby and compliance by the Company with any of the provisions hereof and thereof, will not (a) conflict with or violate any provision of the Company's Organizational Documents, (b) subject to obtaining the Consents from Governmental Authorities referred to in Section 5.5 hereof, the waiting periods referred to therein having expired, and any condition precedent to such Consent or waiver having been satisfied, conflict with or violate any Law, Order or Consent applicable to the Company or any of its material properties or assets, or (c) (i) violate, conflict with or result in a breach of, (ii) constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, (iii) result in the termination, withdrawal, suspension, cancellation or modification of, (iv) accelerate the performance required by the Company under, (v) result in a right of termination or acceleration under, (vi) give rise to any obligation to make payments or provide compensation under, (vii) result in the creation of any Lien upon any of the properties or assets of the Company under (other than Permitted Liens), (viii) give rise to any obligation to obtain any third party Consent or provide any notice to any Person or (ix) give any Person the right to declare a default, exercise any remedy, claim a rebate, chargeback, penalty or change in delivery schedule, accelerate the maturity or performance, cancel, terminate or modify any right, benefit, obligation or other term under, any of the terms, conditions or provisions of the Company Material Contracts, in each case except where such conflict, violation, breach, default, termination, cancellation, modification, acceleration, obligation, creation, or default would not, individually or in the aggregate, have a Company Material Adverse Effect.

5.7 Financial Statements.

(a) The Company has delivered to Parent a copy of the audited consolidated balance sheets of the Company as of June 30, 2023 and June 30, 2022, together with the audited consolidated statements of operations, cash flows and shareholders' equity of the Company for the fiscal years then ended, and the related notes thereto (the "**Company Financial Statements**"). The Company Financial Statements, together with the notes thereto, fairly present, in all material respects, the financial position of the Company at the dates thereof and the results of the operations, changes in shareholders' equity, and cash flows of the Company for the respective periods referred to in such financial statements, all in accordance with GAAP methodologies applied on a consistent basis throughout the periods involved.

(b) The Company has no off-balance sheet arrangements that are not disclosed in the Company Financial Statements. The books and records of the Company have been, and are being, maintained in all material respects in accordance with GAAP and any other applicable legal and accounting requirements and reflect only actual transactions.

(c) Other than as disclosed in the report to the Company's audit committee in respect of the Company Financial Statements, (i) the Company has established and maintains a system of Internal Controls, and (ii) the Company has not identified in writing and has not received written or, to the Knowledge of the Company, oral notice from an independent auditor of (A) any significant deficiency or material weakness in its system of Internal Controls, (B) any facts that, in their totality, reasonably constitute fraud that involves the Company's management or other employees who have a role in the preparation of financial statements or the Internal Controls utilized by the Company, or (C) any claim or allegation regarding any of the foregoing. There are no significant deficiencies or material weaknesses in the design or operation of the Company's Internal Controls that would reasonably be expected to adversely affect, in a material manner, the Company's ability to record, process, summarize and report financial information, and, to the Knowledge of the Company, there are no facts that, in their totality, reasonably constitute fraud committed by the Company or any of its Affiliates, the management of the Company or any other Person, which actual and intentional common law fraud involves the Company or its management, employees, assets or operations.

(d) The Company's independent auditor is an independent registered public accounting firm within the meaning of the Securities Act and the applicable rules and regulations adopted by the SEC and is registered with the PCAOB.

(e) There are no outstanding loans or other extensions of credit made by the Company to any executive officer (as defined in Rule 3b-7 under the Exchange Act) or director of the Company.

(f) Except as and to the extent reflected or reserved against in the Company Financial Statements or as incurred in connection with this Agreement, the Company has not incurred any Liabilities or obligations of the type required to be reflected on a balance sheet in accordance with GAAP that are not adequately reflected or reserved on or provided for in the Company Financial Statements, other than (i) Liabilities of the type required to be reflected on a balance sheet in accordance with GAAP that have been incurred since the Balance Sheet Date in the ordinary course of business or (ii) Liabilities that are not, individually or in the aggregate, material in amount. All debts and Liabilities, fixed or contingent, which should be included under GAAP on a balance sheet are included in all material respects in the Company Financial Statements as of the date of such Company Financial Statements.

(g) When delivered as required by Section 6.4(a) and Section 6.4(b), respectively, the Company PCAOB Financial Statements and Subsequent Unaudited Company Financial Statements, together with the notes thereto, (i) will fairly present, in all material respects, the financial position of the Company at the dates thereof and the results of the operations, changes in shareholders' equity, and cash flows of the Company for the respective periods referred to in such financial statements, all in accordance with GAAP methodologies applied on a consistent basis throughout the periods involved, and (ii) will comply in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto.

5.8 Absence of Certain Changes.

Since June 30, 2023, there has not occurred a Company Material Adverse Effect. Since June 30, 2023, the Company has conducted its business in the ordinary course and consistent with past practice and the Company has not taken any action that, if taken after the date of this Agreement and prior to the Effective Date, would require the consent of the Parent pursuant to Section 6.2.

5.9 Compliance with Laws.

The Company is not, and since its incorporation has never been, in material conflict or material non- compliance with, or in material default or violation of any applicable Laws. Since its incorporation, the Company, (i) has not received any written or, to the Knowledge of the Company, oral notice of any material conflict or non-compliance with, or material default or violation of, any applicable Laws by which it or any of its properties, assets, employees, business, products or operations are or were bound or affected, (ii) has not been subjected to any investigation by a Governmental Authority regarding any actual or alleged violation of or failure on the part of the Company to comply with any applicable Law, (iii) has not had claims filed against it with any Governmental Authority alleging any failure by the Company to comply with applicable Law, and (iv) has not made a voluntary, directed, or involuntary disclosure to any Governmental Authority regarding any alleged act or omission

arising under or relating to any noncompliance with any applicable Law, in the case of clauses (i) through (iii), except as would not, or would not reasonably be expected to, be material to the Company.

5.10 Company Permits.

The Company (and its employees who are legally required to be licensed by a Governmental Authority in order to perform his or her duties with respect to his or her employment with the Company), holds all licenses and Permits necessary to lawfully own, lease and conduct in all material respects its business as presently conducted and to own, lease and operate its assets and properties (collectively, the "**Company Permits**"). All the Company Permits are in full force and effect and not subject to, or threatened to be subject to, any revocation or modification Proceeding, and the Company is conducting business in full compliance with the Company Permits. The Company is not in violation in any material respect of the terms of the Company Permits, and the Company has received no written or oral notice of any Actions relating to the revocation or modification of the Company Permits.

5.11 Litigation.

There is no (a) Action of any nature currently pending or, to the Company's Knowledge, threatened, and no such Action has been brought in the past five (5) years; or (b) Order now pending or outstanding or that was rendered by a Governmental Authority in the past five (5) years, in either case of (a) or (b) by or against the Company, its respective current or former directors, officers or equity holders (provided, that any litigation involving the directors, officers or equity holders of the Company must be related to the Company's business, equity securities or assets), its business, equity securities or assets.

5.12 Material Contracts.

(a) True, correct and complete copies of all Material Contracts of the Company or the Company Subsidiary (each, a "**Company Material Contract**") (including written summaries of oral Company Material Contracts) have been made available to the Parent.

(b) With respect to the Company Material Contracts: (i) each Company Material Contract is valid and binding and enforceable in all material respects against the Company and, to the Knowledge of the Company, each other party thereto, and is in full force and effect (except, in each case, as such enforcement may be limited by the Enforceability Exceptions); (ii) the consummation of the transactions contemplated by this Agreement and the Ancillary Documents will not affect the validity or enforceability of the Company Material Contracts; (iii) the Company is not in breach or default in any material respect, and to the Knowledge of the Company, no condition or event has occurred that with the passage of time or giving of notice or both would constitute a material breach or default by the Company, or permit termination or acceleration by the other party thereto, under such Company Material Contract; (iv) to the Knowledge of the Company, no other party to such Company Material Contract is in breach or default in any material respect, and no event has occurred that with the passage of time or giving of notice or both would constitute such a material breach or default by such other party, or permit termination or acceleration by the Company, under such Company Material Contract; (v) the Company has received neither written nor, to the Company's Knowledge, oral notice of an intention by any party to any such Company Material Contract that provides for a continuing obligation by any party thereto to terminate such Company Material Contract or amend the terms thereof, other than modifications in the ordinary course of business and do not adversely affect the Company in any material respect; and (vi) the Company has not waived any material rights under any such Company Material Contract.

5.13 Intellectual Property.

Except as would not and would not be reasonably expected to be, individually or in the aggregate, be a Company Material Adverse Effect: (i) the Company owns all right, title and interest, or have valid licenses (and is not in material breach of such licenses), in and to all Intellectual Property that is material to the conduct of the business, as presently conducted, of the Company (collectively, the "**Intellectual Property Rights**"); (ii) all such Intellectual Property Rights that are owned by or licensed to the Company are sufficient, in all material respects, for conducting the business, as presently conducted, of the Company; (iii) to the Knowledge of the Company, all Intellectual Property Rights owned or leased by the Company are valid and enforceable, and the carrying on of the business of the Company and the use by the owned by or licensed to the Company does not breach, violate, infringe or interfere with any rights of any other Person; (iv) to the Knowledge of the Company, no third party is infringing upon the Intellectual Property Rights owned or licensed by the Company, and no Proceeding Company of any of the Intellectual Property Rights or Technology (as defined below) is currently pending or threatened with respect to the foregoing; (v) all computer hardware and associated firmware and operating systems, application software, database engines and processed data, technology infrastructure and other computer systems used in connection with the conduct of the business, as presently conducted, of the Company (collectively, the "**Company Technology**") are sufficient, in all material respects, for conducting the business, as presently conducted, of the Company; and (vi) the Company owns, or has validly licensed or leased (and is not in material breach of such licenses or leases), such Company Technology.

5.14 Taxes and Returns.

(a) Each of the Company and the Company Subsidiary have timely filed, or caused to be timely filed, all income and other material Tax Returns required to be filed by it, which such Tax Returns are accurate and complete in all material respects.

(b) Each of the Company and the Company Subsidiary have paid on a timely basis all material Taxes which are due and payable by it, all assessments and reassessments, and all other material Taxes due and payable by it on or before the date of this Agreement, other than those Taxes which are being or have been contested in good faith and in respect of which reserves have been provided in the Company Financial Statements in accordance with GAAP.

(c) Nether the Company nor the Company Subsidiary has received a Tax refund (including in respect of a deemed overpayment of Taxes under the ITA) to which it was not entitled.

(d) No material deficiencies, litigation, proposed adjustments or matters in controversy exist or have been asserted in writing with respect to Taxes of the Company or the Company Subsidiary, and the Company or the Company Subsidiary is not a party to any Proceeding for assessment or collection of Taxes and no such event has been asserted in writing or, to the knowledge of the Company, threated against the Company or the Company Subsidiary or any of their respective assets, which has not been resolved or finally settled.

(e) No claim has been made in writing by any Governmental Authority in a jurisdiction where the Company or Company Subsidiary does not file Tax Returns that the Company or Company Subsidiary is or may be subject to Tax by that jurisdiction.

(f) There are no Liens with respect to any Taxes upon any of the Company's or the Company Subsidiary's assets, other than Permitted Liens.

(g) The Company and the Company Subsidiary have each withheld or collected all amounts required to be withheld or collected by it on account of Taxes and has remitted all such amounts to the appropriate Governmental Authority when required by applicable Law to do so.

(h) There are no outstanding agreements extending or waiving the statutory period of limitations applicable to any claim for, or the period for the collection or assessment or reassessment of Taxes due from, the Company or Company Subsidiary for any taxable period and no request for any such waiver or extension is currently pending.

(i) No closing agreements, private letter rulings, technical advice memoranda, or similar agreements or rulings regarding Taxes have been requested by or entered into by Company or the Company Subsidiary with any Governmental Authority or issued by any Governmental Authority to Company or the Company Subsidiary.

(j) Neither Company nor the Company Subsidiary is a party to any Contract with any third party relating to allocating or sharing the payment of, or liability for, any Taxes or Tax benefits (other than pursuant to customary provisions included in Contracts entered into in the ordinary course of the Company's or the Company Subsidiary's business, the principal subject matter of which is not Taxes).

(k) Neither Company nor the Company Subsidiary has any liability for the Taxes of any third party under Section 1.1502-6 of the Treasury Regulations (or any similar provision under applicable Laws) as a transferee or successor or otherwise by operation of applicable Laws.

(l) For U.S. federal income tax purposes, (i) the Company is, and has been since its formation, classified as a foreign corporation, and (ii) the Company Subsidiary is, and has been since its formation, classified as a domestic corporation.

(m) Neither the Company nor the Company Subsidiary has taken, permitted or agreed to take any action, and does not as of the date hereof or as of prior to the Closing on the Closing Date intend to or plan to take any action, in each case that would reasonably be expected to prevent the transactions contemplated by this Agreement from qualifying for the Intended Tax Treatment (with the exception of any actions specifically contemplated by this Agreement).

(n) Neither the Company nor the Company Subsidiary has entered into or participated in any "listed transaction" (within the meaning of Section 1.6011-4 of the Treasury Regulations) or "notifiable transaction" for purposes of the ITA.

(o) The terms and conditions made or imposed in respect of every transaction (or series of transactions) between the Company and any person that is (i) a non-resident of Canada for purposes of the ITA, and (ii) not dealing at arm's length with the Company for purposes of the ITA, do not differ from those that would have been made between persons dealing at arm's length for purposes of the ITA, and all documentation or records as required by applicable Laws has been made or obtained in respect of such transactions (or series of transactions).

(p) There are no circumstances existing which could result in the application to the Company of sections 17, 78, or 80 to 80.04 of the ITA or any analogous provision of any comparable applicable Law.

(q) If the Company has claimed any amount of tax credit or subsidy, including claims under the Canada Emergency Wage Subsidy, the Canada Emergency Rent Subsidy or other governmental relief program, such amounts were claimed and received in accordance with the ITA and other applicable Laws.

5.15 Real Property.

(a) The Company has title to its properties as follows: (i) with respect to real property, such title is good and marketable free and clear of all liens, security interests, pledges, charges, encumbrances, mortgages and restrictions; and (ii) with respect to personal property, such title is free and clear of all liens, security interests, pledges, charges, encumbrances, mortgages and restrictions. No real property owned, leased, licensed, or used by the Company in an area which is, or to the Knowledge of the Company will be, subject to restrictions which would prohibit, and no statements of facts relating to the actions or inaction of another person or entity or its ownership, leasing, licensing, or use of any real or personal property exists or will exist which would prevent, the continued effective ownership, leasing, licensing, exploration, development or production or use of such real property in the business of the Company as presently conducted such as individually or in the aggregate reasonably be expected to cause a Company Material Adverse Effect. The leases set forth on Schedule 5.15 (the "**Leases**") are the only Contracts pursuant to which the Company leases any real property. The Company has made available to the Parent accurate and complete copies of all Leases. The Company has not materially breached or violated any local zoning ordinance, and no written notice from any Person has been received by the Company or served upon the Company claiming any violation of any local zoning ordinance.

(b) With respect to each Lease: (i) it is valid, binding and enforceable in accordance with its terms (subject to the Enforceability Exceptions) and in full force and effect; (ii) all rents and additional rents and other sums, expenses and charges due thereunder have been paid; (iii) the Company has performed all material obligations imposed on it under such Lease and there exists no material default or event of default thereunder by the Company or, to the Company's Knowledge, by any other party thereto; (iv) as of the date hereof, there are no outstanding claims of breach or indemnification or notice of default or termination thereunder, (v) no waiver, indulgence or postponement of the Company's obligations thereunder has been granted by the lessor, and (vi) as of the date hereof, the Company has not exercised early termination options, if any, under such Lease. The Company holds the leasehold estate established under the Leases free and clear of all Liens, except for Permitted Liens and Liens of mortgagees of the Real Property on which such leasehold estate is located. The Company is in physical possession and actual and exclusive occupation of the whole of the leased premises, none of which is subleased or assigned to another Person. With respect to alterations or improvements made by the Company that require restoration by the Company upon the expiration or the earlier termination of the applicable Leases in accordance with the terms of such Leases, the cost of the Company's restoration obligations are not material to the Company.

5.16 Personal Property; Condition of Personal Property.

The Company has good title to all material personal or movable property of any kind or nature which the Company purports to own, free and clear of all Liens (other than Permitted Liens). The Company, as lessee, has the right under valid and subsisting leases to use, possess and control all personal or movable property leased by, and material to, the Company, as used, possessed and controlled by the Company. All real and tangible personal property of the Company is in generally good repair and is operational and usable in the manner in which it is currently being utilized, subject to normal wear and tear and technical obsolescence, repair or replacement.

5.17 Title to and Sufficiency of Assets.

The Company has good and marketable title to, or a valid leasehold interest in or right to use, all of its material assets, free and clear of all Liens other than (a) Permitted Liens, (b) the rights of lessors under leasehold interests and (c) Liens set forth in the Company Financial Statements. The assets (including Intellectual Property Rights and contractual rights) of the Company constitute all of the material assets, rights and properties that are used in the operation of the businesses of the Company as it is now conducted or that are used or held by the Company for use in the operation of the businesses of the Company.

5.18 Employee Matters.

(a) The Company is not party to, or bound by, any labor agreement, collective bargaining agreement, work rules or practices, or any other labor-related Contract with any labor or trade union, labor organization or works council, and has never been party to, or bound by, any such Contracts. There are no labor strikes, slowdowns, work stoppages, boycotts, picketing, lockouts, job actions, labor disputes, or to the Company's Knowledge threat of any of the foregoing, or union organizing activity (of unrepresented employees) or question concerning representation, by or with respect to any of the employees of the Company, and no such activities have ever occurred. No employees of the Company are represented by any labor organization, labor or trade union, or works council with respect to their employment with the Company. The Company has not engaged in any unfair labor practices.

(b) The Company (i) is and has been in compliance in all material respects with all applicable Laws respecting employment and employment practices, terms and conditions of employment, health and safety, wages and hours, discrimination, harassment, retaliation, disability, labor relations, classification, withholding, hours of work, payment of wages and overtime wages, pay equity, immigration, workers compensation, working conditions, employee scheduling, occupational safety and health, family and medical leave and other time off, and employee terminations, and has not received written or, to the Knowledge of the Company, oral notice that there is any instance of noncompliance in any of the foregoing respects, (ii) has correctly classified all current and former employees as either self-employed, employees, independent contractors, and as exempt or non- exempt for all purposes, (iii) has correctly classified all current and former employees as either self- employed, employees, independent contractors, and as exempt or non-exempt for all purposes, and is not liable for any past due arrears of wages or other compensation due to employees, independent contractors or consultants of the Company or any penalty for failure to comply with any of the foregoing; and (iv) is not liable for any material payment to any Governmental Authority with respect to unemployment compensation benefits, social security or other benefits or obligations for employees, independent contractors or consultants (other than routine payments to be made in the ordinary course of business and consistent with past practice). There are no Actions pending or, to the Company's Knowledge, threatened, and there have been no such Actions brought in the past three (3) years, against the Company brought by or on behalf of any applicant for employment, any current or former employee, consultant, or independent contractor, any Person alleging to be a current or former employee, or any Governmental Authority or any other Person relating to violations of any federal, state, or local labor or employment Laws, or making any other allegation relating to the employment of or services rendered by such Person including alleging breach of any express or implied contract of employment, wrongful termination of employment, or alleging any other discriminatory, wrongful or tortious conduct in connection with the employment relationship. No executive or key employee of the Company has informed the Company, orally or in writing, of any plan to terminate their employment with or services to the Company.

(c) Except as set forth on Schedule 5.18(c), the Company have paid in full to all its employees all wages, salaries, commission, bonuses and other compensation due to their employees, including overtime compensation, and the Company has no obligation or Liability (whether or not contingent) with respect to severance payments to any such employees under the terms of any written or, to the Company's Knowledge, oral agreement, or commitment or any applicable Law, custom, trade or practice.

(d) Except as set forth on Schedule 5.18(d), the Company have paid in full to all its independent contractors all compensation, commission, bonuses and other compensation due, including overtime compensation, and the Company has no obligation or Liability (whether or not contingent) with respect to payments to any such independent contractors upon termination of Contracts pursuant to which such independent contractors are engaged.

(e) In the past three (3) years, the Company has not implemented any plant closing, mass layoff or similar event that has triggered the notification requirement of the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101 et seq. or any similar state, local or foreign Law.

(f) There has not at any time been and there is not pending or, to the Knowledge of the Company, threatened, any allegation, investigation (including any internal investigation), complaint, lawsuit or Action concerning any Misconduct with respect to any Company employee, contractor, or other service provider, and the Company maintains and has at all times maintained appropriate policies prohibiting its service providers from engaging in acts of Misconduct.

5.19 Benefit Plans.

(a) "Company Benefit Plans" means any "employee benefit plan," and all material contracts, plans, agreements, programs, arrangements, employee benefit plans, compensation arrangements and other benefit arrangements, whether written or unwritten and whether or not providing cash- or equity-based incentives (e.g., restricted stock, stock option, stock appreciation right, phantom stock, etc.), health, medical, dental, disability, accident or life insurance benefits, change in control or retention payments, vacation, severance, salary continuation, or other termination pay, bonus, commissions or other variable compensation, vacation, paid-time-off, sick leave, fringe benefit, retirement, deferred compensation, pension or savings benefits, that are sponsored, maintained, contributed to or required to be contributed by the Company or under which the Company has any liability or obligation (including any contingent liability or obligation) and all employment or other agreements providing compensation, vacation, severance or other benefits to any officer, employee, consultant or former employee of the Company to which the Company is a party.

(b) With respect to each Company Benefit Plan, (i) the Company has made available to Parent true and complete copies, to the extent applicable, of each material writing constituting a part of such Company Benefit Plan, including all plan documents and amendments thereto, or if not in writing, a summary of such Company Benefit Plan, (ii) there are no funded benefit obligations for which contributions have not been made or properly accrued and (iii) there are no unfunded benefit obligations that have not been accounted for by reserves, or otherwise properly footnoted in accordance with GAAP on the Company Financial Statements. The Company has in the past been neither a member of a "controlled group," nor does the Company have any Liability with respect to any collectively-bargained for plans. No fact exists which could reasonably be expected to adversely affect the qualified status of any Company Benefit Plans or the exempt status of such trusts.

(c) With respect to each Company Benefit Plan: (i) such Company Benefit Plan is and has at all times been operated, maintained, funded, and administered in accordance with its material terms, and applicable Laws; (ii) no breach of fiduciary duty has occurred; (iii) no Action is pending, or to the Company's Knowledge, threatened (other than routine claims for benefits arising in the ordinary course of administration); (iv) no prohibited transaction, as defined by any applicable Laws, has occurred, excluding transactions effected pursuant to a statutory or administration exemption, and (v) all material contributions and premiums due through the Effective Date have been timely made or have been fully accrued on the Company Financial Statements.

(d) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (either alone or in combination with another event) (i) result in any payment becoming due, or increase the amount of any compensation or benefits due, to any current or former employee of the Company or with respect to any Company Benefit Plan; (ii) increase any benefits otherwise payable under any Company Benefit Plan; (iii) result in the acceleration of the time of payment or vesting of any such compensation or benefits; or (iv) to the Company's Knowledge, result in a non-exempt prohibited transaction, as defined by any applicable Laws. No person is entitled to receive any additional payment (including any tax gross-up or other payment) from the Company as a result of the imposition of any excise taxes required by any applicable Laws.

5.20 Environmental Matters.

(a) The Company is and has been in compliance with all applicable Environmental Laws, including obtaining, maintaining in good standing, and complying in all material respects with all Environmental Permits. No Action is pending or, to the Company's Knowledge, threatened to revoke, modify, or terminate any such Environmental Permit, and to the Company's Knowledge, no facts, circumstances, or conditions currently exist that could adversely affect such continued compliance with Environmental Laws and Environmental Permits or require capital expenditures to achieve or maintain such continued compliance with Environmental Laws and Environmental Permits.

(b) The Company is not the subject of any outstanding Order or Contract with any Governmental Authority or other Person in respect of any (i) Environmental Laws, (ii) Remedial Action, or (ii) Release or threatened Release of a Hazardous Material. The Company has not assumed, contractually or by operation of Law, any Liabilities or obligations under any Environmental Laws.

(c) No Action has been made or is pending, or to the Company's Knowledge, threatened against the Company or any assets of the Company alleging either or both that the Company may be in violation of any Environmental Law or Environmental Permit or may have any material Liability under any Environmental Law.

(d) There is no investigation of the business, operations, or currently owned, operated, or leased property of the Company or, to the Company's Knowledge, previously owned, operated, or leased property of the Company pending or, to the Company's Knowledge, threatened that could lead to the imposition of any Liens under any Environmental Law or Environmental Liabilities.

(e) There are no (i) underground storage tanks, (ii) asbestos-containing material, or (iii) equipment containing polychlorinated biphenyls located at any of the properties of the Company.

5.21 Transactions with Affiliates.

Schedule 5.21 sets forth a true, correct and complete list of the Contracts and arrangements that are in existence as of the date of this Agreement under which there are any existing or future Liabilities or obligations in an amount in excess of $120,000 between the Company and any (a) present or former director, officer, employee, agent, independent contractor or Affiliate of the Company, or any immediate family member of any of the foregoing, excluding customary employment arrangements, agreements providing for indemnification rights, Benefit Plans and agreements related primarily to an investment in the Company, or (b) record or beneficial owner of more than five percent (5%) of the Company's outstanding capital stock as of the date hereof.

5.22 Insurance.

(a) All premiums due and payable under all material insurance policies of the Company have been paid and the Company is otherwise in material compliance with the terms of such insurance policies and each such insurance policy (i) is legal, valid, binding, enforceable and in full force and effect and (ii) will continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms following the Effective Date. The Company has no self-insurance or co-insurance programs. In the past five (5) years (or since the date of the Company's formation if less than five years ago), the Company has not received any notice from, or on behalf of, any insurance carrier relating to or involving any adverse change or any change other than in the ordinary course of business, in the conditions of insurance, any refusal to issue an insurance policy or non-renewal of a policy.

(b) The Company has reported to its insurers all claims and pending circumstances that would reasonably be expected to result in a claim, except where such failure to report such a claim would not be reasonably likely to be material to the Company. To the Knowledge of the Company, no event has occurred, and no condition or circumstance exists, that would reasonably be expected to (with or without notice or lapse of time) give rise to or serve as a basis for the denial of any such material insurance claim. In the last three (3) years, the Company has not made any claim against an insurance policy as to which the insurer is denying or has denied coverage.

5.23 Books and Records.

All of the financial books and records of the Company are complete and accurate in all material respects and have been maintained in the ordinary course of business consistent with past practice and in accordance with applicable Laws.

5.24 Certain Business Practices.

(a) Neither the Company or any of its directors or officers, nor to the Knowledge of the Company, any of its Representatives acting on its behalf has (i) used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees, to foreign or domestic political parties or campaigns or violated any provision of the Corruption of Foreign Public Officials Act of Canada or the U.S. Foreign Corrupt Practices Act of 1977 or any other local or foreign anti- corruption or bribery Law or (iii) made any other unlawful payment. Neither the Company nor any of its Representatives acting on its behalf has, directly or indirectly, given or agreed to give any unlawful gift or similar benefit in any material amount to any customer, supplier, governmental employee or other Person who is or may be in a position to help or hinder the Company or assist the Company in connection with any actual or proposed transaction.

(b) The operations of the Company are and have been conducted at all times in compliance with money laundering statutes in all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority, and no Action involving the Company with respect to any of the foregoing is pending or, to the Knowledge of the Company, threatened.

(c) Neither the Company nor any of its directors or officers, or, to the Knowledge of the Company, any other Representative acting on behalf of the Company is currently identified on the specially designated nationals or other blocked person list or otherwise currently subject to any U.S. sanctions administered by OFAC, and the Company has not in the last five (5) fiscal years, directly or indirectly, used any funds, or loaned, contributed or otherwise made available such funds to any Subsidiary, joint venture partner or other Person, in connection with any sales or operations in Cuba, Iran, North Korea, Syria, Sudan, the Crimean region of Ukraine, or any other country sanctioned by OFAC or for the purpose of financing the activities of any Person currently subject to, or otherwise in violation of, any U.S. sanctions administered by OFAC.

5.25 Compliance with Privacy Laws, Privacy Policies and Certain Contracts.

(a) The Company, and to the Knowledge of the Company, its officers, directors, employees, agents, subcontractors and vendors to whom the Company has given access to Personal Data, are and have been at all times in compliance with all applicable Privacy Laws, except as would not, individually or in the aggregate, have a Company" Material Adverse Effect;

(b) To the Knowledge of the Company, except as would not, individually or in the aggregate, have a Company Material Adverse Effect, the Company has not experienced any loss, damage or unauthorized access, use, disclosure, modification, or breach of security of Personal Data maintained by or on behalf of the Company (including, to the Knowledge of the Company, by any agent, subcontractor or vendor of the Company); and

(c) To the Knowledge of the Company, except as would not, individually or in the aggregate, have a Company Material Adverse Effect, (i) no Person, including any Governmental Authority, has made any written claim or commenced any Proceeding with respect to any violation of any Privacy Law by the Company; and (ii) the Company has not been given written notice of any criminal, civil or administrative violation of any Privacy Law, in any case including any claim or Action with respect to any loss, damage or unauthorized access, use, disclosure, modification, or breach of security, of Personal Data maintained by or on behalf of the Company (including by any agent, subcontractor or vendor of the Company).

5.26 Investment Company Act.

The Company is not an "investment company" or a Person directly or indirectly "controlled" by or acting on behalf of an "investment company," or required to register as an "investment company," in each case within the meaning of the Investment Company Act.

5.27 Finders and Brokers.

Except as set forth on Schedule 5.27, the Company has neither incurred nor will incur any Liability for any brokerage, finder's or other fee or commission in connection with the transactions contemplated hereby.

5.28 Independent Investigation.

The Company has conducted its own independent investigation, review and analysis of the business, results of operations, prospects, condition (financial or otherwise) or assets of the Parent and acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of the Parent for such purpose. The Company acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, it has relied solely upon its own investigation and the express representations and warranties of the Parent set forth in this Agreement (including the related portions of the Parent Disclosure Schedules) and in any certificate delivered to the Company pursuant hereto; and (b) neither the Parent nor any of its Representatives have made any representation or warranty as to the Parent or this Agreement, except as expressly set forth in this Agreement (including the related portions of the Parent Disclosure Schedules) or in any certificate delivered to the Company pursuant hereto.

5.29 Information Supplied.

The information relating to Company and its Subsidiaries to be supplied by or on behalf of the Company and its Subsidiaries for inclusion or incorporation by reference in the Registration Statement will not, or at the time of any amendment or supplement thereof, contain any untrue statement of any material fact, or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not false or misleading at the time and in light of the circumstances under which such statement is made.

ARTICLE VI
COVENANTS

6.1 Access and Information.

During the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement in accordance with Section 9.1 or the Effective Date (the "**Interim Period**"), subject to Section 6.14, the Company shall give, and shall cause its Representatives to give, the Parent and its Representatives, at reasonable times during normal business hours and upon reasonable intervals and notice, reasonable access to all offices and other facilities and to all employees, properties, Contracts, agreements, commitments, books and records, financial and operating data and other information (including Tax Returns, internal working papers, client files, client Contracts and director service agreements), of or pertaining to the Company, as the Parent or its Representatives may reasonably request regarding the Company and its businesses, assets, Liabilities, financial condition, prospects, operations, management, employees and other aspects (including unaudited quarterly financial statements, including a consolidated quarterly balance sheet and income statement, a copy of each material report, Schedule and other document filed with or

received by a Governmental Authority pursuant to the requirements of applicable securities Laws, and independent public accountants' work papers (subject to the consent or any other conditions required by such accountants, if any)) and transaction documents for any ongoing capital raising transactions and cause the Company's Representatives to reasonably cooperate with the Parent and its Representatives in their investigation; provided, however, that the Parent and its Representatives shall conduct any such activities in such a manner as not to unreasonably interfere with the business or operations of the Company.

During the Interim Period, subject to Section 6.14, Spinco shall give, and shall cause its Representatives to give, the Company and its Representatives, at reasonable times during normal business hours and upon reasonable intervals and notice, reasonable access to all offices and other facilities and to all employees, properties, Contracts, agreements, commitments, books and records, financial and operating data and other information (including Tax Returns, internal working papers, client files, client Contracts and director service agreements), of or pertaining to Spinco, as the Company or its Representatives may reasonably request regarding Spinco, its respective business, assets, Liabilities, financial condition, prospects, operations, management, employees and other aspects (including unaudited quarterly financial statements of the Spinco Subsidiary, including a consolidated quarterly balance sheet and income statement, a copy of each material report, Schedule and other document filed with or received by a Governmental Authority pursuant to the requirements of applicable securities Laws, and independent public accountants' work papers (subject to the consent or any other conditions required by such accountants, if any)) and transaction documents for any ongoing capital raising transactions and cause each of Spinco's Representatives to reasonably cooperate with the Company and its Representatives in their investigation; provided, however, that the Company and its Representatives shall conduct any such activities in such a manner as not to unreasonably interfere with the business or operations of Spinco or Spinco Subsidiary.

6.2 Conduct of Business of the Company.

Unless Spinco shall otherwise consent in writing (such consent not to be unreasonably withheld, conditioned or delayed), during the Interim Period, except as expressly contemplated by this Agreement or the Ancillary Documents, the Company shall (i) conduct its business, in all material respects, in the ordinary course of business consistent with past practice, (ii) comply with all Laws applicable to the Company and its business, assets and employees, and (iii) take all commercially reasonable measures necessary or appropriate to preserve intact, in all material respects, its business organization, to keep available the services of its managers, directors, officers, employees and consultants, and to preserve the possession, control and condition of its assets.

The Company shall provide advance written notice to Spinco of any material action that is not within the ordinary course and consistent with past practice. Except as expressly contemplated by the terms of this Agreement or the Ancillary Documents, during the Interim Period, without the prior written consent of the Parent (such consent not to be unreasonably withheld, conditioned or delayed), the Company shall not:

(a) amend, waive or otherwise change, in any respect, its Organizational Documents, except as required by applicable Law;

(b) other than in respect of (i) grants of equity awards to Company management that will be included in the Company Fully Diluted Shares at the Effective Time , or (ii) the June 2023 Note Offering or any other capital raising transactions involving issuances of equity or equity-linked securities that will be included in the Company Fully Diluted Shares at the Effective Time (the "**Company Permitted Financing**"), authorize for issuance, issue, grant, sell, pledge, dispose of or propose to issue, grant, sell, pledge or dispose of any of its equity securities or any options, warrants, commitments, subscriptions or rights of any kind to acquire or sell any of its equity securities, or other securities, including any securities convertible into or exchangeable for any of its shares or other equity securities or securities of any class and any other equity-based awards, or engage in any hedging transaction with a third Person with respect to such securities;

(c) split, combine, recapitalize or reclassify any of its shares or other equity interests or issue any other securities in respect thereof or pay or set aside any dividend or other distribution (whether in cash, equity or property or any combination thereof) in respect of its equity interests, or directly or indirectly redeem, purchase or otherwise acquire or offer to acquire any of its securities (except for the repurchase of Company Shares from former employees, non-employee directors and consultants in accordance with agreements as in effect on the date hereof providing for the repurchase of shares in connection with any termination of service);

(d) other than in respect of the June 2023 Note Offering or any other Company Permitted Financing, incur, create, assume, prepay, commit to, or otherwise become liable for any Indebtedness (directly, contingently or otherwise) in excess of $500,000 individually or $1,000,000 in the aggregate, make a loan or advance to or investment in any third party (other than advancement of expenses to employees in the ordinary course of business), or guarantee or endorse any Indebtedness, Liability or obligation of any Person in excess of $500,000 individually or $1,000,000 in the aggregate;

(e) increase the wages, salaries or compensation of its employees other than in the ordinary course of business, consistent with past practice, and in any event not in the aggregate by more than five percent (5%), or make or commit to make any bonus payment (whether in cash, property or securities) other than in the ordinary course of business consistent with past practice, to any employee, or increase other benefits of employees generally, or enter into, establish, amend or terminate any Company Benefit Plan other than as required by applicable Law or pursuant to the terms of any Company Benefit Plans;

(f) take any action to accelerate the payment, funding, right to payment or vesting of any compensation or benefits;

(g) make or rescind any material election relating to Taxes, settle any material Action, arbitration, investigation, audit or controversy relating to Taxes, file any material amended Tax Return or claim for refund, or make any material change in its accounting or Tax policies or procedures, in each case except as required by applicable Law or in compliance with GAAP;

(h) transfer or license to any Person or otherwise extend, materially amend or modify, permit to lapse or fail to preserve any Intellectual Property Rights (excluding non-exclusive licenses of Intellectual Property Rights to Company customers in the ordinary course of business consistent with past practice), or disclose to any Person who has not entered into a confidentiality agreement any Trade Secrets;

(i) terminate, waive, renew, extend, assign, or fail to maintain in effect any material right under, any Company Material Contract;

(j) fail to maintain its books, accounts and records in all material respects in the ordinary course of business consistent with past practice;

(k) voluntarily terminate, cancel, materially modify or amend, permit to lapse, or fail to keep in force any insurance policies maintained for the benefit of the Company or providing insurance coverage with respect to its assets, operations and activities, without replacing or revising such policies with a comparable amount of insurance coverage with substantially similar coverage to that which is currently in effect;

(l) revalue any of its material assets or make any material change in accounting methods, principles or practices, except to the extent required to comply with GAAP and after consulting with the Company's outside auditors;

(m) waive, release, assign, commence, initiate, satisfy, settle or compromise any Action, other than waivers, releases, assignments, settlements or compromises that involve only the payment of monetary damages (and not the imposition of equitable relief on, or the admission of wrongdoing by, the Company or its Affiliates) not in excess of $500,000 individually or $1,000,000 in the aggregate, or otherwise pay, discharge or satisfy any Actions, Liabilities or obligations, unless such amount has been reserved in the Company Financial Statements;

(n) close or materially reduce its activities, or effect any material layoff or other material personnel reduction or change, at any of its facilities;

(o) acquire, including by merger, consolidation, acquisition of equity interests or assets, or any other form of business combination, any corporation, partnership, limited liability company, other business organization or any division thereof, or any material amount of assets outside the ordinary course of business consistent with past practice;

(p) authorize, recommend, propose or announce an intention to adopt, or otherwise effect a plan of complete or partial liquidation, rehabilitation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization or similar transaction;

(q) voluntarily incur any Liability or obligation (whether absolute, accrued, contingent or otherwise) in excess of $500,000 individually or $1,000,000 in the aggregate, other than pursuant to the terms of an existing contract of the Company or Company Benefit Plan, for Transaction Fees and Expenses incurred by the Company in connection with the transactions contemplated by this Agreement, or pursuant to the June 2023 Note Offering;

(r) purchase, sell, lease, license, transfer, exchange or swap, pledge, mortgage or otherwise pledge or encumber (including securitizations), or transfer or otherwise dispose of any portion of its properties, assets or rights (including equity interests of the Company) in each case in excess of $500,000 in the aggregate;

(s) take any action that would reasonably be expected to significantly delay or impair the obtaining of any Consents of any Governmental Authority to be obtained in connection with this Agreement;

(t) accelerate the collection of any trade receivables or delay the payment of trade payables or any other Liabilities other than in the ordinary course of business consistent with past practice; or

(u) enter into, amend, waive or terminate (other than terminations in accordance with their terms) any transaction with (i) any of the Company's Affiliates; (ii) any officer, director, manager, employee, trustee or beneficiary of the Company or any of its Affiliates; or (iii) any immediate family member of any of the foregoing (whether directly or indirectly through an Affiliate of such Person) (other than compensation and benefits and advancement of expenses, in each case, provided in the ordinary course of business consistent with past practice).

6.3 Conduct of Business of Spinco.

Unless the Company shall otherwise consent in writing (such consent not to be unreasonably withheld, conditioned or delayed), during the Interim Period, except as expressly contemplated by this Agreement or the Ancillary Documents, Spinco shall comply in all material respects with all Laws applicable to Spinco.

Without limiting the generality of Section 6.3 and except as contemplated by the terms of this Agreement, the Ancillary Documents, the Separation and Distribution Agreement or any agreements contemplated by or ancillary to the Separation and Distribution Agreement, during the Interim Period, without the prior written consent of the Company (such consent not to be unreasonably withheld, conditioned or delayed), Spinco shall not:

(a) amend, waive or otherwise change, in any respect, the Organizational Documents of the Spinco Subsidiary, except as required by applicable Law;

(b) other than in respect of grants of equity awards to management of Spinco or its Affiliates, which shall be granted under an equity incentive plan separate from and in addition to the Incentive Plan and included in the Spinco Fully Diluted Shares at the Effective Time, authorize for issuance, issue, grant, sell, pledge, dispose of or propose to issue, grant, sell, pledge or dispose of any equity securities or any options, warrants, commitments, subscriptions or rights of any kind to acquire or sell any equity securities, or other securities, including any securities convertible into or exchangeable for any of its equity securities or other security interests of any class and any other equity-based awards, or engage in any hedging transaction with a third Person with respect to such securities;

(c) split, combine, recapitalize or reclassify any of its shares or other equity interests or issue any other securities in respect thereof or pay or set aside any dividend or other distribution (whether in cash, equity or property or any combination thereof) in respect of its shares or other equity interests, or directly or indirectly redeem, purchase or otherwise acquire or offer to acquire any of its securities;

(d) incur, create, assume, prepay or otherwise become liable for any Indebtedness (directly, contingently or otherwise) in excess of $250,000 individually or $750,000 in the aggregate, make a loan or advance to or investment in any third party, or guarantee or endorse any Indebtedness, Liability or obligation of any Person;

(e) solely with respect to Tax matters of, or that will otherwise have a material adverse effect on, Spinco, make or rescind any material election relating to Taxes, settle any material Action, Proceeding, audit or controversy relating to Taxes, file any material amended Tax Return or claim for refund, or make any material change in its accounting or Tax policies or procedures, in each case except as required by applicable Law or in compliance with GAAP;

(f) terminate, waive or assign any material right under any Spinco Material Contract;

(g) fail to maintain its books, accounts and records in all material respects in the ordinary course of business consistent with past practice;

(h) establish any Subsidiary or enter into any new line of business;

(i) fail to use commercially reasonable efforts to keep in force insurance policies or replacement or revised policies providing insurance coverage with respect to its assets, operations and activities in such amount and scope of coverage substantially similar to that which is currently in effect as of the date of this Agreement;

(j) waive, release, assign, initiate, settle or compromise any Action, other than waivers, releases, assignments, settlements or compromises that involve only the payment of monetary damages (and not the imposition of equitable relief on, or the admission of wrongdoing by, Spinco or its Subsidiary) not in excess of $125,000 (individually or in the aggregate), or otherwise pay, discharge or satisfy any Actions, Liabilities or obligations, unless such amount has been reserved in the Spinco Financial Statements;

(k) acquire, including by merger, consolidation, acquisition of equity interests or assets, or any other form of business combination, any corporation, partnership, limited liability company, other business organization or any division thereof, or any material amount of assets outside the ordinary course of business;

(l) adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization (other than with respect to the Arrangement and the Amalgamation);

(m) voluntarily incur any Liability or obligation (whether absolute, accrued, contingent or otherwise) in excess of $125,000 individually or $250,000 in the aggregate (excluding the incurrence of any Transaction Fees and Expenses) other than pursuant to the terms of a Contract in existence as of the date of this Agreement or entered into in the ordinary course of business or in accordance with the terms of this Section 6.3 during the Interim Period;

(n) enter into any agreement, understanding or arrangement with respect to the voting of the Spinco Common Shares; or

(o) take any action that would reasonably be expected to significantly delay or impair the obtaining of any Consents of any Governmental Authority to be obtained in connection with this Agreement.

6.4 Financial Statements and Internal Controls.

(a) The Company will use its best efforts to deliver to Spinco, as promptly as practicable following the date of this Agreement (and in any event no later than October 20, 2023), such financial statements of the Company, audited in accordance with the auditing standards of the PCAOB by a PCAOB qualified auditor in accordance with GAAP and containing an unqualified report of the Company's auditors, that are required to be included in the Registration Statement (including pro forma financial information) (the "**Company PCAOB Financial Statements**").

(b) During the Interim Period, within forty-five (45) calendar days following the end of each three- month quarterly period and each fiscal year, the Company shall deliver to Spinco an unaudited income statement and an unaudited balance sheet of the Company for the period from the latest Balance Sheet Date through the end of such calendar month, quarterly period or fiscal year and the applicable comparative period in the preceding fiscal years, in each case accompanied by a certificate of the Chief Financial Officer of the Company to the effect that all such financial statements fairly present the financial position and results of operations of the Company as of the date or for the periods indicated, in accordance with GAAP, subject to year-end audit adjustments and excluding footnotes (collectively, the "**Subsequent Unaudited Company Financial Statements**"). The Subsequent Unaudited Company Financial Statements shall have been reviewed by the independent accountant for the Company in accordance with the procedures specified by the PCAOB in AU Section 722.

(c) All financial statements delivered pursuant to Section 6.4(a) and Section 6.4(b) (i) will be prepared from, and reflect in all material respects, the books and records of the Company, (ii) will be prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, (iii) will fairly present, in all material respects, the consolidated financial position of the Company, as of the dates thereof and their results of operations for the periods then ended and (iv) for the annual financial statements, will be audited in accordance with the standards of the CPAB and PCAOB. All costs incurred in connection with preparing and obtaining such financial statements shall be Transaction Fees and Expenses of the Company.

(d) To the extent the Company has not established Internal Controls prior to the execution of the Agreement, the Company shall establish such Internal Controls, as required by the Exchange Act and the additional disclosure controls and procedures required by Rules 13a-15(a) and 15d-15(a) of the Exchange Act and Sarbanes-Oxley Act of 2002 for reporting companies, no later than the time required by the Exchange Act.

(e) Spinco will use its best efforts to deliver to the Company, as promptly as practicable following the date of this Agreement (and in any event no later than October 20, 2023), such financial statements of the Spinco Subsidiary, audited in accordance with the auditing standards of the PCAOB by a PCAOB qualified auditor in accordance with GAAP and containing an unqualified report of the Spinco Subsidiary's auditors, that are required to be included in the Registration Statement (including pro forma financial information) (the "**Spinco PCAOB Financial Statements**").

(f) During the Interim Period, Spinco will use its best efforts to complete, as soon as reasonably practicable, any quarterly unaudited financial statements of the Spinco Subsidiary and any additional financial or other information required under Federal Securities Laws to be included in Spinco's filings with the SEC, including the Registration Statement (collectively, the "**Subsequent Unaudited Spinco Financial Statements**"). The Subsequent Unaudited Spinco Financial Statements shall have been reviewed by the independent accountant for the Spinco Subsidiary in accordance with the procedures specified by the PCAOB in AU Section 722.

(g) All financial statements delivered pursuant to Section 6.4(e) and Section 6.4(f) (i) will be prepared from, and reflect in all material respects, the books and records of the Spinco Subsidiary, (ii) will be prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, (iii) will fairly present, in all material respects, the consolidated financial position of the Spinco Subsidiary, as of the dates thereof and their results of operations for the periods then ended and (iv) for the annual financial statements, will be audited in accordance with the standards of the PCAOB. All costs incurred in connection with preparing and obtaining such financial statements shall be Transaction Fees and Expenses of the Parent and Spinco.

(h) To the extent Spinco has not established Internal Controls prior to the execution of the Agreement, Spinco shall establish such Internal Controls, as required by the Exchange Act and the additional disclosure controls and procedures required by Rules 13a-15(a) and 15d-15(a) of the Exchange Act and Sarbanes-Oxley Act of 2002 for reporting companies, no later than the time required by the Exchange Act.

(i) Each of the Company and Spinco shall use reasonable best efforts (i) to cause to be prepared in a timely manner any other financial information or statements (including customary pro forma financial statements) that is reasonably required to be included in the Registration Statement and any other filings to be made by Spinco or the Parent with the SEC in connection with the transactions contemplated by this Agreement and the Ancillary Documents and (ii) to obtain any auditor consents with respect thereto as may be required by applicable Law.

6.5 Spinco Stock Exchange Listing Application.

During the Interim Period, Spinco shall use its reasonable best efforts to obtain, and each of the Parent and the Company will use their reasonable best efforts to cooperate with Spinco to obtain, a listing of the Spinco Common Shares on the Nasdaq effective on or prior to the Effective Date.

6.6 Fairness Opinions.

During the Interim Period, the Company may, in its sole discretion and at the Company's sole cost and expense, obtain an opinion from a reputable financial advisor that, among other matters as determined by the Company in its sole discretion, the transactions contemplated by this Agreement are fair to the shareholders of Company from a financial point of view. During the Interim Period, the Parent or Spinco may, in its sole discretion and at the Parent or Spinco's sole cost and expense, obtain an opinion from a reputable financial advisor that, among other matters as determined by Spinco in its sole discretion, the transactions contemplated by this Agreement are fair to the Spinco Shareholders from a financial point of view.

6.7 No Solicitation.

For purposes of this Agreement, (i) an "**Acquisition Proposal**" means any inquiry, proposal or offer, or any indication of interest in making an offer or proposal, from any Person or group at any time relating to an Alternative Transaction, and (ii) an "**Alternative Transaction**" means (A) with respect to the Company and its Affiliates, a transaction (other than the transactions contemplated by this Agreement) concerning the sale of (I) all or any material part of the business or assets of the Company (other than in the ordinary course of business consistent with past practice) or (II) any of the shares or other equity interests or profits of the Company, in any case, whether such transaction takes the form of a sale of shares or other equity interests, assets, merger, consolidation, issuance of debt securities, management Contract, joint venture or partnership, or otherwise and (B) with respect to the Parent and its Affiliates, a transaction (other than the transactions contemplated by this Agreement) concerning a business combination involving Spinco.

(a) During the Interim Period, in order to induce the other Parties to continue to commit to expend management time and financial resources in furtherance of the transactions contemplated hereby, each Party shall not, and shall cause its Representatives to not, without the prior written consent of the Company and the Parent, directly or indirectly, (i) solicit, assist, initiate or facilitate the making, submission or announcement of, or intentionally encourage, any Acquisition Proposal, (ii) furnish any non-public information regarding such Party or its Affiliates or their respective businesses, operations, assets, Liabilities, financial condition, prospects or employees to any Person or group (other than a Party to this Agreement or their respective Representatives) in connection with or in response to an Acquisition Proposal, (iii) engage or participate in discussions or negotiations with any Person or group with respect to, or that could reasonably be expected to lead to, an Acquisition Proposal, (iv) approve, endorse or recommend, or publicly propose to approve, endorse or recommend, any Acquisition Proposal, or (v) negotiate or enter into any letter of intent, agreement in principle, acquisition agreement or other similar agreement related to any Acquisition Proposal.

(b) Each Party shall notify the others as promptly as practicable (and in any event within 48 hours) in writing of the receipt by such Party or any of its Representatives of (i) any bona fide inquiries, proposals or offers, requests for information or requests for discussions or negotiations regarding or constituting any Acquisition Proposal or any bona fide inquiries, proposals or offers, requests for information or requests for discussions or negotiations that could be expected to result in an Acquisition Proposal, and (ii) any request for non-public information relating to such Party or its Affiliates in connection with any Acquisition Proposal, specifying in each case, the material terms and conditions thereof. Each Party shall keep the others promptly informed of the status of any such inquiries, proposals, offers or requests for information. During the Interim Period, each Party shall, and shall cause its Representatives to, immediately cease and cause to be terminated any solicitations, discussions or negotiations with any Person with respect to any Acquisition Proposal and shall, and shall direct its Representatives to, cease and terminate any such solicitations, discussions or negotiations.

6.8 No Trading.

The Company acknowledges and agrees that it is aware, and that the Company's Affiliates are aware (and each of their respective Representatives is aware or, upon receipt of any material non-public information of the Parent, will be advised) of the restrictions imposed by U.S. federal securities laws and the rules and regulations of the SEC and the Stock Exchange promulgated thereunder or otherwise (the "**Federal Securities Laws**") and other applicable foreign and domestic Laws on a Person possessing material non-public information about a publicly traded company. The Company hereby agrees that, while it is in possession of such material non-public information, it shall not purchase or sell any securities of the Parent or Spinco (other than to engage in the Arrangement and the Amalgamation in accordance with Article I), communicate such information to any third party, take any other action with respect to Spinco or the Parent in violation of such Laws, or cause or encourage any third party to do any of the foregoing.

6.9 Notification of Certain Matters.

During the Interim Period, (a) each Party shall give prompt notice to the other Parties if such Party or its Affiliates, and (b) the Company shall give prompt notice to Spinco and the Parent if, to the Company's Knowledge: (i) fails to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it or its Affiliates hereunder, in any material respect; (ii) receives any notice or other communication in writing from any third party (including any Governmental Authority) alleging (A) that the Consent of such third party is or may be required in connection with the transactions contemplated by this Agreement or (B) any material non-compliance with any Law by such Person or its Affiliates (or any non-compliance with any Law anticipated to result in a Material Adverse Effect); (iii) receives any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement; (iv) discovers any fact or circumstance that, or becomes aware of the occurrence or non-occurrence of any event the occurrence or non-occurrence of which, would make any representation or warranty contained in this Agreement, false or untrue, would constitute a breach of any covenant or agreement contained in this Agreement, or would reasonably be expected to cause or result in any of the conditions to the Effective Date set forth in this Agreement, not being satisfied or the satisfaction of those conditions being materially delayed; or (v) becomes aware of the commencement or threat, in writing, of any Action against such Person or any of its Affiliates, or any of their respective properties or assets, or, to the actual knowledge of such Person, any officer, director, partner, member or manager, in his, her or its capacity as such, of such Person or of its Affiliates with respect to the consummation of the transactions contemplated by this Agreement. No such notice shall constitute an acknowledgement or admission by the Party providing the notice regarding whether or not any of the conditions to the Effective Date have been satisfied or in determining whether or not any of the

representations, warranties or covenants contained in this Agreement have been breached.

6.10 Efforts.

(a) Upon the terms and subject to the conditions of this Agreement, each Party shall use its commercially reasonable efforts, and shall cooperate fully with the other Parties, to take, or cause to be taken, all actions and to do, or cause to be done, all things reasonably necessary, proper or advisable under applicable Laws and regulations to consummate the transactions contemplated by this Agreement (including obtaining all applicable Consents of Governmental Authorities) and to comply as promptly as practicable with all requirements of Governmental Authorities applicable to the transactions contemplated by this Agreement.

(b) As soon as reasonably practicable following the date of this Agreement, the Parties shall reasonably cooperate with each other and use (and shall cause their respective Affiliates to use) their respective commercially reasonable efforts to prepare and file with Governmental Authorities requests for approval of the transactions contemplated by this Agreement and shall use all commercially reasonable efforts to have such Governmental Authorities approve the transactions contemplated by this Agreement. Each Party shall give prompt written notice to the other Parties if such Party or any of its Representatives receives any notice from such Governmental Authorities in connection with the transactions contemplated by this Agreement and shall promptly furnish the other Parties with a copy of such Governmental Authority notice. If any Governmental Authority requires that a hearing or meeting be held in connection with its approval of the transactions contemplated hereby, whether prior to the Effective Date or after the Effective Date, each Party shall arrange for Representatives of such Party to be present for such hearing or meeting. If any objections are asserted with respect to the transactions contemplated by this Agreement under any applicable Law or if any Action is instituted (or threatened to be instituted) by any applicable Governmental Authority or any private Person challenging any of the transactions contemplated by this Agreement or any Ancillary Document as violative of any applicable Law or which would otherwise prevent, materially impede or materially delay the consummation of the transactions contemplated hereby or thereby, the Parties shall use their commercially reasonable efforts to resolve any such objections or Actions so as to timely permit consummation of the transactions contemplated by this Agreement and the Ancillary Documents, including in order to resolve such objections or Actions which, in any case if not resolved, could reasonably be expected to prevent, materially impede or materially delay the consummation of the transactions contemplated hereby or thereby. In the event any Action is instituted (or threatened to be instituted) by a Governmental Authority or private Person challenging the transactions contemplated by this Agreement, or any Ancillary Document, the Parties shall, and shall cause their respective Representatives to, reasonably cooperate with each other and use their respective commercially reasonable efforts to contest and resist any such Action and to have vacated, lifted, reversed or overturned any Order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts consummation of the transactions contemplated by this Agreement or the Ancillary Documents.

(c) Prior to the Effective Date, each Party shall use its commercially reasonable efforts to obtain any Consents of Governmental Authorities or other third Persons as may be necessary for the consummation by such Party or its Affiliates of the transactions contemplated by this Agreement or required as a result of the execution or performance of, or consummation of the transactions contemplated by, this Agreement by such Party or its Affiliates, and the other Parties shall provide reasonable cooperation in connection with such efforts.

(d) Without limiting the generality of the foregoing, subject to applicable Law, the Parties shall consult and cooperate with one another in connection with any filings or notifications submitted to DCSA or any other Governmental Authority made in connection with the Parent or Spinco maintaining applicable clearances, including any facility security clearance.

(e) Except as set forth in Section 6.10(e) below, nothing contained in this Section 6.10 shall be deemed to require Spinco, the Parent or the Company, and, the Company shall not be permitted (without the written consent of the the Parent), to take any action, or commit to take any action, or agree to any condition, commitment or restriction, in connection with obtaining the foregoing Permits, consents, Orders, approvals, waivers, non-objections and authorizations of Governmental Authorities that would reasonably be expected to be materially financially burdensome to the business, operations, financial condition or results of operations on the business of the Company, or on the business of Spinco or the Parent (which restriction, commitment, or condition could include materially increasing capital, divesting or reducing lines of businesses or asset classes, entering into compliance or remediation programs, and making material lending or investment commitments).

6.11 Tax Matters.

(a) The Company shall pay all transfer, documentary, sales, use, stamp, registration, value added or other similar Taxes incurred in connection with the transactions contemplated by this Agreement to which it or Spinco is subject (collectively, the "**Transfer Taxes**") and file all necessary Tax Returns with respect to all Transfer Taxes, and if required by applicable Law, the Parties shall, and shall cause their respective Affiliates to, join in the execution of any such Tax Returns and other document. Notwithstanding any other provision of this Agreement, the Parties shall (and shall cause their respective Affiliates to) cooperate in good faith to minimize, to the extent permissible under applicable Law, the amount of any such Transfer Taxes.

(b) Spinco and the Company agree and intend that for U.S. federal (and applicable state and local) income tax purposes, the Amalgamation qualify for the Intended Tax Treatment. Spinco and the Company will prepare and file all applicable U.S. federal (and applicable state and local) Tax Returns consistent with the Intended Tax Treatment and will not take any inconsistent position on any Tax Return unless otherwise required by a "determination" within the meaning of Section 1313 of the Code that such treatment is not correct. Spinco and the Company shall act in a manner that is consistent with such Party's intention that the Amalgamation be treated in a manner consistent with the Intended Tax Treatment for all U.S. federal income tax purposes, and shall not take any action, or knowingly fail to take any action, if such action or failure to act would reasonably be expected to prevent the Arrangement from qualifying for the Intended Tax Treatment. Spinco and the Company shall reasonably cooperate with each other and their respective legal counsel to document and support the Intended Tax Treatment of the transactions contemplated by this Agreement. Notwithstanding the foregoing or anything herein to the contrary, none of the Parties makes any representation, warranty or covenant to any other Party or Company Shareholder or Company Securityholder regarding the U.S. tax treatment of the Arrangement or any component thereof.

(c) This Agreement is and is hereby adopted as a "plan of reorganization" for purposes of Section 368 of the Code and the Treasury Regulations promulgated thereunder with respect to the Amalgamation.

(d) The Parties shall execute and deliver (i) officer's certificates, in form and substance reasonably satisfactory to counsel to the Parent or counsel to the Company, as applicable, in a timely manner upon request by the other Party and (ii) any other representations reasonably requested by counsel to the Parent or counsel to the Company, as applicable, as is reasonably necessary for purposes of rendering opinions regarding the Intended Tax Treatment and other tax matters in connection with the transactions contemplated by this Agreement, at such time or times as may be requested by counsel to the Parent or counsel to the Company, in connection with any filing with the SEC or the Canadian Securities Administrators. In the event the SEC requests or requires a tax opinion on the Intended Tax Treatment, the Company shall use reasonable best efforts to cause Dorsey & Whitney LLP to deliver such opinion subject to the assumptions, qualifications, and reasoning as determined by such counsel.

6.12 The Registration Statement.

(a) As promptly as practicable after the date hereof, Spinco shall prepare, with the reasonable assistance of the Parent and the Company, and Spinco shall file with the SEC, a registration statement on Form 10 or Form S-1 (as amended or supplemented from time to time, the "**Registration Statement**") in connection with the registration under the Exchange Act or the Securities Act of Spinco Common Shares to be distributed to the Parent Securityholders in the Spinout. The Company shall provide the Parent and Spinco with such information concerning the Company and its shareholders, officers, directors, employees, assets, Liabilities, condition (financial or otherwise), business and operations that may be required or appropriate for inclusion in the Registration Statement, or in any amendments or supplements thereto, which information provided by the Company shall be true and correct and not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not materially misleading.

(b) Spinco shall take all reasonable and necessary actions required to satisfy the requirements of the Securities Act and other applicable Laws in connection with the Registration Statement. Each of Spinco, the Parent and the Company shall make their respective directors, officers and employees, upon reasonable advance notice, available to each other and their respective Representatives in connection with the drafting of the public filings with respect to the Spinout and the transactions contemplated by this Agreement, including the Registration Statement. Each Party shall promptly correct any information provided by it for use in the Registration Statement (and other related materials) if and to the extent that such information is determined to have become false or misleading in any material respect or as otherwise required by applicable Laws. Spinco shall amend or supplement the Registration Statement and cause the Registration Statement, as so amended or supplemented, to be filed with the SEC, in each case as and to the extent required by applicable Laws and subject to the terms and conditions of this Agreement and the Parent's and the Spinco's respective Organizational Documents.

(c) Spinco, with the assistance of the other Parties, shall promptly respond to any SEC comments on the Registration Statement and shall otherwise use its commercially reasonable efforts to cause the Registration Statement to "clear" comments from the SEC and become effective. Spinco shall provide the Parent and the Company with copies of any written comments, and shall inform the Parent and the Company of any material oral comments, that Spinco or its Representatives receive from the SEC or its staff with respect to the Registration Statement promptly after the receipt of such comments and shall give the Parent, the Company and their respective counsel a reasonable opportunity under the circumstances to review and comment on any proposed written or material oral responses to such comments, and Spinco shall consider any such comments timely made in good faith under the circumstances.

(d) Spinco shall comply with all applicable Laws, any applicable rules and regulations of the Stock Exchange and Spinco's Organizational Documents and this Agreement in the preparation and filing of the Registration Statement.

(e) As promptly as reasonably practicable after the date hereof, Spinco shall prepare, with the reasonable assistance of the Parent and the Company, and Spinco shall prepare and mutually agree upon (such agreement not to be unreasonably withheld, conditioned or delayed by either of the Parent or the Company, as applicable), and Spinco shall file with the British Columbia Securities Commission, a preliminary and final non-offering prospectus (the "**Non-Offering Prospectus**") in sufficient time for Spinco to become a reporting issuer in the Province of British Columbia immediately after the Effective Time. The Non-Offering Prospectus shall be comprised of the prospectus forming part of the Registration Statement, and supplemented by the required disclosure under applicable Canadian securities laws. The rights and obligations of the Parties under this Section 6.12 regarding the Registration Statement shall apply to the Non-Offering Prospectus, *mutatis mutandis*, and Section 5.29, Section 2.7 and Section 6.4 shall be deemed to refer to the Registration Statement and the Non-Offering Prospectus.

6.13 Public Announcements.

(a) The Parties agree that during the Interim Period no public release, filing or announcement concerning this Agreement or the Ancillary Documents or the transactions contemplated hereby or thereby shall be issued by any Party or any of their Affiliates without the prior written consent of the Parent and the Company (which consent shall not be unreasonably withheld, conditioned or delayed), except as such release or announcement may be required by applicable Law or the rules or regulations of any securities exchange, in which case the applicable Party shall use commercially reasonable efforts to allow the other Parties reasonable time to comment on, and arrange for any required filing with respect to, such release or announcement in advance of such issuance provided, however, that the foregoing shall not prohibit the Parent, Spinco and their respective Representatives from providing general information about the subject matter of this Agreement and the transactions contemplated hereby to any direct or indirect current or prospective investor, or in connection with normal fund raising or related marketing or informational or reporting activities; and provided, further, that subject to Section 6.2 and this Section 6.13, the foregoing shall not prohibit any Party from communicating with third parties to the extent necessary for the purpose of seeking any required third party consent. Notwithstanding the foregoing, the Parent, Spinco and the Company may only make statements that are consistent with previous public information made by such Party in compliance with this Section 6.13.

(b) The Parties shall mutually agree upon and, as promptly as practicable after the execution of this Agreement, issue a press release announcing the execution of this Agreement (the "**Signing Press Release**"). Promptly after the issuance of the Signing Press Release, the Parent shall file a current report on Form 8-K (the "**Signing Filing**") with the Signing Press Release and a description of this Agreement, if and as required by Federal Securities Laws, which the Company shall have the opportunity to review and comment prior to filing and the Parent shall consider any such comments in good faith. The Parties shall mutually agree upon and, as promptly as practicable after the Effective Date, issue a press release announcing the consummation of the transactions contemplated by this Agreement (the "**Closing Press Release**"). Promptly after the issuance of the Closing Press Release, Spinco shall file a current report on Form 8-K (the "**Closing Filing**") with the Closing Press Release and a description of the transaction as required by Federal Securities Laws. In connection with the preparation of the Signing Press Release, the Signing Filing, the Closing Filing, the Closing Press Release, or any other report, statement, filing notice or application made by or on behalf of a Party to any Governmental Authority or other third party in connection with the transactions contemplated hereby, each Party shall, upon request by any other Party, furnish the Parties with all information concerning themselves, their respective directors, officers and equity holders, and such other matters as may be reasonably necessary or advisable in connection with the transactions contemplated hereby, or any other report, statement, filing, notice or application made by or on behalf of a Party to any third party or any Governmental Authority in connection with the transactions contemplated hereby.

6.14 Confidential Information.

(a) The Company hereby agrees that during the Interim Period and, in the event that this Agreement is terminated in accordance with Article IX, for a period of three (3) years after such termination, they shall, and shall cause their respective Representatives to: (i) treat and hold in strict confidence any Parent Confidential Information, and will not use for any purpose (except in connection with the consummation of the transactions contemplated by this Agreement or the Ancillary Documents, performing their obligations hereunder or thereunder, enforcing their rights hereunder or thereunder, or in furtherance of their authorized duties on behalf of the Parent), nor directly or indirectly disclose, distribute, publish, disseminate or otherwise make available to any third party any of the Parent Confidential Information without the Parent's prior written consent; and (ii) in the event that the Company, or any of its respective Representatives, during the Interim Period or, in the event that this Agreement is terminated in accordance with Article IX, for a period of two (2) years after such termination, becomes legally compelled to disclose any Parent Confidential Information, (A) provide the Parent to the extent legally permitted with prompt written notice of such requirement so that the Parent or an Affiliate thereof may seek, at the Parent's cost, a protective Order or other remedy or waive compliance with this Section 6.14(a), and (B) in the event that such protective Order or other remedy is not obtained, or the Parent waives compliance with this Section 6.14(a), furnish only that portion of such Parent Confidential Information which is legally required to be provided as advised in writing by outside counsel and to exercise its commercially reasonable efforts to obtain assurances that confidential treatment will be accorded such Parent Confidential Information. In the event that this Agreement is terminated and the transactions contemplated hereby are not consummated, the Company shall, and shall cause its respective Representatives to, promptly deliver to the Parent or destroy (at the Parent's election) any and all copies (in whatever form or medium) of the Parent Confidential Information and destroy all notes, memoranda, summaries, analyses, compilations and other writings related thereto or based thereon; provided, however, that the Company and its respective Representatives shall be entitled to keep any records required by applicable Law or bona fide record retention policies; and provided, further, that any Parent Confidential Information that is not returned or destroyed shall remain subject to the confidentiality obligations set forth in this Agreement.

(b) The Parent hereby agrees that during the Interim Period and, in the event that this Agreement is terminated in accordance with Article IX, for a period of two (2) years after such termination, it shall, and shall cause its Representatives to: (i) treat and hold in strict confidence any Company Confidential Information, and will not use for any purpose (except in connection with the consummation of the transactions contemplated by this Agreement or the Ancillary Documents, performing its obligations hereunder or thereunder or enforcing its rights hereunder or thereunder), nor directly or indirectly disclose, distribute, publish, disseminate or otherwise make available to any third party any of the Company Confidential Information without the Company's prior written consent; and (ii) in the event that the Parent or any of its Representatives, during the Interim Period or, in the event that this Agreement is terminated in accordance with Article IX, for a period of two (2) years after such termination, becomes legally compelled to disclose any Company Confidential Information, (A) provide the Company to the extent legally permitted with prompt written notice of such requirement so that the Company may seek, at the Company's sole expense, a protective Order or other remedy or waive compliance with this Section 6.14(b) and (B) in the event that such protective Order or other remedy is not obtained, or the Company waives compliance with this Section 6.14(b), furnish only that portion of such Company Confidential Information which is legally required to be provided as advised in writing by outside counsel and to exercise its commercially reasonable efforts to obtain assurances that confidential treatment will be accorded such Company Confidential Information. In the event that this Agreement is terminated and the transactions contemplated hereby are not consummated, the Parent shall, and shall cause its Representatives to, promptly deliver to the Company or destroy (at the Parent's election) any and all copies (in whatever form or medium) of Company Confidential Information and destroy all notes, memoranda, summaries, analyses, compilations and other writings related thereto or based thereon; provided, however, that the Parent and its Representatives shall be entitled to keep any records required by applicable Law or bona fide record retention policies; and provided, further, that any Company Confidential Information that is not returned or destroyed shall remain subject to the confidentiality obligations set forth in this Agreement. Notwithstanding the foregoing, the Parent and their respective Representatives shall be permitted to disclose all Company Confidential Information to the extent required by the Federal Securities Laws.

6.15 Post-Closing Board of Directors and Executive Officers; Employment Agreements; Related Party Transactions.

(a) The Parties shall take all necessary action, including causing the directors of Spinco to resign, such that (i) effective as of the Effective Time, the post-closing Spinco Board will consist of such directors as the Company may determine (the "**Post-Closing Spinco Board**"), subject to the independence requirements under the Stock Exchange rules, provided that at least one director shall be nominated by Spinco. The Post-Closing Spinco Board will be elected effective as of the Effective Time.

(b) The Parties shall take all action necessary, including causing the executive officers of Spinco to resign, such that the individuals serving as the Chief Executive Officer and Chief Financial Officer of the Company immediately prior to the Effective Time will serve in the same respective offices of Spinco immediately after the Effective Time.

(c) Spinco and the Company shall obtain a background check and a completed directors & officers questionnaire with respect to any individual that will serve on the Post-Closing Spinco Board at the Company's expense.

(d) Each of the Company and Spinco shall cause all individuals who will serve on the Post-Closing Spinco Board or as officers of Spinco following the Effective Date, and such individuals shall, comply and cooperate with and satisfy all requests and requirements made by any Governmental Authority in connection with such appointments, including by furnishing all requested information, providing reasonable assistance in connection with the preparation of any required applications, notices and registrations and requests and otherwise facilitating access to and making individuals available with respect to any discussions or hearings. In the event an individual designated in accordance with Section 6.15(a) does not satisfy any requirement of a Governmental Authority, including applicable rules required by the SEC and the rules and listing standards of the Stock Exchange, to serve as a director of Spinco, then (i) there shall be no obligation to appoint such individual pursuant to Section 6.15(a) and (ii) the Company or Spinco, as applicable, shall be entitled to designate a replacement director in lieu of such person; provided, further, that in no event shall the Effective Date be delayed or postponed in connection with or as a result of the foregoing.

(e) At or prior to the Effective Date, Spinco will provide each member of the Post-Closing Spinco Board with a customary director indemnification agreement.

(f) The Parties shall negotiate in good faith to finalize employment agreements with the Chief Executive Officer, the Chief Financial Officer and the Chief Technology Officer, in a form to be mutually agreed upon by the Company and the Parent, which agreements shall include non-compete and non- solicitation terms favorable to Spinco and the Company.

6.16 Indemnification of Directors and Officers.

(a) The Parties agree that all rights to exculpation, indemnification and advancement of expenses existing in favor of the current or former directors and officers of the Parent, Spinco and Amalco Sub and each Person who served as a director, officer, member, trustee or fiduciary of another corporation, partnership, joint venture, trust, pension or other employee benefit plan or enterprise at the request of the Parent, Spinco or Amalco Sub (the "**D&O Indemnified Persons**") as provided in their respective Organizational Documents or under any indemnification, employment or other similar agreements between any D&O Indemnified Person and the Parent, Spinco or Amalco Sub, in each case as in effect on the date of this Agreement, shall survive the Effective Date and continue in full force and effect in accordance with their respective terms to the extent permitted by applicable Law. For a period of six (6) years after the Effective Time, Spinco, Amalco Sub and the Company shall cause the Organizational Documents of Spinco, Amalco Sub and the Company to contain provisions no less favorable with respect to exculpation and indemnification of and advancement of expenses to D&O Indemnified Persons than are set forth as of the date of this Agreement in the Organizational Documents of the Parent to the extent permitted by applicable Law. The provisions of this Section 6.16 shall survive the consummation of the Arrangement and the Amalgamation and are intended to be for the benefit of, and shall be enforceable by, each of the D&O Indemnified Persons and their respective heirs and representatives.

(b) If Spinco, Amalco Sub, the Company or any of their respective successors or assigns (i) shall merge or consolidate with or merge into any other corporation or entity and shall not be the surviving or continuing corporation or entity of such consolidation or merger or (ii) shall transfer all or substantially all of their respective properties and assets as an entity in one or a series of related transactions to any Person, then in each such case, proper provisions shall be made so that the successors or assigns of Spinco, Amalco Sub or the Company shall assume all of the obligations set forth in this Section 6.16.

(c) The D&O Indemnified Persons entitled to the indemnification, liability limitation and exculpation set forth in this Section 6.16 are intended to be third party beneficiaries of this Section 6.16. This Section 6.16 shall survive the consummation of the transactions contemplated by this Agreement and shall be binding on all successors and assigns of the Parent, Spinco, Amalco Sub and the Company.

6.17 Incentive Plan.

The Parties agree to work together in good faith and use commercially reasonable efforts to, prior to filing the Registration Statement, establish the terms of the Incentive Plan.

6.18 Consulting Agreements.

The Parties agree to work together in good faith and use commercially reasonable efforts to, prior to the Closing, establish the terms of one or more consulting agreements with certain members of the Spinco management (the "**Consulting Agreements**"), which shall provide for transition services to be provided to Spinco following the Closing, including with respect to accounting, financial reporting, SEC compliance and investor relations functions, on terms and conditions (including with respect to scope, duration and cost) as are mutually agreeable to the Parties.

6.19 Company Support Agreements and Company Lock-Up Agreements

Unless Spinco otherwise consents in writing (such consent not to be unreasonably withheld, conditioned or delayed), within thirty days following the date hereof, the Company shall:

(a) obtain Company Support Agreements from Company Securityholders holding two-thirds of each of (i) the Company Shares, the Class A Series 2 Preferred Shares and the Company Seed Preferred Shares, on an aggregate basis; (ii) the Company Warrants; (iii) the Company Options; (iv) the Class B Company Preferred Shares and the Class A Series 2 Preferred Shares on an aggregate, as converted basis;

(b) obtain Company Support Agreements from holders of Company Notes (i) holding three-fourths of the aggregate value of the Company Notes and (ii) represent a majority of the holders of the Company Notes; and

(c) obtain Company Lock-Up Agreements from Company Securityholders holding at least 95% of the Company Fully Diluted Shares; provided, however, that such calculation shall exclude (i) the holders of Company Notes issued in the June 2023 Note Offering and (ii) the holder of the Parent Note.

The Parties acknowledge and agree that if any Company Insider resigns as a director of the Company during the Interim Period or otherwise will not continue as a director of Spinco from and after the Effective Time, the Company Insider Lock-Up Agreement previously executed by such Company Insider shall be terminated, contingent upon such Company Insider executing and delivering a Company Lock-Up Agreement to replace such Company Insider Lock-Up Agreement.

6.20 Spinco Lock-Up Restrictions

The Parties shall cause the Spinco Organizational Documents, as amended and restated in accordance with Section 1.10(a), to contain lock-up restrictions on the Spinco

Shareholders, with respect to their Spinco Common Shares, on substantially the same terms as those contained in the Company Lock-Up Agreement, or alternatively the Parties shall apply such lock-up restrictions to the Spinco Shareholders' Spinco Common Shares through another mechanism reasonably acceptable to Spinco and the Company.

6.21 Inpixon Note Acquisition

Immediately following the execution of this Agreement, and in any event no later than October 27, 2023, the Parent will purchase the Parent Note in the original principal amount of $3,000,000 from the Company, together with certain Company Warrants, pursuant to the June 2023 Note Offering and the terms thereunder.

ARTICLE VII
NO SURVIVAL

7.1 No Survival.

Representations and warranties of each Party contained in this Agreement or in any certificate or instrument delivered by or on behalf of any Party pursuant to this Agreement shall not survive the Effective Date, and from and after the Effective Date, each Party and their respective Representatives shall not have any further obligations, nor shall any claim be asserted or Action be brought against any Party or their respective Representatives with respect thereto. The covenants and agreements made by each Party in this Agreement or in any certificate or instrument delivered pursuant to this Agreement, including any rights arising out of any breach of such covenants or agreements, shall not survive the Effective Date, except for those covenants and agreements contained herein and therein that by their terms apply or are to be performed in whole or in part after the Effective Date (which such covenants shall survive the Effective Date and continue until fully performed in accordance with their terms).

ARTICLE VIII
CLOSING CONDITIONS

8.1 Conditions to Each Party's Obligations.

The obligations of each Party to consummate the Arrangement and the other transactions described herein, shall be subject to the satisfaction or written waiver (where permissible) by the Company, Spinco and the Parent of the following conditions:

(a) **Required Company Approvals**. The Company Shareholder Approval Matters that are submitted to the vote of the Company Shareholders at the Company Meeting in accordance with the Company Circular shall have been approved by the requisite vote of Company Shareholders at the Company Meeting in accordance with the Company's Organizational Documents, applicable Law and the Company Circular (the "**Required Company Shareholder Approval**").

(b) **No Adverse Law or Order**. No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) or Order that is then in effect and which has the effect of making the transactions or agreements contemplated by this Agreement illegal or which otherwise prevents or prohibits consummation of the transactions contemplated by this Agreement.

(c) **Registration Statement**. . The Registration Statement shall be effective and shall remain effective as of the Effective Date. There shall be no outstanding comments from the SEC on the Registration Statement and Spinco shall be in receipt of confirmation from the SEC indicating its review of the Registration Statement is complete. No stop order or similar order shall be in effect with respect to the Registration Statement.

(d) **Stock Exchange Listing**. The Spinco Common Shares shall have been approved for listing on the Nasdaq, subject to official notice of issuance; Spinco shall have received all necessary approval for the initial listing and Spinco will be able to satisfy the Nasdaq initial listing requirements upon closing.

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

(f) **Illegality**. No Law is in effect that makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins the Company or the Parent or its affiliates from consummating the Arrangement and no Law is in effect that makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins the Company or the Parent or its affiliates from consummating the Arrangement.

(g) **Antitrust Approval**. All applicable waiting periods under the HSR Act shall have expired or been terminated, if applicable, and, pursuant to the *Competition Act* (Canada) and the *Investment Canada Act*, all necessary notifications and filings have been made and the Parties have received all consents and approvals as may be necessary or required to consummate the transactions as contemplated under this Agreement.

(h) **Incentive Plan**. Spinco shall have adopted the Incentive Plan, and the Incentive Plan shall be in full force and effect.

(i) **Consulting Agreements**. Spinco shall have entered into the Consulting Agreements, and the Consulting Agreements shall be in full force and effect.

(j) **Non-Offering Prospectus:** Spinco shall have received a receipt from the British Columbia Securities Commission in respect of the final Non-Offering Prospectus.

8.2 Conditions to Obligations of the Company.

In addition to the conditions specified in Section 8.1, the obligations of the Company to consummate the Amalgamation and the other transactions contemplated by this Agreement are subject to the satisfaction or written waiver (by the Company) of the following conditions:

(a) **Representations and Warranties**.

(i) Each of the representations and warranties of the Parent, Spinco and Amalco Sub, as applicable, contained in Section 2.1 (Organization and Standing), Section 2.2 (Authorization; Binding Agreement), Section 2.5 (Finders and Brokers), Section 3.1 (Organization and Standing), Section 3.2 (Authorization; Binding Agreement), Section 3.27 (Finders and Brokers), Section 4.1 (Organization and Standing), Section 4.2 (Authorization; Binding Agreement) and Section 4.10 (Finders and Brokers) (collectively, the "**Parent Specified Representations**") shall be true and correct (without giving any effect to any limitation as to "materiality" or "Material Adverse Effect" or any similar limitation set forth therein) in all material respects as of the date of this Agreement and on and as of the Effective Date as if made on the Effective Date (except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects on and as of such earlier date).

(ii) Each of the representations and warranties of the Parent, Spinco and Amalco Sub, as applicable, contained in Article II, Article III and Article IV (other than the Parent Specified Representations and the representations and warranties of Spinco and Amalco Sub, as applicable, contained in Section 3.3 (Capitalization) and Section 4.5 (Capitalization)) shall be true and correct (without giving any effect to any limitation as to "materiality" or "Material Adverse Effect" or any similar limitation set forth therein) as of the date of this Agreement and on and as of the Effective Date as if made on the Effective Date (except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct on and as of such earlier date), except, in each case, to the extent the failure of such representations and warranties to be so true and correct has not had a Parent Material Adverse Effect or Spinco Material Adverse Effect.

(iii) The representations and warranties of Spinco and Amalco Sub, as applicable, contained in Section 3.3 (Capitalization) and Section 4.5 (Capitalization) shall be true and correct, except for any *de minimis* failures to be so true and correct, as of the date of this Agreement and on and as of the Effective Date as if made on the Effective Date (except to the extent such representations and warranties expressly relate to an earlier date, and in such case, shall be true and correct, except for any *de minimis* failures to be so true and correct, on and as of such earlier date).

(b) **Agreements and Covenants**. The Parent, Spinco and Amalco Sub shall have performed in all material respects all of their respective obligations and complied in all material respects with all of their respective agreements and covenants under this Agreement to be performed or complied with by it on or prior to the Effective Date, except in the case of the Section 14.1 or where compliance with any such obligation, agreement or covenant has been waived in writing by the Company.

(c) **No Material Adverse Effect**. No Parent Material Adverse Effect or Spinco Material Adverse Effect shall have occurred since the date of this Agreement which is continuing and uncured.

(d) **Officer Certificate**. Spinco shall have delivered to the Company a certificate, dated the Effective Date, signed by an executive officer of Spinco in such capacity, certifying as to the satisfaction of the conditions specified in Section 8.2(a) Section 8.2(b) and Section 8.2(c).

(e) **Resignations**. The Company shall have received written resignations, effective as of the Effective Date, of each of the directors and officers of Spinco as necessary to give effect to the requirements of Section 6.15.

(f) **Spinout Matters**. (i) The Spinout shall have occurred on terms reasonably acceptable to the Company, (ii) the Spinco Subsidiary and Grafiti LLC shall have entered into a distributorship agreement covering the sale of the software products underlying the Grafiti business in the UK, Scotland, Ireland, France, Switzerland, Italy, Poland, Czech Republic and Finland on terms reasonably acceptable to the Company and (iii) the Spinco Subsidiary shall maintain a bank account balance of at least $100,000 and have positive working capital (disregarding such bank account balance).

(g) **Capitalization Certification**. Spinco shall have delivered a capitalization table setting forth all of its outstanding shares and options and warrants with their respective exercise prices.

8.3 Conditions to Obligations of Spinco.

In addition to the conditions specified in Section 8.1, the obligations of the Parent, Spinco and Amalco Sub to consummate the Arrangement and the other transactions contemplated by this Agreement are subject to the satisfaction or written waiver (by the Parent and Spinco) of the following conditions:

(a) **Representations and Warranties**.

(i) Each of the representations and warranties of the Company contained in Section 5.1 (Organization and Standing), Section 5.2 (Authorization; Binding Agreement) and Section 5.27 (Finders and Brokers) (collectively, the "**Company Specified Representations**") shall be true and correct (without giving any effect to any limitation as to "materiality" or "Material Adverse Effect" or any similar limitation set forth therein) in all material respects as of the date of this Agreement and on and as of the Effective Date immediately prior to the Effective Time as if made on the Effective Date immediately prior to the Effective Time (except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects on and as of such earlier date).

(ii) Each of the representations and warranties of the Company contained in Article V (other than the Company Specified Representations and the representations and warranties of the Company contained in Section 5.3 (Capitalization)) shall be true and correct (without giving any effect to any limitation as to "materiality" or "Material Adverse Effect" or any similar limitation set forth therein) as of the date of this Agreement and on and as of the Effective Date immediately prior to the Effective Time as if made on the Effective Date immediately prior to the Effective Time (except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct on and as of such earlier date), except, in each case, to the extent the failure of such representations and warranties to be so true and correct has not had a Company Material Adverse Effect.

(iii) The representations and warranties of the Company contained in Section 5.3 (Capitalization) shall be true and correct, except for any *de minimis* failures to be so true and correct, as of the date of this Agreement and on and as of the Effective Date as if made on the Effective Date (except to the extent such representations and warranties expressly relate to an earlier date, and in such case, shall be true and correct, except for any *de minimis* failures to be so true and correct, on and as of such earlier date).

(b) **Agreements and Covenants**. The Company shall have performed in all material respects all of its obligations and complied in all material respects with all of its agreements and covenants under this Agreement, in each case to be performed or complied with by such person on or prior to the Effective Date, except where compliance with any such obligation, agreement or covenant has been waived in writing by the Parent.

(c) **No Material Adverse Effect**. No Company Material Adverse Effect shall have occurred since the date of this Agreement which is continuing and uncured.

(d) **Officer Certificate**. Spinco shall have received a certificate from the Company, dated as the Effective Date, signed by an executive officer of the Company in such capacity, certifying as to the satisfaction of the conditions specified in Section 8.3(a), Section 8.3(b), and Section 8.3(c).

(e) **Capitalization Certificate**. The Company shall have delivered a capitalization table setting forth all of its outstanding shares and options and warrants with their respective exercise prices.

8.4 Frustration of Conditions.

Notwithstanding anything contained herein to the contrary, no Party may rely on the failure of any condition set forth in this Article VIII to be satisfied if such failure was caused by the failure of such Party or its Affiliates (or with respect to the Company or any Company Shareholder) to comply with or perform any of its covenants or obligations set forth in this Agreement.

8.5 Dissent Rights.

Dissent Rights shall not have been exercised with respect to Company Shares representing in aggregate more than 5% of votes attached to the issued and outstanding Company Shares.

ARTICLE IX
TERMINATION AND EXPENSES

9.1 Termination.

This Agreement may be terminated, and the transactions contemplated hereby may be abandoned, at any time prior to the Closing as follows:

(a) by mutual written consent of the Parent and the Company;

(b) by written notice by either the Parent or the Company to the other Party if:

(i) the Company Meeting is duly convened and held (including any adjournment or postponement thereof), the Company Shareholders have duly voted, and the Required Company Shareholder Approval was not obtained;

(ii) after the date of this Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins the Company or Spinco its Affiliates from consummating the Arrangement, and such Law has, if applicable, become final and non-appealable, provided that the Party seeking to terminate this Agreement pursuant to this Section 9.1(b)(ii) has used its commercially reasonable efforts to, as applicable, appeal or overturn such Law or otherwise have it lifted or rendered non-applicable in respect of the Arrangement; or

(iii) the Closing does not occur on or prior to the Outside Date, provided that a Party may not terminate this Agreement pursuant to this Section 9.1(b)(iii) if the failure of the Closing to so occur has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under this Agreement;

(c) by written notice by the Company to the Parent if:

(i) there has been a breach by the Parent, Spinco or Amalco Sub of any agreement or covenant contained herein, or if any representation or warranty of the Parent, Spinco or Amalco Sub shall have become untrue or inaccurate, in any case which would result in a failure of a condition set forth in Section 8.2(a) or Section 8.2(b) to be satisfied (treating the Effective Date for such purposes as the date of this Agreement or, if later, the date of such breach), and such breach or inaccuracy is incapable of being cured, or is not cured within the earlier of (A) twenty (20) days after written notice of such breach or inaccuracy is provided to the Parent, Spinco and Amalco Sub or (B) the Outside Date; provided, that the Company shall not have the right to terminate this Agreement pursuant to this Section 9.1(c)(i) if at such time the Company is in material uncured breach of this Agreement; or

(ii) if there has been a Parent Material Adverse Effect or Spinco Material Adverse Effect following the date of this Agreement which is uncured for at least twenty (20) days after written notice of such Parent Material Adverse Effect or Spinco Material Adverse Effect is provided by the Company to the Parent.

(d) by written notice by the Parent to Company, if:

(i) there has been a breach by the Company of any agreement or covenant contained herein, or if any representation or warranty of the Company shall have become untrue or inaccurate, in any case which would result in a failure of a condition set forth in Section 8.3(a) or Section 8.3(b) to be satisfied (treating the Effective Date for such purposes as the date of this Agreement or, if later, the date of such breach), and the breach or inaccuracy is incapable of being cured, or is not cured within the earlier of (A) twenty (20) days after written notice of such breach or inaccuracy is provided to the Company or (B) the Outside Date; provided, that the Parent shall not have the right to terminate this Agreement pursuant to this Section 9.1(d)(i) if at such time the Parent, Spinco or Amalco Sub is in material uncured breach of this Agreement;

(ii) if there has been a Company Material Adverse Effect following the date of this Agreement which is uncured for at least twenty (20) days after written notice of such Company Material Adverse Effect is provided by the Parent to the Company.

9.2 Effect of Termination.

This Agreement may only be terminated in the circumstances described in Section 9.1 and pursuant to a written notice delivered by the terminating Party to the other applicable Parties, which sets forth the basis for such termination, including the provision of Section 9.1 under which such termination is made. In the event of the valid termination of this Agreement pursuant to Section 9.1, this Agreement shall become void, and there shall be no Liability on the part of any Party or any of their respective Representatives to any other Party or any other Party's Representatives, and all rights and obligations of each Party shall cease, except: (i) Section 6.13 (Public Announcements), this Section 9.2 (Effect of Termination), Section 9.3 (Fees and Expenses), Section 10.3 (Third Parties) and Section 10.6 (Remedies; Specific Performance) shall survive the termination of this Agreement, and (ii) nothing herein shall relieve any Party from Liability for any willful breach of any representation, warranty, covenant or obligation under this Agreement or any Fraud Claim against such Party. Without limiting the foregoing, and except as provided in Section 9.3 and this Section 9.2 and subject to the right to seek injunctions, specific performance or other equitable relief in accordance with Section 10.6, the Parties' sole right prior to the Closing with respect to any breach of any representation, warranty, covenant or other agreement contained in this Agreement by another Party or with respect to the transactions contemplated by this Agreement shall be the right, if applicable, to terminate this Agreement pursuant to Section 9.1.

9.3 Fees and Expenses.

(a) Except as explicitly provided otherwise in this Agreement, including in Section 9.3(b) below, each of the Parties shall be responsible for its own costs and charges incurred with respect to the transactions contemplated herein, including all costs and charges incurred prior to the date of this Agreement and all legal and accounting fees and disbursements relating to preparing the Ancillary Documents or otherwise relating to the transactions contemplated herein (collectively, the "**Transaction Fees and Expenses**").

(b) Notwithstanding Section 9.3(a):

(i) if this Agreement is terminated by the Company pursuant to Section 9.1(c), the Parent and Spinco, jointly and severally, shall pay the Company, by wire transfer of immediately available funds within thirty (30) days after such termination, all reasonable and documented Transaction Fees and Expenses of the Company, subject to a maximum amount of $1,000,000;

(ii) if this Agreement is terminated by the Parent pursuant to Section 9.1(d), the Company shall pay the Parent, by wire transfer of immediately available funds within thirty (30) days after such termination, all reasonable and documented Transaction Fees and Expenses of the Parent and Spinco, subject to a maximum amount of $1,000,000; and

(iii) if this Agreement is terminated by the Parent pursuant to Section 9.1(b)(i), Section 9.1(b)(iii) or Section 9.1(d), the Company shall pay the Parent (in addition to any amounts payable under Section 9.3(b)(ii), if applicable), by wire transfer of immediately available funds within thirty (30) days after such termination, a termination fee of $2,000,000 (the "**Termination Fee**").

(c) The Parties acknowledge and agree that the provisions of Section 9.3(b) are an integral part of the transactions contemplated hereby and are included herein in order to induce the Parties to enter into this Agreement, and further that the Termination Fee, if payable, shall constitute liquidated damages and not a penalty. If any Party fails to pay any amount when due under Section 9.3(b), and the other Party commences a suit which results in a final, non-appealable judgment against the non-paying Party for all or any portion of such unpaid amount, then the non-paying Party shall pay the other Party's costs and expenses (including reasonable attorney's fees and disbursements) in connection with such suit, together with interest on any such amounts at the prime rate (as published in The Wall Street Journal) in effect on the date such payment was required to be made through the date of payment. The Parties acknowledge and agree that in no event shall any Party be obligated to pay any amount under Section 9.3(b) on more than one occasion.

(d) The Company shall maintain a bank account balance of at least $3,000,000 for the sole purpose of satisfying any payment obligations of the Company under Section 9.3(b)(ii) or Section 9.3(b)(iii) from the date hereof until the earliest to occur of (i) the Company's satisfaction of such payment obligations in full, (ii) the termination of this Agreement under circumstances which do not require the Company to satisfy any such payment obligations and (iii) the Effective Time.

ARTICLE X
MISCELLANEOUS

10.1 Notices.

All notices, consents, waivers and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered (a) in person, (b) by electronic means (including e-mail), with affirmative confirmation of receipt, (c) one (1) Business Day after being sent, if sent by reputable, nationally recognized overnight courier service or (d) three (3) Business Days after being mailed, if sent by registered or certified mail, pre-paid and return receipt requested, in each case to the applicable Party at the following addresses (or at such other address for a Party as shall be specified by like notice):

If to the Parent or, at or prior to the Closing, to Spinco or Amalco Sub, to:	with a copy (which will not constitute notice) to:
c/o Inpixon 2479 E Bayshore Rd, Suite 195 Palo Alto, CA 94303 United States	Norton Rose Fulbright US LLP 1045 W Fulton Market, Suite 1200 Chicago, Illinois 60607 United States
Attn: Melanie Figueroa Telephone No.: 646-434-1037 E-mail: melanie.figueroa@inpixon.com	Attn: Kevin Friedmann Telephone No.: 312-964-7763 E-mail: kevin.friedmann@nortonrosefulbright.com

If to the Company or, following the Closing, to Spinco, to: Damon Motors Inc. 704 Alexander Street Vancouver, British Columbia V6A 1E3 Canada Attention: Jay Giraud Email: jay@damon.com	with a copy (which will not constitute notice) to: Dorsey & Whitney LLP TD Canada Trust Tower Brookfield Place 161 Bay Street, Suite 4310 Toronto, ON M5J 2S1 Attention: Richard Raymer E-Mail: raymer.richard@dorsey.com Gowling WLG (Canada) LLP 421 7 Ave SW #1600 Calgary, AB T2P 4K9 Attention: Sharagim Habibi E-Mail: Sharagim.Habibi@gowlingwlg.com

10.2 Binding Effect; Assignment.

This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. This Agreement shall not be assigned by operation of Law or otherwise without the prior written consent of the Parent and the Company, and any assignment without such consent shall be null and void; provided that no such assignment shall relieve the assigning Party of its obligations hereunder.

10.3 Third Parties.

Except for the rights of the D&O Indemnified Persons set forth in Section 6.16, which the Parties acknowledge and agree are express third party beneficiaries of this Agreement, nothing contained in this Agreement or in any instrument or document executed by any party in connection with the transactions contemplated hereby shall create any rights in, or be deemed to have been executed for the benefit of, any Person that is not a Party or thereto or a successor or permitted assign of such a Party.

10.4 Governing Law; Jurisdiction.

This Agreement shall be governed by, construed and enforced in accordance with the Laws of the Province of British Columbia and the federal Laws applicable therein, without regard to any choice of law or conflict of laws principles thereof that would cause the application of the Law of any jurisdiction other than the Province of British Columbia. Each Party irrevocably attorns and submits to the non-exclusive jurisdiction of the British Columbia courts situated in the City of Vancouver and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

10.5 Waiver of Jury Trial.

EACH PARTY HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, SEEK TO ENFORCE THAT FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.5.

10.6 Remedies; Specific Performance.

Except as otherwise expressly provided herein, any and all remedies provided herein will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by Law or equity upon such Party, and the exercise by a Party of any one remedy will not preclude the exercise of any other remedy. The failure on the part of any Party to exercise, and no delay in exercising, any right, power, or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power, or remedy by such Party preclude any other or further exercise thereof or the exercise of any other right, power, or remedy. Each Party acknowledges that the rights of each Party to consummate the transactions contemplated hereby are unique, recognizes and affirms that in the event of a breach of this Agreement by any Party, money damages would be inadequate and the non-breaching Parties would not have adequate remedy at law, and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed by an applicable Party in accordance with their specific terms or were otherwise breached. Accordingly, each Party shall be entitled to an injunction or restraining order to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, without the requirement to post any bond or other security or to prove that money damages would be inadequate, this being in addition to any other right or remedy to which such Party may be entitled under this Agreement, at law or in equity. Each of the Parties agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief when expressly available pursuant to the terms of this Agreement on the basis that the other Parties have an adequate remedy at Law or an award of specific performance is not an appropriate remedy for any reason at Law or equity.

10.7 Severability.

In case any provision in this Agreement shall be held invalid, illegal or unenforceable in a jurisdiction, such provision shall be modified or deleted, as to the jurisdiction involved, only to the extent necessary to render the same valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby nor shall the validity, legality or enforceability of such provision be affected thereby in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties will substitute for any invalid, illegal or unenforceable provision a suitable and equitable provision that carries out, so far as may be valid, legal and enforceable, the intent and purpose of such invalid, illegal or unenforceable provision.

10.8 Amendment.

This Agreement may be amended, supplemented or modified only by execution of a written instrument signed by all the Parties.

10.9 Waiver.

The Parent on behalf of itself and its Affiliates, the Company on behalf of itself and its Affiliates, may each in its sole discretion (a) extend the time for the performance of any obligation or other act of any other non-Affiliated Party, (b) waive any inaccuracy in the representations and warranties by such other non-Affiliated Party contained herein or in any document delivered pursuant hereto and (c) waive compliance by such other non-Affiliated Party with any covenant or condition contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the Party or Parties to be bound thereby. Notwithstanding the foregoing, no failure or delay by a Party in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any

other or further exercise of any other right hereunder.

10.10 Entire Agreement.

This Agreement and the documents or instruments referred to herein, including any exhibits and schedules attached hereto, which exhibits and schedules are incorporated herein by reference, together with the Ancillary Documents, embody the entire agreement and understanding of the Parties in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein or the documents or instruments referred to herein, which collectively supersede all prior agreements and the understandings among the Parties with respect to the subject matter contained herein.

10.11 Interpretation.

The table of contents and the Article and Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the Parties and shall not in any way affect the meaning or interpretation of this Agreement. In this Agreement, unless the context otherwise requires: (a) any pronoun used shall include the corresponding masculine, feminine or neuter forms, and words in the singular, including any defined terms, include the plural and vice versa; (b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity; (c) any accounting term used and not otherwise defined in this Agreement or any Ancillary Document has the meaning assigned to such term in accordance with GAAP; (d) "**including**" (and with correlative meaning "**include**") means including without limiting the generality of any description preceding or succeeding such term and shall be deemed in each case to be followed by the words "without limitation"; (e) the words "**herein**," "**hereto**," and "**hereby**" and other words of similar import shall be deemed in each case to refer to this Agreement as a whole and not to any particular Section or other subdivision of this Agreement; (f) the word "**if**" and other words of similar import when used herein shall be deemed in each case to be followed by the phrase "**and only if**"; (g) the term "**or**" means "**and/or**"; (h) any reference to the term "**ordinary course**" or "**ordinary course of business**" shall be deemed in each case to be followed by the words "**consistent with past practice**"; (i) the words "**made available**" means, with respect to a given Contract, document, instrument or agreement, that such Contract, document, instrument or agreement was uploaded to and accessible in the Data Room, or with respect to Contracts, documents, instruments or agreements made available by the Parent, filed on the SEC's EDGAR system; (j) any agreement, instrument, insurance policy, Law or Order defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument, insurance policy, Law or Order as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes, regulations, rules or Orders) by succession of comparable successor statutes, regulations, rules or Orders and references to all attachments thereto and instruments incorporated therein; (k) except as otherwise indicated, all references in this Agreement to the words "**Section**," "**Article**," "**Schedule**" and "**Exhibit**" are intended to refer to Sections, Articles, Schedules and Exhibits to this Agreement; and (l) the term "**Dollars**" or "**$**" means United States dollars. Any reference in this Agreement to a Person's directors shall include any member of such Person's governing body and any reference in this Agreement to a Person's officers shall include any Person filling a substantially similar position for such Person. Any reference in this Agreement or any Ancillary Document to a Person's shareholders or shareholders shall include any applicable owners of the equity interests of such Person, in whatever form. The Parties have participated jointly in the negotiation and drafting of this Agreement. Consequently, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement. To the extent that any Contract, document, certificate or instrument is represented and warranted to by the Company to be given, delivered, provided or made available by the Company, in order for such Contract, document, certificate or instrument to have been deemed to have been given, delivered, provided and made available to the Parent or its Representatives, such Contract, document, certificate or instrument shall have been posted to the electronic data site on "Venue" titled "Project Indy" maintained on behalf of the Company in connection with the transactions contemplated by this Agreement, and the Parent and its Representatives have been given access to such electronic data side containing such information at least two days prior to the date of this Agreement.

10.12 Counterparts.

This Agreement and each Ancillary Document may be executed and delivered (including by facsimile or other electronic transmission) in one or more counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

ARTICLE XI
DEFINITIONS

11.1 Certain Definitions.

For purpose of this Agreement, the following capitalized terms have the following meanings:

"**Acquisition Proposal**" has the meaning specified in Section 6.7.

"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person.

"**Agreement**" has the meaning specified in the Preamble hereto.

"**Alternative Transaction**" has the meaning specified in Section 6.7.

"**Amalco Sub**" has the meaning specified in the Preamble hereto.

"**Amalgamation**" has the meaning specified in the Recitals hereto.

"**Amalgamation Application**" means the Form 13 to be jointly completed and filed by the Company and Spinco with the Registrar of Companies under the BCBCA, giving effect to the Amalgamation of Amalco Sub and the Company upon and subject to the terms of the Plan of Arrangement and this Agreement.

"**Amalgamation Consideration**" means the aggregate number of Spinco Common Shares to be issued to Company Securityholders pursuant to Section 1.13 including those underlying the Converted Options and Converted Warrants.

"**Ancillary Documents**" means each agreement, instrument or document attached hereto as an Exhibit, and the other agreements, certificates, and instruments to be

executed or delivered by any of the Parties in connection with or pursuant to this Agreement.

"**Arrangement**" has the meaning specified in the Recitals hereto.

"**Arrangement Resolution**" means the special resolution approving the Plan of Arrangement to be considered at the Company Meeting by Company Shareholders, substantially in the form set forth in Exhibit D.

"**Balance Sheet Date**" means (a) with respect to the Company, June 30th, 2023 and (b) with respect to Spinco, December 31, 2022.

"**BCBCA**" has the meaning specified in the Recitals hereto.

"**Board**" means the board of directors of a company as constituted from time to time.

"**Book-Entry Shares**" has the meaning specified in Section 1.18(b).

"**British Columbia Securities Act**" means the *Securities Act* (British Columbia).

"**Business Day**" means any day other than a Saturday, Sunday or a legal holiday on which commercial banking institutions in Vancouver, British Columbia or Palo Alto, California are authorized to close for business, excluding as a result of "stay at home," "shelter-in-place," "non-essential employee" or any other similar orders or restrictions or the closure of any physical branch locations at the direction of any Governmental Authority so long as the electronic funds transfer systems, including for wire transfers, of commercially banking institutions in Vancouver, British Columbia and Palo Alto, California are generally open for use by customers on such day.

"**Certificate of Incorporation**" means the certificate of incorporation or articles of incorporation, as applicable, of a corporation.

"**Certificates**" has the meaning specified in Section 1.18(b).

"**Class A Series 1 Company Preferred Shares"** means the series 1 class A preferred shares in the authorized share structure of the Company.

"**Class A Series 2 Company Preferred Shares**" means the series 2 class A preferred shares in the capital o f the Company.

"**Class B Company Preferred Shares**" means the class B preferred shares in the authorized share structure of the Company.

"**Closing Filing**" has the meaning specified in Section 6.13(b).

"**Closing Press Release**" has the meaning specified in Section 6.13(b).

"**Code**" means the Internal Revenue Code of 1986, as amended, and any successor statute thereto, as amended. Reference to a specific Section of the Code shall include such Section and any valid treasury regulation promulgated thereunder.

"**Company**" has the meaning specified in the Preamble hereto.

"**Company Benefit Plan**" has the meaning specified in Section 5.19(a).

"**Company Board Recommendation**" has the meaning ascribed thereto in Section 1.4(b).

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

"**Company Common Shares**" means the common shares in the authorized share structure of the Company.

"**Company Confidential Information**" means all confidential or proprietary documents and information concerning the Company or its Representatives, furnished in connection with this Agreement or the transactions contemplated hereby; provided, however, that Company Confidential Information shall not include any information which, (a) is generally available publicly and was not disclosed in breach of this Agreement or (b) at the time of the disclosure by the Company or its Representatives to the Parent or its Representatives was previously known by such receiving party without violation of Law or any confidentiality obligation by the Person that disclosed such Company Confidential Information to the receiving party.

"**Company Convertible Securities**" means, collectively, any securities issued by the Company that are convertible into or exchangeable for, any shares, capital stock or other equity of or other voting interests in the Company or Spinco, including the Company Notes, Company SAFEs, Company Options and Company Warrants.

"**Company Disclosure Schedules**" has the meaning specified in Article V.

"**Company Dissenting Shareholders**" means those Company Shareholders that properly exercise their Dissent Rights in respect of the Company Shareholder Approval Matters.

"**Company Financial Statements**" has the meaning specified in Section 5.7(a).

"**Company Fully Diluted Shares**" means the sum of (a) the total number of Company Common Shares issued and outstanding immediately prior to the Effective Time, (b) the total number of Company Common Shares issuable upon conversion of Company Preferred Shares outstanding immediately prior to the Effective Time, (c) the total number of Company Common Shares issuable upon exercise of Company Warrants outstanding immediately prior to the Effective Time, (d) the total number of Company Common Shares issuable upon exercise of the Company Options outstanding immediately prior to the Effective Time, (e) the total number of Company Common Shares issuable upon exercise or conversion of Company Notes outstanding immediately prior to the Effective Time, (f) the total number of Company Common Shares issuable upon exercise or conversion of Company SAFEs outstanding immediately prior to the Effective Time, and (g) the total number of Company

Common Shares issuable (or deemed issuable) upon exercise or conversion of any other Company Convertible Securities outstanding immediately prior to the Effective Time.

"**Company Insider Lock-Up Agreement**" has the meaning specified in the Recitals hereto.

"**Company Insiders**" means each Company Securityholder listed in Exhibit E, which also lists the number and types of Company Securities owned by each such Company Securityholder as of the date hereof.

"**Company Lock-up Agreement**" has the meaning specified in the Recitals hereto.

"**Company Material Adverse Effect**" means a Material Adverse Effect on the Company or the Company Subsidiary, individually or taken as a whole.

"**Company Material Contract**" has the meaning specified in Section 5.12(a)

"**Company Meeting**" means the special meeting of Company Shareholders, including any adjournment or postponement thereof in accordance with the terms of this Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and for any other purpose as may be set forth in the Company Circular and agreed to in writing by the Parent, acting reasonably.

"**Company Notes**" means the outstanding convertible notes of the Company convertible into Company Common Shares or Spinco Common Shares.

"**Company Options**" means each option (whether vested or unvested) to purchase Company Shares granted, and that remains outstanding, under the Company Stock Option Plan.

"**Company Organization Documents**" means the Company's constating documents.

"**Company PCAOB Financial Statements**" has the meaning set forth in Section 6.4(a).

"**Company Permits**" has the meaning specified in Section 5.10.

"**Company Preferred Shares**" means the Class A Series 1 Company Preferred Shares, Class A Series 2 Company Preferred Shares, Class B Company Preferred Shares and Seed Company Preferred Shares, and any other class or series of Company Preferred Shares.

"**Company SAFE**" means each simple agreement for future equity of the Company issued, and that remains outstanding, entitling the holder thereof to conversion rights of the principal amount and accrued interest thereon into Company Shares in connection with certain events.

"**Company Securities**" means, collectively, the Company Shares, the Company Warrants, the Company Notes, the Company SAFEs and the Company Options.

"**Company Securityholders**" means, collectively, the holders of Company Securities prior to the Effective Time.

"**Company Shareholder Approval Matters**" means, collectively, (a) the adoption and approval of the Plan of Arrangement, the Amalgamation and the Arrangement Resolution and (b) the approval of the proposed transactions contemplated by this Agreement.

"**Company Shareholders**" means, collectively, the holders of Company Shares prior to the Effective Time.

"**Company Shareholders Agreement**" means the amended and restated shareholders agreement of the Company date November 19, 2021.

"**Company Shares**" means the Company Common Shares and Company Preferred Shares.

"**Company Specified Representations**" has the meaning specified in Section 8.3(a)(i).

"**Company Stock Option Plan**" means the stock option plan of the Company, dated June 24, 2021, as amended and restated from time to time.

"**Company Subsidiary**" has the meaning specified in 5.4(a).

"**Company Support Agreement**" has the meaning specified in the Recitals hereto.

"**Company Technology**" has the meaning specified in Section 5.13.

"**Company Warrant**" means each warrant to purchase Company Shares issued, and that remains outstanding.

"**Consent**" means any consent, approval, waiver, authorization or Permit of, or notice to or declaration or filing with any Governmental Authority or any other Person.

"**Consulting Agreements**" has the meaning specified in Section 6.18.

"**Contracts**" means all contracts, agreements, binding arrangements, bonds, notes, indentures, mortgages, debt instruments, purchase order, licenses (and all other contracts, agreements or binding arrangements concerning Intellectual Property), franchises, leases and other instruments or obligations of any kind, written or oral (including any amendments and other modifications thereto).

"**Control**" of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise. "**Controlled**," "**Controlling**" and "**under common Control with**" have correlative meanings. Without limiting the foregoing a Person (the "**Controlled Person**") shall be deemed Controlled by (a) any other Person (i) owning beneficially, as meant in Rule 13d-3 under the Exchange Act, securities entitling such Person to cast ten percent (10%) or more of the votes for election of directors or equivalent governing authority of the Controlled Person or (ii) entitled to be allocated or receive ten percent (10%) or more of the profits, losses, or distributions of the Controlled Person; (b) an officer,

director, general partner, partner (other than a limited partner), manager, or member (other than a member having no management authority that is not a Person described in clause (a) above) of the Controlled Person; or (c) a spouse, parent, lineal descendant, sibling, aunt, uncle, niece, nephew, mother-in-law, father-in-law, sister-in- law, or brother-in-law of an Affiliate of the Controlled Person or a trust for the benefit of an Affiliate of the Controlled Person or of which an Affiliate of the Controlled Person is a trustee.

"**Converted Option**" has the meaning specified in Section 1.13(d)(vi).

"**Copyrights**" means any works of authorship, mask works and all copyrights therein, including all renewals and extensions, copyright registrations and applications for registration and renewal, and non-registered copyrights.

"**Court**" means the Supreme Court of British Columbia, or other court as applicable.

"**CPAB**" means the Canadian Public Accountability Board.

"**D&O Indemnified Persons**" has the meaning specified in Section 6.16(a).

"**Damon Surviving Company**" has the meaning specified in Section 1.13(c).

"**Data Room**" means the data room made available by the Company hosted by Donnelley Financial Services as of the date of this Agreement.

"**DCSA**" means the United States Defense Counterintelligence and Security Agency.

"**Dissent Rights**" means the rights of dissent in respect of the Arrangement described in the Plan of Arrangement.

"**DTC**" has the meaning specified in Section 1.18(b).

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

"**Effective Time**" means 12:01 a.m. (Vancouver time) on the Effective Date or such other time on the Effective Date as the Parties agree in writing before the Effective Date.

"**Enforceability Exceptions**" has the meaning specified in Section 2.2.

"**Environmental Law**" means any Law in any way relating to (a) the protection of human health and safety, (b) the protection, preservation or restoration of the environment and natural resources (including air, water vapor, surface water, groundwater, drinking water supply, surface land, subsurface land, plant and animal life or any other natural resource), or (c) the exposure to, or the use, storage, recycling, treatment, generation, transportation, processing, handling, labeling, production, Release or disposal of Hazardous Materials.

"**Environmental Liabilities**" means, in respect of any Person, all Liabilities, obligations, responsibilities, Remedial Actions, losses, damages, costs, and expenses (including all reasonable fees, disbursements, and expenses of counsel, experts, and consultants and costs of investigation and feasibility studies), fines, penalties, sanctions, and interest incurred as a result of any claim or demand by any other Person or in response to any violation of Environmental Law, whether known or unknown, accrued or contingent, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute, to the extent based upon, related to, or arising under or pursuant to any Environmental Law, Environmental Permit, Order, or Contract with any Governmental Authority or other Person, that relates to any environmental, health or safety condition, violation of Environmental Law, or a Release or threatened Release of Hazardous Materials.

"**Environmental Permit**" has the meaning specified in Section 3.20.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended.

"**Exchange Agent**" has the meaning specified in Section 1.18(a).

"**Exchange Ratio**" means the quotient of (A) the difference of (i) the quotient of Spinco Fully Diluted Shares divided by 18.75% minus (ii) Spinco Fully Diluted Shares; divided by (B) Company Fully Diluted Shares. An illustrative example of the calculation of the Exchange Ratio is attached hereto as Exhibit F, which example is for illustrative purposes only and is not indicative of the actual or expected Exchange Ratio.

"**Federal Securities Laws**" has the meaning specified in Section 6.8.

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

"**Fraud Claim**" means any claim based on actual fraud involving a knowing and intentional misrepresentation or omission in making such Party's representations and warranties expressly set forth in this Agreement or any Ancillary Document with the intent that any other Party rely thereon (as opposed to any fraud claim based on constructive knowledge, negligent misrepresentation or omission or a similar theory).

"**GAAP**" means generally accepted accounting principles as in effect in the United States of America.

"**Governmental Authority**" means any federal, state, provincial, local, foreign or other governmental, quasi-governmental or administrative body, instrumentality, department or agency, including any stock exchange, securities commission, or any court, tribunal, administrative hearing body, arbitration panel, commission, or other similar dispute-resolving panel or body.

"**Hazardous Material**" means any waste, gas, liquid or other substance or material that is defined, listed or designated as a "hazardous substance," "pollutant," "contaminant," "hazardous waste," "regulated substance," "hazardous chemical," or "toxic chemical" (or by any similar term) under any Environmental Law, or any

other material regulated, or that could result in the imposition of Liability or responsibility, under any Environmental Law, including petroleum and its by-products, asbestos, polychlorinated biphenyls, radon, mold, and urea formaldehyde insulation.

"**HSR Act**" mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and any rules or regulations promulgated thereunder.

"**Incentive Plan**" means the equity incentive plan to be established by Spinco providing for the issuance of equity securities of Spinco following the Effective Time, which shall reserve a number of Spinco Common Shares customary for transactions of this nature net of the number of Spinco Common Shares issuable on exercise of Converted Options, for the issuance in the form of awards.

"**Indebtedness**" of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money (including the outstanding principal and accrued but unpaid interest), (b) all obligations for the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of business), (c) any (i) accrued or outstanding severance or termination payments, (ii) accrued paid time off (including vacation, personal and sick days) or (iii) accrued bonuses, commissions or other incentive compensation, in each case, together with the employer's portion of all payroll, employment, unemployment, social security or similar Taxes in connection with such amounts, (d) any obligations under any unfunded or underfunded pension or retirement, post-retirement medical, post-employment benefit or nonqualified deferred compensation plans, programs, agreements or arrangements, together with the employer's portion of all payroll, employment, unemployment, social security or similar Taxes in connection with such amounts, (e) any other indebtedness of such Person that is evidenced by a note, bond, debenture, credit agreement or similar instrument, (f) all obligations of such Person under leases that should be classified as capital leases in accordance with GAAP, (g) all obligations of such Person for the reimbursement of any obligor on any line or letter of credit, banker's acceptance, guarantee or similar credit transaction, in each case, that has been drawn or claimed against, (h) all obligations of such Person in respect of acceptances issued or created, (i) all interest rate and currency swaps, caps, collars and similar agreements or hedging devices under which payments are obligated to be made by such Person, whether periodically or upon the happening of a contingency, (j) all obligations secured by a Lien on any property of such Person, (k) any premiums, prepayment fees or other penalties, fees, costs or expenses associated with payment of any Indebtedness of such Person, (l) any and all accounts payable of such Person, (m) any and all accrued expenses of such Person, and (n) all obligation described in clauses (a) through (m) above of any other Person which is directly or indirectly guaranteed by such Person or which such Person has agreed (contingently or otherwise) to purchase or otherwise acquire or in respect of which it has otherwise assured a creditor against loss, but in all cases excluding transaction Expenses associated with the transactions contemplated by this Agreement.

"**Intellectual Property**" means any and all of the following arising pursuant to the Laws of any jurisdiction throughout the world: (a) trademarks, service marks, trade names, and similar indicia of source or origin, all registrations and applications for registration thereof, and the goodwill connected with the use of and symbolized by the foregoing; (b) Copyrights and all registrations and applications for registration thereof; (c) trade secrets and know-how; (d) patents and patent applications; (e) internet domain name registrations; and (f) other intellectual property and related proprietary rights together with all goodwill related to the foregoing.

"**Intellectual Property Rights**" has the meaning specified in Section 5.13.

"**Intended Tax Treatment**" has the meaning specified in the Recitals hereto.

"**Interim Period**" has the meaning specified in Section 6.1.

"Internal Controls" means, with respect to any Person, internal accounting policies and controls sufficient to provide reasonable assurances that: (a) transactions are executed in accordance with the authorization of such Person's management; (b) all income and expense items are in all material respects properly recorded for the relevant periods in accordance with the policies maintained by such Person; and (c) financial statements and reports for external purposes are prepared in accordance with GAAP.

"**Inversion**" has the meaning specified in the Recitals hereto.

"**Investment Company Act**" means the Investment Company Act of 1940, as amended.

"**ITA**" means the *Income Tax Act* (Canada), as amended.

"**June 2023 Note Offering**" means the Company's ongoing offering of Company Notes and Company Warrants, with the first tranche closing of such offering completed on June 16, 2023, the second tranche closing of such offering completed on August 11, 2023, the third tranche closing of such offering completed on September 13, 2023, the fourth tranche closing of such offering completed on September 27, 2023 and subsequent tranche closings of the offering to be completed following the date of this Agreement.

"**Knowledge**" means, (a) with respect to the Parent, Spinco or Amalco Sub, the actual knowledge that any of Melanie Figueroa, Wendy Loundermon or Nadir Ali would have after reasonable due inquiry, and (b) with respect to the Company, the actual knowledge that any of Jay Giraud or Mike Galbraith would have after reasonable due inquiry.

"**Law**" means any federal, state, county, local, provincial, municipal, foreign, supranational or other law, statute, legislation, principle of common law, ordinance, code, edict, decree, proclamation, treaty, convention, rule, regulation, directive, resolution, requirement, writ, injunction, settlement, Order or Consent that is or has been issued, enacted, adopted, passed, approved, promulgated, made, implemented or otherwise put into effect by or under the authority of any Governmental Authority.

"**Leases**" has the meaning specified in Section 5.15.

"**Letter of Transmittal**" has the meaning specified in Section 1.18(b).

"**Liabilities**" means any and all liabilities, Indebtedness, Actions or obligations of any nature (whether absolute, accrued, contingent or otherwise, whether known or unknown, whether direct or indirect, whether matured or unmatured, whether due or to become due and whether or not required to be recorded or reflected on a balance sheet under GAAP), including Tax liabilities due or to become due.

"**Lien**" means any mortgage, pledge, security interest, attachment, right of first refusal, option, proxy, voting trust, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof), restriction (whether on voting, sale, transfer, disposition or otherwise), any subordination arrangement in favor of another Person, or any filing or agreement to file a financing statement as debtor under the Uniform Commercial Code or any similar Law.

"**Lost Certificate Affidavit**" has the meaning specified in Section 1.18(f).

"**Material Adverse Effect**" means, with respect to any specified Person, any fact, event, occurrence, change or effect that has had, or would reasonably be expected to have, individually or in the aggregate, a material adverse effect upon (a) the business, assets, Liabilities, results of operations, prospects or condition (financial or otherwise) of such Person, taken as a whole, or (b) the ability of such Person to consummate the transactions contemplated by this Agreement or the Ancillary Documents to which it is a party or bound or to perform its obligations hereunder or thereunder; provided, however, that for purposes of clause (a) above, any changes or effects directly or indirectly attributable to, resulting from, relating to or arising out of the following (by themselves or when aggregated with any other, changes or effects) shall not be deemed to be, constitute, or be taken into account when determining whether there has or may, would or could have occurred a Material Adverse Effect: (i) general changes in the financial or securities markets or general economic or political conditions in the country or region in which such Person does business; (ii) changes, conditions or effects that generally affect the industries in which such Person principally operates; (iii) changes in GAAP or other applicable accounting principles or mandatory changes in the regulatory accounting requirements applicable to any industry in which such Person principally operates; (iv) conditions caused by acts of God, terrorism, war (whether or not declared), natural disaster or weather conditions, epidemics, pandemics, or disease outbreaks (including the COVID-19 virus), public health emergencies (as declared by the World Health Organization or the Health and Human Services Secretary of the United States or the Public Health Agency of Canada); and (v) any failure in and of itself by such Person to meet any internal or published budgets, projections, forecasts or predictions of financial performance for any period (provided that the underlying cause of any such failure may be considered in determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur to the extent not excluded by another exception herein); provided further, however, that any event, occurrence, fact, condition, or change referred to in clauses (i) - (iv) immediately above shall be taken into account in determining whether a Material Adverse Effect has occurred or could reasonably be expected to occur to the extent that such event, occurrence, fact, condition, or change has a disproportionate effect on such Person compared to other participants in the industries in which such Person primarily conducts its businesses.

"**Material Contract**" means, with respect to any specified Person, any Contract to which such Person is a party, or by which such Person or any of its properties or assets are bound or affected, that:

(a) contains covenants that limit the ability of such Person (i) to compete in any line of business with any Person or in any geographic area or to sell, or provide any service or product or solicit any Person, including any non-competition covenants, employee and customer non-solicit covenants, exclusivity restrictions, rights of first refusal or most-favored pricing clauses or (ii) to purchase or acquire an interest in any other Person;

(b) involves any joint venture, partnership, or similar agreement;

(c) relates to the voting or control of the equity interests of such Person or the election of directors of such Person (other than the Organizational Documents of such Person);

(d) evidences Indebtedness (whether incurred, assumed, guaranteed or secured by any asset) of such Person having an outstanding principal amount in excess of $500,000;

(e) involves the acquisition or disposition, directly or indirectly (by merger or otherwise), of assets with an aggregate value in excess of $500,000 or shares or other equity interests of such Person or another Person;

(f) relates to any merger, consolidation or other business combination with any other Person or the acquisition or disposition of any other entity or its business or material assets or the sale of such Person, its business or material assets;

(g) by its terms, individually or with all related Contracts, calls for aggregate payments or receipts by such Person under such Contract or Contracts of at least $500,000 per year or $1,000,000 in the aggregate;

(h) is with the ten largest customers of such Person or the ten largest suppliers of goods or services to such Person, for the twelve (12) months ended on June 30, 2023;

(i) is with any Governmental Authority;

(j) obligates such Person to provide continuing indemnification or a guarantee of obligations that would be expected to result in payments to a third party after the date hereof in excess of $500,000;

(k) is an employment or consulting agreement and which provides for annual base cash compensation in excess of $100,000 or is between such Person and any directors or officers of such Person, including all non-competition, severance and indemnification agreements;

(l) obligates such Person to make any capital commitment or expenditure in excess of $500,000 (including pursuant to any joint venture);

(m) is a broker, distributor, dealer, manufacturer's representative, franchise, agency, sales promotion, market research, marketing consulting or advertising contract or agreement that is material to the business of such Person;

(n) is a guaranty, direct or indirect, of any obligation of a third party (other than such Person);

(o) is a lease or master lease of personal property reasonably likely to result in annual payments of $500,000 or more in a 12-month period;

(p) provides for the grant of any preferential rights of first offer or first refusal to purchase or lease any material asset of such Person;

(q) provides for any exclusive right to sell or distribute, or otherwise relating to the sale or distribution of, any product or service of such Person;

(r) is a joint venture, partnership or limited liability company agreement or other similar Contract relating to the formation, creation, operation, management or control of any joint venture, partnership or limited liability company, other than any such Contract solely between such Person and its Subsidiaries or among such Person's Subsidiaries;

(s) obligates such Person or any of its Subsidiaries to make any loans, advances or capital contributions to, or investments in, any Person, other than any loan or capital contribution to, or investment in, (i) such Person or one of its wholly owned Subsidiaries, (ii) any Person (other than an officer, director or employee of such Person or any of its Subsidiaries) that is less than $100,000 to such Person or (iii) any officer, director or employee of such Person or any of its Subsidiaries that is less than $100,000 to such Person;

(t) is an obligation to make payments, contingent or otherwise, arising out of the prior acquisition of the business of, or all or substantially all of the assets or stock of, other Person; or

(u) is required to be filed with the SEC as a material contract.

"**Misconduct**" means, with respect to any specified Person, (i) any unlawful, illegal, fraudulent or deceptive conduct, (ii) harassment or discrimination, (iii) other acts of a similar nature that could reasonably be expected to bring such Person into public contempt, ridicule or disrepute or be materially injurious to the business, reputation or finances of such Person or any officer of such Person, (iv) sexual advances, lewd or sexually explicit comments, or the sending of sexually explicit images or messages; or (vi) any retaliatory act for refusing or opposing any of the above.

"**Nasdaq**" means the Nasdaq Capital Market.

"**Non-Offering Prospectus**" has the meaning specified in Section 6.12(e).

"**NBCA**" means the *Nevada Business Corporations Act.*

"**OFAC**" has the meaning specified in Section 3.24(c).

"**Order**" means any order, decree, ruling, judgment, injunction, writ, determination, binding decision, verdict, judicial award or other action that is or has been made, entered, rendered, or otherwise put into effect by or under the authority of any Governmental Authority.

"**Organizational Documents**" means, with respect to any Person that is an entity, its Certificate of Incorporation, certificate of formation, bylaws, operating agreement, memorandum and articles of association or similar organizational documents, in each case, as amended.

"**Outside Date**" means March 31, 2024; provided, however, that such date may be tolled for up to thirty (30) days at the request of either Spinco or Company; provided further, however, that such date (or tolled date, if applicable) may be extended for one (1) additional thirty (30)-day period upon mutual written agreement of the Parties.

"**Parent**" has the meaning specified in the Preamble hereto.

"**Parent Board**" means the members of the board of directors of the Parent.

"**Parent Common Shares**" means the shares of common stock, par value $● per share, of Parent.

"**Parent Confidential Information**" means all material non-public information and confidential or proprietary documents and information concerning the Parent or any of its Representatives; provided, however, that the Parent Confidential Information shall not include any information which (a) is generally available publicly and was not disclosed in breach of this Agreement or (b) at the time of the disclosure by the Parent or its Representatives to the Company, was previously known by such receiving party without violation of Law or any confidentiality obligation by the Person receiving such Parent Confidential Information. For the avoidance of doubt, from and after the Effective Date, the Parent Confidential Information will include the confidential or proprietary information of the Company.

"**Parent Disclosure Schedules**" has the meaning specified in Article II.

"**Spinco**" has the meaning specified in the Preamble hereto.

"**Spinco Benefit Plans**" has the meaning specified in Section 3.19(a).

"**Parent Material Adverse Effect**" means a material adverse effect on the ability of Parent on a timely basis to consummate the transactions contemplated by this Agreement or the Ancillary Documents to which it is a party or bound or to perform its obligations hereunder or thereunder.

"**Parent Note**" has the meaning specified in the Recitals hereto.

"**Parent Preferred Shares**" means the shares of preferred stock, par value $0.01 per share, of the Parent.

"**Parent Securityholders**" means, collectively, the holders of Parent securities, including Parent Shares and warrants.

"**Parent Shareholders**" means, collectively, the holders of Parent Shares prior to the Effective Time.

"**Parent Shares**" means the Parent Common Shares and the Parent Preferred Shares, collectively.

"**Parent Specified Representations**" has the meaning set forth in Section 8.2(a)(i).

"**Party**" has the meaning specified in the Preamble hereto.

"**PCAOB**" means the U.S. Public Company Accounting Oversight Board (or any successor thereto).

"**Permits**" means all federal, state, provincial, local or foreign or other third-party permits, grants, easements, consents, approvals, authorizations, exemptions, licenses, franchises, concessions, ratifications, permissions, clearances, confirmations, endorsements, waivers, certifications, designations, ratings, registrations, qualifications or Orders of any Governmental Authority or any other Person.

"**Permitted Liens**" means (a) Liens for Taxes or assessments and similar governmental charges or levies, which either are (i) not delinquent or (ii) being contested in good faith and by appropriate Proceedings, and reserves have been established with respect thereto in accordance with GAAP, (b) other Liens imposed by operation of Law arising in the ordinary course of business for amounts which are not due and payable and as would not in the aggregate materially adversely affect the value of, or materially adversely interfere with the use of, the property subject thereto, (c) Liens incurred or deposits made in the ordinary course of business in connection with social security, (d) Liens on goods in transit incurred pursuant to documentary letters of credit, in each case arising in the ordinary course of business, (e) easements, rights of way, restrictions, and other similar charges or encumbrances not interfering in any material respect with the ordinary conduct of the business, (f) applicable zoning ordinances, restrictions, prohibitions and other requirements imposed by any Governmental Authority having jurisdiction over Real Property which are not violated in any material respect and which do not have a material adverse effect on the use or occupancy of the Real Property or the operation of the business in the ordinary course thereon, (g) other imperfections of title or Liens, if any, that do not and would not reasonably be expected to materially detract from the use or value of the property, or (h) Liens arising under this Agreement or any Ancillary Document.

"**Person**" means an individual, corporation, partnership (including a general partnership, limited partnership, or limited liability partnership), limited liability company, association, trust or other entity or organization, including a government, domestic or foreign, or political subdivision thereof, or an agency or instrumentality thereof.

"**Personal Data**" means, with respect to any natural Person, such Person's name, street address, telephone number, e-mail address, photograph, Social Security number, tax identification number, driver's license number, passport number, credit card number, bank account number and other financial information, customer or account numbers, account access codes and passwords, any other information that allows the identification of such Person or enables access to such Person's financial information or that is defined as "personal data," "personally identifiable information," "personal information," "protected health information" or similar term under any applicable Privacy Laws.

"**Personal Property**" means any machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, parts and other tangible personal property.

"**Plan of Arrangement**" has the meaning specified in the Recitals hereto.

"**Post-Closing Spinco Board**" has the meaning specified in Section 6.15(a).

"**Privacy Laws**" means all applicable federal, state, provincial, local or foreign Laws, relating to privacy and protection of Personal Data and any and all similar federal, state, provincial, local or foreign Laws relating to privacy, security, data protection, data availability and destruction and data breach, including security incident notification.

"**Proceeding**" or "**Action**" means any notice of noncompliance or violation, or any claim, demand, action, suit, proceeding, complaint (including a qui tam complaint), claim, charge, hearing, litigation, audit, settlement, labor dispute, inquiry, civil investigative demand, subpoena, stipulation, assessment, arbitration, demand for recoupment or revocation, or any request (including any request for information) or investigation before or by a Governmental Authority or an arbitrator.

"**Real Property**" means, collectively, all real properties and interests therein (including the right to use), together with all buildings, fixtures, trade fixtures, plant and other improvements located thereon or attached thereto; all rights arising out of use thereof; and all subleases, franchises, licenses, permits, easements and rights-of-way which are appurtenant thereto.

"**Registration Statement**" has the meaning specified in Section 6.12(a).

"**Release**" means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, or leaching into the indoor or outdoor environment, or into or out of any property.

"**Remedial Action**" means all actions to (a) clean up, remove, treat, or in any other way address any Hazardous Material, (b) prevent the Release of any Hazardous Material so it does not endanger or threaten to endanger public health or welfare or the indoor or outdoor environment, (iii) perform pre-remedial studies and investigations or post-remedial monitoring and care, or (c) correct a condition of noncompliance with Environmental Laws.

"**Representatives**" means, as to any Person, such Person's Affiliates and the respective managers, directors, officers, employees, independent contractors, consultants, advisors (including financial advisors, counsel and accountants), agents and other legal representatives of such Person or its Affiliates.

"**Required Company Shareholder Approval**" has the meaning specified in Section 8.1(a).

"**SEC**" means the U.S. Securities and Exchange Commission (or any successor Governmental Authority).

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Seed Company Preferred Shares**" means the seed preferred shares in the authorized share structure of the Company.

"**Separation and Distribution Agreement**" means Separation and Distribution Agreement, dated on or about the date hereof, by an between the Parent and the Spinco.

"**Signing Filing**" has the meaning specified in Section 6.13(b).

"**Signing Press Release**" has the meaning specified in Section 6.13(b).

"**Software**" means any computer software programs, including all source code, object code, and documentation related thereto and all software modules, tools and

databases.

"**SOX**" means the U.S. Sarbanes-Oxley Act of 2002, as amended.

"**Spinco**" has the meaning specified in the Recitals.

"**Spinco Common Shares**" means the common shares in the authorized share structure of Spinco.

"**Spinco Fully Diluted Shares**" means the sum of (i) the total number of Spinco Common Shares issued and outstanding immediately prior to the Effective Time and (ii) the total number of Spinco Common Shares issuable upon conversion or exercise of other securities of Spinco outstanding immediately prior to the Effective Time.

"**Spinco Material Adverse Effect**" means a Material Adverse Effect on Spinco, the Spinco Subsidiary or Amalco Sub, individually or taken as a whole.

"**Spinco Material Contract**" has the meaning specified in Section 3.12(a).

"**Spinco Organizational Documents**" has the meaning specified in Section 0.

"**Spinco PCAOB Financial Statements**" has the meaning set forth in Section 6.4(e).

"**Spinco Permits**" has the meaning specified in Section 3.10.

"**Spinco Sale**" means, other than the transactions contemplated by this Agreement, (a) any transaction or series of related transactions that results in any Person or "group" (within the meaning of Section 13(d)(3) of the 1934 Act) acquiring equity securities that represent more than 50% of the total voting power of Spinco, or (b) a sale or disposition of all or substantially all of the assets of Spinco and its Subsidiaries on a consolidated basis, in each case that results in Spinco Common Shares being converted into cash or other consideration (including equity securities of another Person) (other than a transaction or series of related transactions where Spinco Common Shares is converted into equity securities of a Person who has substantially similar ownership to Spinco immediately prior to such transaction or series of related transactions).

"**Spinco Shareholders**" means, collectively, the holders of Spinco Common Shares prior to the Effective Time.

"**Spinco Subsidiary**" means Inpixon Ltd, a United Kingdom limited company, being the Subsidiaries of the Parent which will constitute the totality of the Spinout Assets to be contributed to Spinco pursuant to the Spinout.

"**Spinout**" has the meaning specified in the preamble hereto.

"**Spinout Assets**" means all of the equity interests of Inpixon Ltd, a United Kingdom limited company.

"**Stock Exchange**" means, with respect to any Person, the principal securities exchange or securities market on which such Person's common equity is then traded, if any.

"**Subsequent Unaudited Company Financial Statements**" has the meaning set forth in Section 6.4(b).

"**Subsequent Unaudited Spinco Financial Statements**" has the meaning set forth in Section 6.4(f).

"**Subsidiary**" means, with respect to any Person, any corporation, partnership, association or other business entity of which (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other subsidiaries of that Person or a combination thereof, or (b) if a partnership, association or other business entity, a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons will be deemed to have a majority ownership interest in a partnership, association or other business entity if such Person or Persons will be allocated a majority of partnership, association or other business entity gains or losses or will be or control the managing director, managing member, general partner or other managing Person of such partnership, association or other business entity. A Subsidiary of a Person will also include any variable interest entity which is consolidated with such Person under applicable accounting rules.

"**Tax**" or "**Taxes**" means all direct or indirect federal, state, provincial, territorial, local, foreign and other net income, gross income, gross receipts, sales, use, value-added, ad valorem, transfer, franchise, profits, license, lease, service, service use, withholding, payroll, employment, social security and related contributions due in relation to the payment of compensation to employees, excise, severance, stamp, occupation, premium, property, windfall profits, alternative minimum, estimated, customs, duties or other taxes, fees, assessments or similar charges in the nature of a tax, together with any interest and any penalties, additions to tax or additional amounts with respect thereto.

"**Tax Return**" means any return, report, statement, refund, claim, declaration, information return, estimate or other document filed or required to be filed with a Governmental Authority in respect of Taxes, including any Schedule or attachment thereto and including any amendments thereof.

"**Termination Fee**" has the meaning set forth in Section 9.3(b)(iii).

"**Trade Secrets**" means any trade secrets, confidential business information, concepts, ideas, designs, research or development information, processes, procedures, techniques, technical information, specifications, operating and maintenance manuals, engineering drawings, methods, know-how, data, mask works, discoveries, inventions, modifications, extensions, improvements, and other proprietary rights (whether or not patentable or subject to copyright, trademark, or trade secret protection).

"**Transaction Fees and Expenses**" has the meaning set forth in Section 9.3(a).

"**Transfer Taxes**" has the meaning specified in Section 6.11(a).

"**Transmittal Documents**" has the meaning specified in Section 1.18(d).

"**Treasury Regulations**" means the United States Tax regulations promulgated under the Code.

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IN WITNESS WHEREOF, each Party has caused this Agreement to be signed and delivered as of the date first written above.

INPIXON

By: /s/ Nadir Ali
Name: Nadir Ali
Title: Chief Executive Officer

/s/ Wendy Loundermon
Name: Wendy Loundermon
Title: Chief Financial Officer

GRAFITI HOLDING INC.

By: /s/ Nadir Ali
Name: Nadir Ali
Title: Chief Executive Officer

/s/ Wendy Loundermon
Name: Wendy Loundermon
Title: Chief Financial Officer

1444842 B.C. LTD.

By: /s/ Nadir Ali
Name: Nadir Ali
Title: Chief Executive Officer

/s/ Wendy Loundermon
Name: Wendy Loundermon
Title: Chief Financial Officer

(Signature Page to Business Combination Agreement)

DAMON MOTORS INC.

By: /s/ Damon Jay Giraud
Name: Damon Jay Giraud
Title: Chief Executive Officer

By: /s/ Michael John Galbraith
Name: Michael John Galbraith
Title: Chief Financial Officer

(Signature Page to Business Combination Agreement)

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "**Agreement**") is dated as of October [ ] 2023, between Damon Motors Inc., a British Columbia company (**Damon**"or the "**Company**"), and each purchaser identified on the signature pages hereto (each, including its successors and assigns, a "**Purchaser**" and collectively, the "**Purchasers**").

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "**Securities Act**"), and Rule 506 promulgated thereunder, the Company desires to issue and sell to each Purchaser, and each Purchaser, severally and not jointly, desires to purchase from the Company, securities of the Company as more fully described in this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and each Purchaser agree as follows:

ARTICLE I.
DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement: (a) capitalized terms that are not otherwise defined herein have the meanings given to such terms in the Notes (as defined herein), and (b) the following terms have the meanings set forth in this Section 1.1:

"**Acquiring Person**" shall have the meaning ascribed to such term in Section 4.6.

"**Action**" shall have the meaning ascribed to such term in Section 3.1(j).

"**Affiliate**" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"**Blue Sky Application**" shall have the meaning ascribed to such term in Section 4.15(g)(i).

"**Board of Directors**" means the board of directors of the Company.

"**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed; provided, however, for clarification, commercial banks shall not be deemed to be authorized or required by law to remain closed due to "stay at home", "shelter-in-place", "non-essential employee" or any other similar orders or restrictions or the closure of any physical branch locations at the direction of any governmental authority so long as the electronic funds transfer systems (including for wire transfers) of commercial banks in New York, New York are generally are open for use by customers on such day.

"**Closing**" means any closing of the purchase and sale of the Securities pursuant to Section 2.1.

"**Closing Date**" means the Business Day on which all of the Transaction Documents have been executed and delivered by the applicable parties thereto, and all conditions precedent to (i) the Purchasers' obligations to pay the Subscription Amount and (ii) the Company's obligations to deliver the Securities, in each case, have been satisfied or waived. Pursuant to the terms of this Agreement, there may be one or more Closing Dates hereunder.

"**Commission**" means the United States Securities and Exchange Commission.

"**Common Shares**" means the common shares of the Company and any other class of securities into which such securities may hereafter be reclassified or changed.

"**Common Share Equivalents**" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Shares, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares.

"**Company Canadian Counsel**" means Gowling WLG (Canada) LLP, with offices located at 1600, 421 7th Avenue SW, Calgary, AB, T2P 4K9.

"**Company US Counsel**" means Dorsey & Whitney LLP, with offices located at 161 Bay Street, Suite 4310, Toronto, ON M5J 2S1.

"**Conversion Price**" shall have the meaning ascribed to such term in the Notes.

"**Current Public Information Failure**" shall have the meaning ascribed to such term in Section 4.15(h).

"**Diluted Capitalization**" means the aggregate number of Common Shares outstanding as of immediately prior to the initial Closing, assuming full conversion or full exercise of all convertible or exercisable securities then outstanding (including any outstanding convertible notes, any "Simple Agreements for Future Equity" and any Common Shares reserved and available for future grant under any equity incentive or similar plan of the Company), but for the avoidance of doubt excluding the Securities and any warrants issued to the Placement Agent as compensation in the Offering.

"**Effectiveness Period**" shall have the meaning ascribed to such term in Section 4.15(e)(i).

"**Escrow Agent**" means Anthony L.G., PLLC, with offices located at 625 N. Flagler Drive, Suite 600, West Palm Beach, FL 33401.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**Exempt Issuance**" means the issuance of (a) Common Shares, restricted stock units or options to employees, officers or directors of the Company pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Company, (b) securities upon the exercise, exchange of or conversion of any Securities

issued hereunder and/or other securities exercisable or exchangeable for or convertible into Common Shares issued and outstanding on the date of this Agreement, provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with stock splits or combinations) or to extend the term of such securities, (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company, provided that such securities are issued as "restricted securities" (as defined in Rule 144) and carry no registration rights that require or permit the filing of any registration statement in connection therewith, and provided that any such issuance shall only be to a Person (or to the equity holders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities, (d) restricted stock units, restricted stock and options to consultants of the Company provided, however, any such issuances to consultants shall not exceed, in the aggregate, 500,000 underlying Common Shares, (e) Securities pursuant to the Transaction Documents and (f) securities pursuant to a Public Company Event.

"**FCPA**" means the Foreign Corrupt Practices Act of 1977, as amended.

"**Filing Deadline**" shall have the meaning ascribed to such term in Section 4.15(a).

"**Filing Failure**" shall have the meaning ascribed to such term in Section 4.15(h).

"**GAAP**" shall have the meaning ascribed to such term in Section 3.1(h).

"**Indebtedness**" shall have the meaning ascribed to such term in Section 3.1(aa).

"Initial Closing Valuation Price" means the quotient of the Valuation Cap (as defined in the Notes) and the Diluted Capitalization.

"**Intellectual Property Rights**" shall have the meaning ascribed to such term in Section 3.1(p).

"**Issue Date**" shall have the meaning ascribed to such term in the Notes.

"**Legend Removal Date**" shall have the meaning ascribed to such term in Section 4.1(c).

"**Liens**" means a lien, charge, pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

"**Listed Securities**" shall have the meaning ascribed to such term in the Notes.

"**Lock-Up Agreement**" means the Lock-Up Agreement, dated as of the date hereof, by and among the Company and the directors and officers, in the form of Exhibit A attached hereto.

"**Losses**" shall have the meaning ascribed to such term in Section 4.15(g)(i).

"**Maintenance Failure**" shall have the meaning ascribed to such term in Section 4.15(h).

"**Material Adverse Effect**" means (a) a material adverse effect on the results of operations, assets, business, or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, (b) a material adverse effect on the legality, validity or enforceability of any Transaction Document, or (c) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document; provided, however, that, for purposes of clause (a) above, "Material Adverse Effect" shall not include any event, change, development, effect, condition, circumstance, matter, occurrence or state of facts (collectively, "**Events**") arising from or related to: (i) general economic or political conditions in any of the markets or geographical areas where the Company and its Subsidiaries operate (provided that such Event does not have a unique or materially disproportionate impact on the Company and its Subsidiaries as compared to other Persons operating in the same industry), (ii) any act of terrorism, similar calamity or war (whether or not declared) or any escalation or worsening of any of the foregoing provided (in each case, provided that such Event does not have a unique or materially disproportionate impact on the Company and its Subsidiaries as compared to other Persons operating in the same industry), (iii) financial, banking or securities markets, including any disruption thereof and any decline in the price of any security or any market index, (iv) changes in accounting principles, including GAAP, (v) changes in any laws, rules, regulations, enforcement policies or other binding directives issued by any governmental authority, (vi) any change that is generally applicable to the industries or markets in which the Company and its Subsidiaries operate, (vii) any failure by the Company and its Subsidiaries to meet any internal or published projections, forecasts or revenue or earnings predictions for any period ending on or after the date of this Agreement (but excluding, for the avoidance of doubt, the underlying cause(s) of any such failure), or (viii) any epidemic, pandemic or disease outbreak, or any law providing for business closures, "sheltering-in-place" or other restrictions that relate to, or arise out of, an epidemic, pandemic or disease outbreak (provided that such Event does not have a unique or materially disproportionate impact on the Company and its Subsidiaries as compared to other Persons operating in the same industry).

"**Material Permits**" shall have the meaning ascribed to such term in Section 3.1(n).

"**Maximum Amount**" means an aggregate of $10,000,000.00 in principal amount of Notes, provided, however, that upon the written consent of the Company and the Placement Agent, the Maximum Amount shall be adjusted upward.

"**Maximum Rate**" shall have the meaning ascribed to such term in Section 5.16.

"**Minimum Amount**" means a minimum of $2,500,000.00 in principal amount of Notes.

"**Notes**" means the 12% convertible notes, subject to the terms therein, issued by the Company to the Purchasers hereunder, in the form of Exhibit B attached hereto.

"**Offering**" means the offering of Notes and Warrants pursuant to this Agreement and the other Transaction Documents.

"**Offering Period**" means the earlier of (i) the sale of the Maximum Amount, (ii) termination of the Offering as determined by the Company and the Placement Agent or (iii) November 3, 2023, which date may be extended by the Placement Agent and the Company in their joint discretion.

"**Outstanding Amount**" shall have the meaning ascribed to such term in the Notes.

"**Participation Maximum**" shall have the meaning ascribed to such term in Section 4.9(a).

"**Person**" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"**Placement Agent**" means Joseph Gunnar & Co., LLC.

"**Proceeding**" means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"**Principal Amount**" means, as to each Purchaser, the amounts set forth below such Purchaser's signature block on the signature pages hereto next to the heading "Principal Amount," in United States Dollars, which shall equal such Purchaser's Subscription Amount.

"**Public Company Event**" shall have the meaning ascribed to such term in the Notes.

"**Public Company Event Conversion Price**" shall have the meaning ascribed to such term in the Notes.

"**Purchaser Party**" shall have the meaning ascribed to such term in Section 4.8.

"**Pre-Funded Warrants**" shall have the meaning ascribed to such term in the Notes.

"**Prospectus**" means the prospectus included in any Registration Statement, as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Common Shares underlying the Notes, Warrants, or Pre- Funded Warrants covered by such Registration Statement and by all other amendments and supplements to the prospectus, including post-effective amendments and all material incorporated by reference in such prospectus, and any "free writing prospectus" as defined in Rule 405 under the Securities Act.

"**Registrable Securities**" means any (i) Common Shares issued pursuant to the Notes, Warrants, and Pre-Funded Warrants, (ii) all of the Common Shares underlying the Notes, Warrants, and Pre-Funded Warrants, and (iii) all common shares of the publicly- traded entity resulting from a Public Company Event issued in exchange for (a) the Common Shares issued pursuant to the Notes, the Warrants and the Pre-Funded Warrants and (b) to the extent replacement Warrants or replacement Pre-Funded Warrants are issued by such publicly-traded entity in the Public Company Event, the common shares underlying such replacement Warrants or replacement Pre-Funded Warrants; *provided, however,* that such securities shall cease to be Registrable Securities upon the expiration of the Effectiveness Period.

"**Registration Delay Payments**" shall have the meaning ascribed to such term in Section 4.15(h).

"**Registration Statement**" means any registration statement of the Company filed under the Securities Act that covers the resale of any portion of the Common Shares underlying the Notes, Warrants, or Pre-Funded Warrants pursuant to the provisions of this Agreement, including the Prospectus and amendments and supplements to such Registration Statement, and including post-effective amendments, all exhibits and all material incorporated by reference in such Registration Statement.

"**Reverse Merger**" shall mean a reverse merger of the Company with a publicly reporting corporation that has a class of securities then trading on NYSE American, the New York Stock Exchange, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, or any other national securities exchange (or any successors to any of the foregoing), excluding any business combination with a special purpose acquisition company (i.e., SPAC).

"**Required Approvals**" shall have the meaning ascribed to such term in Section 3.1(e).

"**Rule 144**" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time-to-time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"**SEC**" means the United States Securities and Exchange Commission.

"**Securities**" means the Notes, Warrants, and the Underlying Shares.

"**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"**Short Sales**" means all "short sales" as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include locating and/or borrowing Common Shares).

"**Subscription Amount**" means, as to each Purchaser, the aggregate amount to be paid for the Notes and Warrants purchased hereunder as specified below such Purchaser's name on the signature page of this Agreement and next to the heading "Subscription Amount," in United States dollars and in immediately available funds.

"**Subsequent Financing**" shall have the meaning ascribed to such term in Section 4.9(a).

"**Subsequent Financing Notice**" shall have the meaning ascribed to such term in Section 4.9(b).

"**Subsidiary**" means any subsidiary of the Company as set forth in Schedule 3.1(a) and shall, where applicable, also include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

"**Subsidiary Guarantee**" means the Subsidiary Guarantee, dated as of the date hereof, by each Subsidiary in favor of the Purchasers, in the form ofExhibit D attached hereto.

"**Termination Date**" means the date on which the Offering expires or is terminated."

"**Trading Day**" means a day on which the principal Trading Market is open for trading.

"**Trading Market**" means any of the following markets or exchanges on which the Common Shares are listed or quoted for trading on the date in question: the NYSE American, the New York Stock Exchange, the Nasdaq Capital Market, the Nasdaq Global Market or the Nasdaq Global Select Market (or any successors to any of the foregoing).

"**Transaction Documents**" means this Agreement, the Notes, the Warrants, Subsidiary Guarantee, Lock-Up Agreement, all exhibits and schedules thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"**Transfer Agent**" means the current transfer agent of the Company (it being acknowledged that the Company is presently acting as its own transfer agent), and any successor transfer agent of the Company.

"**Underlying Shares**" means the Common Shares issued and issuable pursuant to the terms of the Note and the Warrant Shares, in each case without respect to any limitation or restriction on the conversion of the Notes or exercise of the Warrants.

"**Warrants**" means, collectively, the Common Shares purchase warrants delivered to the Purchasers at the Closing in accordance with Section 2.2(a) hereof, which Warrants shall be exercisable immediately and have a term of exercise equal to five (5) years, in the form of Exhibit E attached hereto.

"**Warrant Shares**" means the Common Shares issuable upon exercise of the Warrants and Pre-Funded Warrants.

ARTICLE II. PURCHASE AND SALE

2.1 Closing. On the Closing Date, upon the terms and subject to the conditions set forth herein, substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Company agrees to sell, and the Purchasers, severally and not jointly, agree to purchase, Notes and Warrants as set forth on each Purchaser's signature page hereto. Each Purchaser shall have delivered to the Escrow Agent pursuant to the instructions contained on Schedule 2.1, via wire transfer or a certified check, immediately available funds equal to such Purchaser's Subscription Amount as set forth on the signature page hereto executed by such Purchaser. Upon the Escrow Agent's receipt of the Minimum Amount and the exchange of items set forth in Section 2.2, the Placement Agent may give notice to the Escrow Agent to arrange an initial Closing. At any Closing hereunder, the Company shall deliver to each Purchaser its respective Note and Warrant, as determined pursuant to Section 2.2(a), and the Company and each Purchaser shall deliver the other items set forth in Section 2.2 deliverable at the Closing. Following the initial Closing where at least the Minimum Amount is sold, subsequent closings may be held up to the sale of the Maximum Amount. Upon satisfaction of the covenants and conditions set forth in Sections 2.2 and 2.3, the Closing shall occur at such location as the parties shall mutually agree. Closings hereunder shall only be held during the Offering Period and in no event shall a Closing occur after the Termination Date.

2.2 Deliveries.

(a) On or prior to the Closing Date, the Company shall deliver or cause to be delivered to the Placement Agent on behalf of each Purchaser the following:

(i) this Agreement duly executed by the Company;

(ii) a Note with a principal amount equal to such Purchaser's Principal Amount, registered in the name of such Purchaser;

(iii) the Subsidiary Guarantee duly executed by each Subsidiary; and

(iv) a Warrant registered in the name of such Purchaser to purchase up to a number of Common Shares equal to the quotient of the Subscription Amount and the Initial Closing Valuation Price, with an exercise price equal to the Exercise Price (as defined in the Warrants).

(b) On or prior to the Closing Date, each Purchaser shall deliver or cause to be delivered to the Company the following:

(i) this Agreement duly executed by such Purchaser;

(ii) such Purchaser's Subscription Amount as to the Closing by wire transfer to the Escrow Agent to the account specified in Schedule 2.1 hereto; and

(iii) such Purchaser's Purchaser Questionnaire in the form of Exhibit F hereto.

2.3 Closing Conditions.

(a) The obligations of the Company hereunder in connection with the Closing are subject to the following conditions being met (or waived in writing by the Company):

(i) the accuracy in all material respects on (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) the Closing Date of the representations and warranties of the Purchasers contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of each Purchaser required to be performed at or prior to the Closing Date shall have been performed; and

(iii) the delivery by each Purchaser of the items set forth in Section 2.2(b) of this Agreement.

(b) The respective obligations of each Purchaser hereunder in connection with the Closing are subject to the following conditions being met (or waived in writing by such Purchaser):

(i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) when made and on the Closing Date of the representations and warranties of the Company contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the Closing Date shall have been performed;

(iii) the delivery by the Company of the items set forth in Section 2.2(a) of this Agreement;

(iv) the Purchaser shall have received opinions from Company US Counsel and/or Company Canadian Counsel with respect to the matters set forth on Exhibit G hereto;

(v) there shall have been no Material Adverse Effect with respect to the Company since the date hereof; and

(vi) the delivery by the Company of a business combination agreement by and between the Company and another entity approved in writing by the Purchaser (which may also include one or more of their respective affiliates or acquisition vehicles), in each such case which has been signed by all of the aforementioned parties.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. The Company hereby makes the following representations and warranties to each Purchaser:

(a) Subsidiaries. All of the direct and indirect subsidiaries of the Company are set forth on Schedule 3.1(a). Except as set forth on Schedule 3.1(a), the Company owns, directly or indirectly, all of the capital stock or other equity interests of each Subsidiary free and clear of any Liens, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities. If the Company has no subsidiaries, all other references to the Subsidiaries or any of them in the Transaction Documents shall be disregarded.

(b) Organization and Qualification. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation nor default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents, except as disclosed on Schedule 3.1(b). Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in a Material Adverse Effect, and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(c) Authorization; Enforcement.

(i) The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company's stockholders in connection herewith or therewith other than in connection with the Required Approvals. This Agreement and each other Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(ii) With respect to the Subsidiary Guarantee, each of the Subsidiaries has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by such agreement and otherwise to carry out its obligations thereunder. The execution and delivery of the Subsidiary Guarantee and the consummation by the Company of the transactions contemplated thereby have been duly authorized by all necessary action on the part of the Company, and no further action is required by the respective Subsidiary, its managers or its members in connection therewith. The Subsidiary Guarantee has been (or upon delivery will have been) duly executed by the respective Subsidiaries and, when delivered in accordance with the terms thereof, will constitute the valid and binding obligation of the respective Subsidiary enforceable against such Subsidiary in accordance with its terms, except (A) as listed by general equitable principals and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (B) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (C) insofar as indemnification and contribution provisions may be limited by applicable law.

(d) No Conflicts. The execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which it is a party, the issuance and sale of the Securities and the consummation by it of the transactions contemplated hereby and thereby do not and will not (i) conflict with or violate any provision of the Company's or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary (except with respect to the transactions contemplated by this Agreement), or give to others any rights of termination, amendment, anti-dilution or similar adjustments, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected except as disclosed on Schedule 3.1(d), or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. Except as disclosed on Schedule 3.1(e), the Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than: (i) the filings required pursuant to Section 4.5 of this Agreement, and (ii) the filing of a Form D with the Commission and such filings as are required to be made under applicable state securities laws (collectively, the "**Required Approvals**").

(f) Issuance of the Securities. The Securities are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents. The Underlying Shares, when issued in accordance with the terms of the Transaction Documents, will be validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents.

(g) Capitalization. The capitalization of the Company as of the date hereof is as set forth in Schedule 3.1(g). No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents, except as disclosed on Schedule 3.1(g). Except as a result of the purchase and sale of the Securities and, as disclosed in the Schedule 3.1(g), there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire, any Common Shares or the capital stock of any Subsidiary, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional Common Shares or Common Shares Equivalents or capital stock of any Subsidiary. Except as set forth on Schedule 3.1(g), the issuance and sale of the Securities will not obligate the Company or any Subsidiary to issue Common Shares or other securities to any Person (other than the Purchasers). Except as set forth on Schedule 3.1(g), there are no outstanding securities or instruments of the Company or any Subsidiary with any provision that adjusts the exercise, conversion, exchange or reset price of such security or instrument upon an issuance of securities by the Company or any Subsidiary. Except as set forth on Schedule 3.1(g), there are no outstanding securities or instruments of the Company or any Subsidiary that contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to redeem a security of the Company or such Subsidiary. The Company does not have any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement. All of the outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. No further approval or authorization of any stockholder, the Board of Directors or others is required for the issuance and sale of the Securities. There are no stockholders agreements, voting agreements or other similar agreements with respect to the Company's capital stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders. For the avoidance of doubt, the Company has not, and shall not, voluntarily grant "most favored nation" treatment or any other rights to its existing securityholders or any other Person in connection with the Offering.

(h) Financial Statements. Schedule 3.1(h) contains a true, accurate, and complete copy of the latest audited financial statements of the Company and encompasses the periods ended June 30, 2022 and 2021, as audited by BDO Canada LLP (the "**Audited Financial Statements**"), as well as a true, accurate, and complete copy of the unaudited condensed consolidated financial statements of the Company for the year ended June 30, 2023, as prepared internally by the Company (the "**Unaudited Financial Statements**"). The Audited Financial Statements comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of the audit. The Audited Financial Statements have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved ("**GAAP**") (except as may be otherwise specified in the Audited Financial Statements or the notes thereto) and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended. To the knowledge of the Company, the Unaudited Financial Statements have been prepared in accordance with GAAP (except as may be otherwise specified in the Unaudited Financial Statements or the notes thereto, and except that the Unaudited Financial Statements may not contain all footnotes required by GAAP) and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended (subject to normal, immaterial, year-end audit adjustments).

(i) Material Changes; Undisclosed Events, Liabilities or Developments. Except as disclosed on Schedule 3.1(i), (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade accounts payables and payroll, (B) liabilities set forth in the Financial Statements and (C) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company stock option plans. The Company does not have pending before the Commission any request for confidential treatment of information.

(j) Litigation. Except as disclosed on Schedule 3.1(j), there is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "**Action**") which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Securities or (ii) could, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any Subsidiary, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the Commission involving the Company or any current or former director or officer of the Company.

(k) Labor Relations. No labor dispute exists or, to the knowledge of the Company, is imminent with respect to any of the employees of the Company, which could reasonably be expected to result in a Material Adverse Effect. None of the Company's or its Subsidiaries' employees is a member of a union that relates to such employee's relationship with the Company or such Subsidiary, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Company and its Subsidiaries believe that their relationships with their employees are good. To the knowledge of the Company, no executive officer of the Company or any Subsidiary, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and the continued employment of each such executive officer does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in compliance with all U.S. federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(l) Compliance. Except as disclosed on Schedule 3.1(l) neither the Company nor any Subsidiary: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or

any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect.

(m) Environmental Laws. The Company and its Subsidiaries (i) are in compliance with all federal, state, local and foreign laws relating to pollution or protection of human health or the environment (including ambient air, surface water, groundwater, land surface or subsurface strata), including laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "**Hazardous Materials**") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands, or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations, issued, entered, promulgated or approved thereunder ("**Environmental Laws**"); (ii) have received all permits licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses; and (iii) are in compliance with all terms and conditions of any such permit, license or approval where in each clause (i), (ii) and (iii), the failure to so comply could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(n) Regulatory Permits. Except as set forth on Schedule 3.1(n), the Company and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses, except where the failure to possess such permits could not reasonably be expected to result in a Material Adverse Effect ("**Material Permits**"), and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.

(o) Title to Assets. Except as set forth on Schedule 3.1(o), the Company and the Subsidiaries have good and marketable title in fee simple to all real property owned by them and good and marketable title in all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens, except for (i) Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries and (ii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made therefor in accordance with GAAP and, the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Company and the Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Company and the Subsidiaries are in compliance.

(p) Intellectual Property. Except as set forth on Schedule 3.1(p), the Company and the Subsidiaries have, or have rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights necessary or required for use in connection with their respective businesses and which the failure to so have could have a Material Adverse Effect (collectively, the "**Intellectual Property Rights**"). Except as set forth on Schedule 3.1(p), neither the Company nor any Subsidiary has received a notice (written or otherwise) that any of, the Intellectual Property Rights has expired, terminated or been abandoned, or is expected to expire or terminate or be abandoned, within two (2) years from the date of this Agreement. Neither the Company nor any Subsidiary has received, as of the date of the Closing, a written notice of a claim or otherwise has any knowledge that the Intellectual Property Rights violate or infringe upon the rights of any Person, except as could not have or reasonably be expected to not have a Material Adverse Effect. To the knowledge of the Company, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights, except as could not have or reasonably be expected to not have a Material Adverse Effect. The Company and its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(q) Insurance. The Company and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Company and the Subsidiaries are engaged, including, but not limited to, directors and officers insurance coverage at least equal to the aggregate Subscription Amount. Neither the Company nor any Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

(r) Transactions with Affiliates and Employees. Except as set forth in Schedule 3.1(r), none of the officers or directors of the Company or any Subsidiary and, to the knowledge of the Company, none of the employees of the Company or any Subsidiary is presently a party to any transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from providing for the borrowing of money from or lending of money to, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee, stockholder, member or partner, other than for (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Company and (iii) other employee benefits, including stock option agreements under any stock option plan of the Company.

(s) Internal Accounting Controls. The Company and the Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(t) Certain Fees. Except with respect to the fees and expenses payable to the Placement Agent as described in Section 5.1 hereto, no brokerage or finder's fees or commissions or other remuneration are or will be payable by the Company or any Subsidiaries directly or indirectly to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents. The Purchasers shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by the Transaction Documents.

(u) Private Placement. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Securities by the Company to the Purchasers as contemplated hereby.

(v) Investment Company. The Company is not, and is not an Affiliate of, and immediately after receipt of payment for the Securities, will not be or be an Affiliate of, an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The Company shall conduct its business in a manner so that it will not become an "investment company" subject to registration under the Investment Company Act of 1940, as amended.

(w) Registration Rights. Except as disclosed on Schedule 3.1(w) and as granted to the Purchasers as provided in Section 4.15 or otherwise in this Agreement, no Person has any right to cause the Company or any Subsidiary to cause the registration under the Securities Act of any securities of the Company or any Subsidiaries.

(x) Application of Takeover Protections. The Company and the Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's certificate of incorporation (or similar charter documents) or the laws of its state of incorporation that is or could become applicable to the Purchasers as a result of the Purchasers and the Company fulfilling their obligations or exercising their rights under the Transaction Documents, including without limitation as a result of the Company's issuance of the Securities and the Purchasers' ownership of the Securities.

(y) Disclosure. All of the disclosure furnished by or on behalf of the Company to the Purchasers regarding the Company and its Subsidiaries, their respective businesses and the transactions contemplated hereby, including the Transaction Documents and disclosure schedules to this Agreement, is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The press releases disseminated by the Company during the twelve (12) months preceding the date of this Agreement taken as a whole do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made and when made, not misleading. The Company acknowledges and agrees that no Purchaser makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3.2 hereof.

(z) No Integrated Offering. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2, neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of (i) the Securities Act which would require the registration of any such securities under the Securities Act, or (ii) any applicable shareholder approval provisions of the Company.

(aa) Solvency. The Company has no knowledge of any facts or circumstances which lead it to believe that it will file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one (1) year from the Closing Date. Schedule 3.1(aa) sets forth as of the date hereof all outstanding secured and unsecured Indebtedness of the Company or any Subsidiary, or for which the Company or any Subsidiary has commitments. For the purposes of this Agreement, "**Indebtedness**" means (x) any liabilities for borrowed money in excess of $50,000 (for the avoidance of doubt, excluding trade accounts payable, payroll and accrued expenses), (y) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others, whether or not the same are or should be reflected in the Company's consolidated balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (z) the present value of any lease payments in excess of $50,000 due under leases required to be capitalized in accordance with GAAP. Except as disclosed on Schedule 3.1(aa), neither the Company nor any Subsidiary is in default with respect to any Indebtedness.

(bb) Tax Status. Except as disclosed on Schedule 3.1(bb) and except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, the Company and its Subsidiaries each (i) has made or filed all United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company or of any Subsidiary know of no basis for any such claim.

(cc) No General Solicitation. Neither the Company nor any Person acting on behalf of the Company has offered or sold any of the Securities by any form of general solicitation or general advertising. The Company has offered the Securities for sale only to the Purchasers and certain other "accredited investors" within the meaning of Rule 501 under the Securities Act.

(dd) Foreign Corrupt Practices. Neither the Company nor any Subsidiary, nor to the knowledge of the Company or any Subsidiary, any agent or other person acting on behalf of the Company or any Subsidiary, has (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company or any Subsidiary (or made by any person acting on its behalf of which the Company is aware) which is in violation of law or (iv) violated in any material respect any provision of FCPA.

(ee) Accountants. The Company's accounting firm is BDO USA, LLP, with offices located at Royal Centre, 1055 W Georgia St. Unit 1100, Vancouver, BC V6E 3P3, Canada.

(ff) Acknowledgment Regarding Purchasers' Purchase of Securities. The Company acknowledges and agrees that each of the Purchasers is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated thereby. The Company further acknowledges that no Purchaser is acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by any Purchaser or any of their respective representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to the Purchasers' purchase of the Securities. The Company further represents to each Purchaser that the Company's decision to enter into this Agreement and the other Transaction Documents has been based solely on the independent evaluation of the transactions contemplated hereby by the Company and its representatives.

(gg) Acknowledgment Regarding Purchaser's Trading Activity. Anything in this Agreement or elsewhere herein to the contrary notwithstanding, it is understood and acknowledged by the Company that: (i) none of the Purchasers has been asked by the Company to agree, nor has any Purchaser agreed, to desist from purchasing or selling, long and/or short, securities of the Company, or "derivative" securities based on securities issued by the Company or to hold the Securities for any specified term, (ii) past or future open market or other transactions by any Purchaser, specifically including, without limitation, Short Sales or "derivative" transactions, before or after the closing of this or future private placement transactions, may negatively impact the market price of the Company's publicly-traded securities, (iii) any Purchaser, and counter-parties in "derivative" transactions to which any such Purchaser is a party, directly or indirectly, may presently have a "short" position in the Common Shares and (iv) each Purchaser shall not be deemed to have any affiliation with or control over any arm's length counter-party in any "derivative" transaction. The Company further understands and acknowledges that (y) one or more Purchasers may engage in hedging activities at various times during the period that the

Securities are outstanding, including, without limitation, during the periods that the value of the Underlying Shares deliverable with respect to Securities are being determined, and (z) such hedging activities (if any) could reduce the value of the existing stockholders' equity interests in the Company at and after the time that the hedging activities are being conducted. The Company acknowledges that such aforementioned hedging activities do not constitute a breach of any of the Transaction Documents.

(hh) Regulation M Compliance. The Company has not, and to its knowledge no one acting on its behalf has, (i) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Securities, or (ii) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of the Company, other than, in the case of clause (i) and (ii), compensation paid to the Company's placement agent in connection with the placement of the Securities.

(ii) Stock Option Plans. Each stock option granted by the Company under the Company's stock option plan was granted (i) in accordance with the terms of the Company's stock option plan and (ii) with an exercise price at least equal to the fair market value of the Common Shares on the date such stock option would be considered granted under GAAP and applicable law. No stock option granted under the Company's stock option plan has been backdated. The Company has not knowingly granted, and there is no and has been no Company policy or practice to knowingly grant, stock options prior to, or otherwise knowingly coordinate the grant of stock options with, the release or other public announcement of material information regarding the Company or its Subsidiaries or their financial results or prospects.

(jj) Office of Foreign Assets Control. Neither the Company nor any Subsidiary nor, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**").

(kk) U.S. Real Property Holding Corporation. The Company is not and has never been a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Company shall so certify upon Purchaser's request.

(ll) Bank Holding Company Act. Neither the Company nor any of its Subsidiaries or Affiliates is subject to the Bank Holding Company Act of 1956, as amended (the "**BHCA**") and to regulation by the Board of Governors of the Federal Reserve System (the "**Federal Reserve**"). Neither the Company nor any of its Subsidiaries or Affiliates owns or controls, directly or indirectly, five percent (5%) or more of the outstanding shares of any class of voting securities or twenty-five percent or more of the total equity of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. Neither the Company nor any of its Subsidiaries or Affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.

(mm) Money Laundering. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record- keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "**Money Laundering Laws**"), and no Action or Proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge of the Company or any Subsidiary, threatened.

(nn) No Disqualification Events. With respect to the Securities to be offered and sold hereunder in reliance on Rule 506 under the Securities Act, none of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the offering hereunder, any beneficial owner of twenty percent (20%) or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of sale (each, an "**Issuer Covered Person**" and, together, "**Issuer Covered Persons**") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "**Disqualification Event**"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to the Purchasers a copy of any disclosures provided thereunder.

(oo) Other Covered Persons. The Company is not aware of any person (other than any Issuer Covered Person and the Placement Agent) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Securities.

(pp) Notice of Disqualification Events. The Company will notify the Purchasers in writing, prior to the Closing Date of (i) any Disqualification Event relating to any Issuer Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person

(qq) No Other Brokers; No Solicitation. Except with respect to Joseph Gunnar & Co., LLC, a registered broker-dealer, the Company has taken no action which would give rise to any claim by any person for brokerage commissions, transaction fees or similar payments relating to this Agreement or the transactions contemplated hereby. The Company represents and warrants that neither the Purchasers nor its employee(s), member(s), beneficial owner(s), or partner(s) solicited the Company to enter into this Agreement and consummate the transactions described in this Agreement. The Company represents and warrants that neither the Purchasers nor its employee(s), member(s), beneficial owner(s), or partner(s) is required to be registered as a broker-dealer under the Securities Exchange Act of 1934 in order to (i) enter into or consummate the transactions encompassed by the Transaction Documents, (ii) fulfill the Purchasers' obligations under the Transaction Documents, or (iii) exercise any of the Purchasers' rights under the Transaction Documents (including but not limited to the sale of the Securities).

3.2 Representations and Warranties of the Purchasers. Each Purchaser, for itself and for no other Purchaser, hereby represents and warrants as of the date hereof and as of the Closing Date to the Company as follows (unless as of a specific date therein, in which case they shall be accurate as of such date):

(a) Organization; Authority. Such Purchaser is either an individual or an entity duly incorporated or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership, limited liability company or similar power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by such Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate, partnership, limited liability company or similar action, as applicable, on the part of such Purchaser. Each Transaction Document to which it is a

party has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Own Account. Such Purchaser understands that the Securities are "restricted securities" and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling such Securities or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any of such Securities in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Securities in violation of the Securities Act or any applicable state securities law (this representation and warranty not limiting such Purchaser's right to sell the Securities pursuant to a registration statement covering the resale of such security or otherwise in compliance with applicable federal and state securities laws). Such Purchaser is acquiring the Securities hereunder in the ordinary course of its business.

(c) Purchaser Status. At the time such Purchaser was offered the Securities, it was, and as of the date hereof it is, an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act.

(d) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(e) General Solicitation. Such Purchaser is not, to such Purchaser's knowledge, purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or, to the knowledge of such Purchaser, any other general solicitation or general advertisement.

(f) Access to Information. Such Purchaser acknowledges that it has had the opportunity to review the Transaction Documents (including all exhibits and schedules thereto) and has been afforded (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of the offering of the Securities and the merits and risks of investing in the Securities; (ii) access to information about the Company and its financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment, and the investor presentation attached as Exhibit H to this Agreement and term sheet attached as Exhibit I to this Agreement; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment.

The Company acknowledges and agrees that the representations contained in this Section 3.2 shall not modify, amend or affect such Purchaser's right to rely on the Company's representations and warranties contained in this Agreement or any representations and warranties contained in any other Transaction Document or any other document or instrument executed and/or delivered in connection with this Agreement or the consummation of the transactions contemplated hereby. Notwithstanding the foregoing, for the avoidance of doubt, nothing contained herein shall constitute a representation or warranty, or preclude any actions, with respect to locating or borrowing shares in order to effect Short Sales or similar transactions in the future.

ARTICLE IV.
OTHER AGREEMENTS OF THE PARTIES

4.1 Transfer Restrictions.

(a) The Securities may only be disposed of in compliance with United States state and federal securities laws, the securities law of Canada and the constating documents of the Company. The Purchaser acknowledges and agrees that the Securities are being offered in a transaction not involving any public offering within the meaning of the Securities Act and that the Securities have not been registered under the Securities Act or qualified for distribution to the public under applicable securities laws in Canada. The Company is not a "reporting issuer" as defined in the *Securities Act* (British Columbia) or the equivalent in any jurisdiction of Canada and, accordingly, the Securities will be subject to resale restrictions under applicable Canadian securities laws, including National Instrument 45-1–02 - *Resale of Securities*. In connection with any transfer of Securities other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of a Purchaser or in connection with a pledge as contemplated in Section 4.1(b), the Company may– require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement, and shall have the rights and obligations of a Purchaser under this Agreement.

(b) The Purchasers agree to the imprinting, so long as is required by this Section 4.1, of a legend on any of the Securities in the following form:

[NEITHER] THIS SECURITY [NOR THE SECURITIES INTO WHICH THIS SECURITY IS [EXERCISABLE] [CONVERTIBLE] HAS [NOT] BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE " **SECURITIES ACT**"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY [AND THE SECURITIES ISSUABLE UPON [EXERCISE] [CONVERSION] OF THIS SECURITY] MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN " **ACCREDITED INVESTOR**" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY [AND THE SECURITIES INTO WHICH THIS SECURITY IS [EXERCISABLE] [CONVERTIBLE]] MUST NOT TRADE THE SECURITY [OR THE SECURITIES INTO WHICH THIS SECURITY IS [EXERCISABLE] [CONVERTIBLE]] BEFORE THE DATE THAT IS FOUR MONTHS AND ONE DAY AFTER THE LATER OF (I) THE CLOSING DATE, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY CANADIAN PROVINCE OR TERRITORY.

The Company acknowledges and agrees that a Purchaser may from time-to-time pledge pursuant to a bona fide margin agreement with a registered broker-dealer or grant a security interest in some or all of the Securities to a financial institution that is an "accredited investor" as defined in Rule 501(a) under the Securities Act and, if required under the terms of such arrangement, such Purchaser may transfer pledged or secured Securities to the pledgees or secured parties. Such a pledge or transfer would not be subject to approval of the Company and no legal opinion of legal counsel of the pledgee, secured party or pledgor shall be required in connection therewith. Further, no notice shall be required of such pledge. At the appropriate Purchaser's expense, the Company will execute and deliver such reasonable documentation as a pledgee or secured party of Securities may reasonably request in connection with a pledge or transfer of the Securities, including, if the Securities

have been registered for resale pursuant to a registration statement, the preparation and filing of any required prospectus supplement under Rule 424(b)(3) under the Securities Act or other applicable provision of the Securities Act to appropriately amend the list of selling stockholders thereunder.

(c) Certificates (which, for all purposes in this Agreement, may be book-entry security entitlements representing Common Shares) evidencing the Underlying Shares shall not contain any legend (including the legend set forth in Section 4.1(b) hereof): (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of such Underlying Shares pursuant to Rule 144, or (iii) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission), except as may be required pursuant to Canadian securities laws. The Company shall, at its expense to the extent reasonable, cause its counsel (or if the Company does not so cause its counsel, counsel as may be determined by such Purchaser) to issue a legal opinion to the Transfer Agent or the Purchaser promptly if required by the Transfer Agent to effect the removal of the legend hereunder, or if requested by a Purchaser, respectively subject to compliance with the Securities Act, Rule 144 and/or Canadian securities laws (for the avoidance of doubt, the Company shall pay all reasonable costs associated with such opinions). If all or any portion of a Note is converted or Warrant is exercised at a time when there is an effective registration statement to cover the resale of the Underlying Shares, if such Underlying Shares may be sold under Rule 144, or if such legend is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission), then such Underlying Shares shall be issued free of all legends, subject to applicable Canadian securities laws. The Company agrees that at such time as such legend is no longer required under this Section 4.1(c), it will, no later than two (2) Business Days following the delivery by a Purchaser to the Company or the Transfer Agent of a certificate representing Underlying Shares, as applicable, issued with a restrictive legend (such date, the "**Legend Removal Date**"), deliver or cause to be delivered to such Purchaser a certificate representing such shares that is free from all restrictive and other legends. The Company may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this Section 4. Certificates for Underlying Shares subject to legend removal hereunder shall be transmitted by the Transfer Agent to the Purchaser by crediting the account of the Purchaser's prime broker with the Depository Trust Company System as directed by such Purchaser, if such option is available.

(d) Each Purchaser, severally and not jointly with the other Purchasers, agrees with the Company that such Purchaser will sell any Securities pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and that if Securities are sold pursuant to a registration statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing Securities as set forth in this Section 4.1 is predicated upon the Company's reliance upon this understanding.

4.2 Furnishing of Information. Until the earlier of the date on which no Purchaser owns Securities and the date on which the Company or any successor thereto becomes subject to the reporting requirements of the Exchange Act, the Company covenants to furnish to each Purchaser:

(a) as soon as practicable, but no later than 120 days after the end of each fiscal year of the Company, (A) a balance sheet as of the end of such fiscal year, (B) a profit and loss statement as of the end of such fiscal year, (C) a statement of cash flows of the Company as of the end of such fiscal year, and (D) a statement of stockholders' equity as of the end of such fiscal year, all prepared in accordance with GAAP and audited and certified by an recognized accounting firm that is a PCAOB qualified auditor, commencing with the 2024 fiscal year;

(b) as soon as practicable, but not later than thirty (30) days after each fiscal quarter of the Company, quarterly reports of management of the Company generally describing the status of the Company and its operations, including but not limited to material Company events from that quarter (except that such reports may (A) be subject to normal year-end auditing adjustments, and (B) not contain all notes thereto that may be required in accordance with GAAP, as required);

(c) as soon as practicable, after a change of more than ten percent (10%) of the stock ownership of the Company, a statement showing the number of shares of each class and series of capital stock and securities convertible into or exercisable for shares of capital stock outstanding at the end of the period, the Common Shares issuable upon conversion or exercise of any outstanding securities convertible or exercisable for Common Shares and the exchange ratio or exercise price applicable thereto, and the number of shares of issued stock options and stock options not yet issued but reserved for issuance, if any, all in sufficient detail as to permit the Purchasers to calculate their respective percentage equity ownership in the Company, and certified by the Chief Executive Officer or senior finance officer of the Company as being true, complete, and correct; and

(d) such other information relating to the financial condition, business, or corporate affairs of the Company as the Majority Purchasers (as defined in this Agreement) may from time-to-time reasonably request.

4.3 Integration. The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Securities in a manner that would require the registration under the Securities Act of the sale of the Securities or that would be integrated with the offer or sale of the Securities for purposes of the rules and regulations of any Trading Market such that it would require shareholder approval prior to the closing of such other transaction unless shareholder approval is obtained before the closing of such subsequent transaction.

4.4 Conversion and Exercise Procedures.

(a) Automatic Conversion – Public Company Event. As further described in the Note, upon the closing of a Public Company Event (or, in the case of a direct listing, upon the date which is ten (10) trading days following the date of the direct listing), the Outstanding Amount shall automatically be converted into such number of Listed Securities obtained by dividing the Outstanding Amount by the lesser of (i) the then applicable Conversion Price or (ii) Public Company Event Conversion Price.

(b) Voluntary Conversion . The Purchaser shall have the right, at any time when an Event of Default (as defined in the Note) exists and remains uncured, to convert all or any portion of the Outstanding Amount into fully paid and non-assessable Common Shares, as such Common Shares exist on the Issue Date, or any shares of capital stock or other securities of the Company into which such Common Shares shall hereafter be changed or reclassified, at the Default Conversion Price (as defined in the Note).

(c) Process. Each of the form of Notice of Conversion included in the Notes and the form of Notice of Exercise included in the Warrants set forth the totality of the procedures required of the Purchasers in order to convert the Notes or exercise the Warrants. Without limiting the preceding sentences, no ink-original Notice of Conversion or Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Conversion or Notice of Exercise form be required in order to convert the Notes or exercise the Warrants. No additional legal opinion, other information or instructions shall be required of the Purchasers to convert their Notes or exercise their Warrants. The Company shall honor conversions of the Notes and exercises of the Warrants, and shall deliver Underlying Shares in accordance with the terms, conditions, and time periods set forth in the Transaction Documents.

4.5 Publicity. The Company and each Purchaser shall consult with each other in issuing any other press releases with respect to the transactions contemplated hereby,

and neither the Company nor any Purchaser shall issue any such press release nor otherwise make any such public statement without the prior consent of the Company, with respect to any press release of any Purchaser, or without the prior consent of each Purchaser, with respect to any press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication (except with respect to filings with the Commission by the Company). Notwithstanding the foregoing, the Company shall not publicly disclose the name of any Purchaser, or include the name of any Purchaser in any filing with the Commission or any regulatory agency or Trading Market, without the prior written consent of such Purchaser, except (a) as required by federal securities law in connection with the filing of final Transaction Documents with the Commission and (b) to the extent such disclosure is required by law or Trading Market regulations, in which case the Company shall provide the Purchasers with prior notice of such disclosure permitted under this clause (b).

4.6 Shareholder Rights Plan. No claim will be made or enforced by the Company or, with the consent of the Company, any other Person, that any Purchaser is an "**Acquiring Person**" under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Company, or that any Purchaser could be deemed to trigger the provisions of any such plan or arrangement, by virtue of receiving Securities under the Transaction Documents or under any other agreement between the Company and the Purchasers.

4.7 Use of Proceeds. The Company shall use the net proceeds from the sale of the Securities hereunder for working capital and other general corporate purposes, as well as going- public transactions, and shall not use such proceeds for any other purpose, including but not limited to: (a) the satisfaction of any portion of the Company's Indebtedness, including but not limited to related party Indebtedness or Indebtedness in favor of officers, directors and management or their Affiliates, (b) the redemption of any Common Shares, (c) in violation of FCPA or OFAC regulations or (d) to lend, give credit or make advances to any officers, directors, employees or affiliates of the Company.

4.8 Indemnification of Purchasers. Subject to the provisions of this Section 4.8, the Company will indemnify and hold each Purchaser and its directors, officers, shareholders, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls such Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a "**Purchaser Party**") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any such Purchaser Party may suffer or incur as a result of or relating to (a) any material breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents or (b) any action instituted against the Purchaser Parties in any capacity by any stockholder of the Company who is not an Affiliate of such Purchaser Party, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is solely based upon a material breach of such Purchaser Party's representations, warranties or covenants under the Transaction Documents or any agreements or understandings such Purchaser Party may have with any such stockholder or any violations by such Purchaser Party of state or federal securities laws or any conduct by such Purchaser Party which constitutes fraud, gross negligence or willful misconduct). If any action shall be brought against any Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, such Purchaser Party shall promptly notify the Company in writing, and the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of counsel, a material conflict on any material issue between the position of the Company and the position of such Purchaser Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The Company will not be liable to any Purchaser Party under this Agreement (i) for any settlement by a Purchaser Party effected without the Company's prior written consent, which shall not be unreasonably withheld or delayed; or (ii) to the extent, but only to the extent that a loss, claim, damage or liability is attributable to (a) any Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by such Purchaser Party in this Agreement or in the other Transaction Documents or (b) any Purchaser Party's violation of any law. The indemnification required by this Section 4.8 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred. The indemnity agreements contained herein shall be in addition to any cause of action or similar right of any Purchaser Party against the Company or others and any liabilities the Company may be subject to pursuant to law.

4.9 Participation in Future Financing.

(a) From the date hereof until the earlier of (i) the date that twelve (12) months after the Closing Date or (ii) the date that the respective Purchaser no longer beneficially owns its Note, upon any issuance by the Company or any of its Subsidiaries of Common Shares or Common Share Equivalents for consideration, excluding any issuance of Common Shares or Common Share Equivalents pursuant to the terms of any existing outstanding securities of the Company (a "**Subsequent Financing**"), the Purchasers shall, in the aggregate, have the right to participate in up to an amount of the Subsequent Financing equal to twenty-five percent (25%) of the Subsequent Financing (the "**Participation Maximum**") on the same terms, conditions and price provided for in the Subsequent Financing. With respect to the Participation Maximum, each individual Purchaser shall have the right to participate in an amount equal to the pro-rata percentage of such Purchaser's then outstanding principal amount of its Note as compared to the then outstanding principal amount of the Notes of all other Purchasers.

(b) Between the time period of 4:00 pm (New York City time) and 6:00 pm (New York City time) on the Business Day immediately prior to the Business Day of the expected announcement of the Subsequent Financing (or, if the Business Day of the expected announcement of the Subsequent Financing is the first Business Day following a holiday or a weekend (including a holiday weekend), between the time period of 4:00 pm (New York City time) on the Business Day immediately prior to such holiday or weekend and 2:00 pm (New York City time) on the day immediately prior to the Business Day of the expected announcement of the Subsequent Financing), the Company shall deliver to each Purchaser a written notice of the Company's intention to effect a Subsequent Financing (a "**Subsequent Financing Notice**"), which notice shall describe in reasonable detail the proposed terms of such Subsequent Financing, the amount of proceeds intended to be raised thereunder and the Person or Persons through or with whom such Subsequent Financing is proposed to be effected and shall include a term sheet and transaction documents relating thereto as an attachment.

(c) Any Purchaser desiring to participate in such Subsequent Financing must provide written notice to the Company by 6:30 am (New York City time) on the Business Day following the date on which the Subsequent Financing Notice is delivered to such Purchaser (the "**Notice Termination Time**") that such Purchaser is willing to participate in the Subsequent Financing, the amount of such Purchaser's participation, and representing and warranting that such Purchaser has such funds ready, willing, and available for investment on the terms set forth in the Subsequent Financing Notice. If the Company receives no such notice from a Purchaser as of such Notice Termination Time, such Purchaser shall be deemed to have notified the Company that it does not elect to participate in such Subsequent Financing.

(d) If, by the Notice Termination Time, notifications by the Purchasers of their willingness to participate in the Subsequent Financing (or to cause their designees to participate) is, in the aggregate, less than the total amount of the Subsequent Financing, then the Company may impact the remaining portion of such Subsequent Financing on the terms and with the Persons set forth in the Subsequent Financing Notice.

(e) The Company must provide the Purchasers with a second Subsequent Financing Notice, and the Purchasers will again have the right of participation set forth above in this Section 4.9, if the definitive agreement related to the initial Subsequent Financing Notice is not entered into for any reason on the terms set forth in such Subsequent Financing Notice within five (5) Business Days after the date of delivery of the initial Subsequent Financing Notice.

(f) The Company and each Purchaser agree that, if any Purchaser elects to participate in the Subsequent Financing, the transaction documents related to the Subsequent Financing shall not include any term or provision that, directly or indirectly, will, or is intended to, exclude one or more of the Purchasers from participating in a Subsequent Financing, including, but not limited to, provisions whereby such Purchaser shall be required to agree to any restrictions on trading as to any of the Securities purchased hereunder or be required to consent to any amendment to or termination of, or grant any waiver, release or the like under or in connection with, this Agreement, without the prior written consent of such Purchaser.

(g) Notwithstanding anything to the contrary in this Section 4.9 and unless otherwise agreed to by such Purchaser, if the Common Shares are then quoted or listed on a Trading Market, then the Company shall either confirm in writing to such Purchaser that the transaction with respect to the Subsequent Financing has been abandoned or shall publicly disclose its intention to issue the securities in the Subsequent Financing, in either case in such a manner such that such Purchaser will not be in possession of any material, non-public information, by 9:30 am (New York City time) on the fifth (5^{th}) Trading Day following the date of delivery of the Subsequent Financing Notice. If by 9:30 am (New York City time) on such fifth (5^{th}) Trading Day, no public disclosure regarding a transaction with respect to the Subsequent Financing has been made, and no notice regarding the abandonment of such transaction has been received by such Purchaser, such transaction shall be deemed to have been abandoned and such Purchaser shall not be deemed to be in possession of any material, non-public information with respect to the Company or any of its Subsidiaries.

(h) Notwithstanding the foregoing, this Section 4.9 shall not apply in respect of an Exempt Issuance or a Public Company Event.

4.10 Most Favored Nation. While the Note or any principal amount, interest or fees or expenses due thereunder remain outstanding and unpaid, the Company shall not enter into any public or private offering of its securities (including securities convertible into Common Shares) with any individual or entity (an "**Other Investor**") that has the effect of establishing rights or otherwise benefiting such Other Investor in a manner more favorable in any material respect to such Other Investor (even if the Other Investor does not receive the benefit of such more favorable term until a default occurs under such other security) than the rights and benefits established in favor of the Purchaser by this Agreement or the Note unless, in any such case, the Purchaser has been provided with such rights and benefits pursuant to a definitive written agreement or agreements between the Company and the Purchaser.

4.11 Equal Treatment of Purchasers. No consideration (including any modification of any Transaction Document) shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of the Transaction Documents unless the same consideration is also offered to all of the parties to such Transaction Documents. Further, the Company shall not make any payment of principal or interest on the Notes in amounts which are disproportionate to the respective principal amounts outstanding on the Notes at any applicable time. For clarification purposes, this provision constitutes a separate right granted to each Purchaser by the Company and negotiated separately by each Purchaser, and is intended for the Company to treat the Purchasers as a class and shall not in any way be construed as the Purchasers acting in concert or as a group with respect to the purchase, disposition or voting of Securities or otherwise.

4.12 Form D; Blue Sky Filings. The Company agrees to timely file a Form D with respect to the Securities as required under Regulation D and to provide a copy thereof, promptly upon request of any Purchaser. The Company shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the Securities for, sale to the Purchasers at the Closing under applicable securities or "Blue Sky" laws of the states of the United States, and shall provide evidence of such actions promptly upon request of any Purchaser.

4.13 D&O Lock-Up. On the date of this Agreement, the Company covenants and agrees to cause each of the members of the Company's Board of Directors and executive officers to enter into the Lock-Up Agreement.

4.14 Board Observer. At any time when a Purchaser, together with its permitted transferees, holds one or more Notes with an outstanding principal amount of at least $5,000,000, such Purchaser shall have the right to appoint one individual to serve as an observer (the "**Board Observer**") on the Board of Directors of the Company (the "**Board**"); provided, however, that the selection of the Board Observer shall be subject to the prior written consent of the Company, such consent not to be unreasonably withheld (it being understood and agreed that the Board Observer shall not be a member of the Board). The Board Observer shall be subject to the rights and responsibilities as set forth in this Section 4.14. The Company shall invite the Board Observer to attend all meetings of Board in a nonvoting observer capacity and, in this respect, and subject to the Board Observer's having informed the Company that it wishes to attend, the Company shall give the Board Observer copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided, however, that the Board Observer shall agree to hold in confidence and trust and to act in a fiduciary manner with respect to all information so provided; and provided further, that Company shall have the right to withhold any information and to exclude the Board Observer from any meeting or portion thereof if (A) access to such information or attendance at such meeting could adversely affect the attorney-client privilege between Company and its counsel; (B) result in disclosure of trade secrets or a conflict of interest; or (C) if the Company is advised by legal counsel that such exclusion is required in connection with the fiduciary or other duties or obligations of the Board, provided that in such case the Company shall notify the Board Observer in writing that information has been so withheld from the Board Observer (provided that, for the avoidance of doubt, such information shall not be required to be provided to the Board Observer). For the avoidance of doubt, this Section 4.14 shall automatically terminate upon the occurrence of a Public Company Event, and any Board Observer in existence at such time shall have no further observation or other rights pursuant to this Section 4.14.

4.15 Registration Rights.

(a) Registration Statement. Promptly, but in any event no later than thirty (30) calendar days from the occurrence of a Public Company Event (the "**Filing Deadline**"), the Company shall prepare and file with the SEC a Registration Statement covering the resale of all of the Registrable Securities. The foregoing Registration Statement shall be filed on Form S-1 or Form S-3 or equivalent or any successor forms thereto. The Registration Statement (and each amendment or supplement thereto, and each request for acceleration of effectiveness thereof) shall be provided to the Purchasers and its counsel at least five (5) Business Days prior to its filing or other submission and the Company shall incorporate all reasonable comments provided by the Purchasers or its counsel.

(b) Expenses. Except as otherwise expressly provided herein, the Company will pay all fees and expenses incident to the performance of or compliance with this Section 4.15, including all fees and expenses associated with effecting the registration of the Registrable Securities, including all filing and printing fees, the Company's counsel and accounting fees and expenses, costs associated with clearing the Registrable Securities for sale under applicable state securities laws, listing fees, fees and

expenses of one counsel to the Purchasers and the Purchaser's reasonable expenses in connection with the registration, but excluding discounts, commissions, fees of underwriters, selling brokers, dealer managers or similar securities industry professionals with respect to the Registrable Securities being sold.

(c) Effectiveness. The Company shall use its commercially reasonable efforts to have the Registration Statement declared effective as soon as practicable after filing thereof but in no event later than the date that is one hundred twenty (120) days following the occurrence of a Public Company Event (the "**Effectiveness Deadline**"). The Company shall notify the Purchaser by e-mail as promptly as practicable, and in any event, within twenty-four (24) hours, after the Registration Statement is declared effective and shall simultaneously provide the Purchaser with copies of any related Prospectus to be used in connection with the sale or other disposition of the securities covered thereby.

(d) Piggyback Registration Rights. In addition to the aforementioned registration rights, if the Company at any time determines to file a registration statement under the Securities Act to register the offer and sale, by the Company, of Common Shares (other than on (x) Form S-8 under the Securities Act, or any successor forms thereto or (y) a registration of securities solely relating to an offering and sale to employees or directors of the Company pursuant to any employee stock plan or other employee benefit plan arrangements), the Company shall, as soon as reasonably practicable, give written notice to the Purchasers of its intention to so register the offer and sale of Common Shares and, upon the written request, given within five (5) Business Days after delivery of any such notice by the Company, of the Purchasers to include in such registration the Registrable Securities, the Company shall cause all such Registrable Securities to be included in such registration statement on the same terms and conditions as the Common Shares otherwise being sold pursuant to such registered offering.

(e) Additional Obligations. The Company will use its commercially efforts to effect the registration of the Registrable Securities in accordance with the terms hereof, and pursuant thereto the Company will, as expeditiously as possible:

(i) use its commercially reasonable efforts to cause the Registration Statement to become effective and to remain continuously effective for a period that will terminate upon the first date on which all Registrable Securities are either covered by the Registration Statement or may be sold without restriction, including volume or manner-of-sale restrictions, pursuant to Rule 144 or have been sold by the Purchasers (the "**Effectiveness Period**") and advise the Purchasers in writing when the Effectiveness Period has expired;

(ii) prepare and file with the SEC such amendments and post-effective amendments and supplements to the Registration Statement and the Prospectus as may be necessary to keep the Registration Statement effective for the Effectiveness Period and to comply with the provisions of the Securities Act and the Exchange Act with respect to the distribution of all of the Registrable Securities covered thereby;

(iii) provide copies to and permit counsel designated by the Purchasers to review all amendments and supplements to the Registration Statement no fewer than three (3) Business Days prior to its filing with the SEC and not file any document to which such counsel reasonably objects;

(iv) furnish to the Purchasers and its legal counsel, without charge, (i) promptly after the same is prepared and publicly distributed, filed with the SEC, or received by the Company (but not later than two (2) Business Days after the filing date, receipt date or sending date, as the case may be) one copy of the Registration Statement and any amendment thereto, each preliminary prospectus and Prospectus and each amendment or supplement thereto, and each letter written by or on behalf of the Company to the SEC or the staff of the SEC, and each item of correspondence from the SEC or the staff of the SEC, in each case relating to the Registration Statement (other than any portion of any thereof which contains information for which the Company has sought confidential treatment), and (ii) such number of copies of a Prospectus, including a preliminary prospectus, and all amendments and supplements thereto and such other documents as the Purchasers may reasonably request in order to facilitate the disposition of the Registrable Securities that are covered by the related Registration Statement;

(v) immediately notify the Purchasers of any request by the SEC for the amending or supplementing of the Registration Statement or Prospectus or for additional information;

(vi) use its commercially reasonable efforts to (i) prevent the issuance of any stop order or other suspension of effectiveness and, (ii) if such order is issued, obtain the withdrawal of any such order at the earliest possible moment and notify the Company of the issuance of any such order and the resolution thereof, or its receipt of notice of the initiation or threat of any proceeding for such purpose;

(vii) prior to any public offering of Registrable Securities, use its commercially reasonable efforts to register or qualify or cooperate with the Purchasers and its counsel in connection with the registration or qualification of such Registrable Securities for offer and sale under the securities or blue sky laws of such jurisdictions requested by the Purchasers and do any and all other commercially reasonable acts or things necessary or advisable to enable the distribution in such jurisdictions of the Purchasers covered by the Registration Statement and the Company shall promptly notify the Purchasers of any notification with respect to the suspension of the registration or qualification of any of such Registrable Securities for sale under the securities or blue sky laws of such jurisdictions or its receipt of notice of the initiation or threat of any proceeding for such purpose;

(viii) immediately notify the Purchasers, at any time prior to the end of the Effectiveness Period, upon discovery that, or upon the happening of any event as a result of which, the Registration Statement or Prospectus includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of the Prospectus, in light of the circumstances in which they were made), and promptly prepare, file with the SEC and furnish to such holder a supplement to or an amendment of such Registration Statement or Prospectus as may be necessary so that such Registration Statement or Prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of such Prospectus, in light of the circumstances in which they were made;

(ix) otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the SEC under the Securities Act and the Exchange Act; and

(x) take all other reasonable actions necessary to expedite and facilitate disposition by the Purchasers of all Registrable Securities pursuant to the Registration Statement.

(f) Cutbacks.

(i) Notwithstanding the registration obligations set forth in this Section 4.15, if the SEC informs the Company that all of the Registrable Securities cannot, as a result of the application of Rule 415 promulgated under the Securities Act or otherwise, be registered for resale as a secondary offering on a single registration statement, the Company agrees to promptly inform the Purchasers and use its commercially reasonable efforts to file amendments to any effective Registration Statements (or file separate Registration Statements) as required by the SEC, covering the maximum number of Registrable Securities permitted to be registered by the SEC, on Form S-1

(or if available, Form S-3) to register for resale the Registrable Securities as a secondary offering; *provided, however*, that prior to filing such amendment, the Company shall be obligated to use commercially reasonable efforts to advocate with the SEC for the registration of all of the Registrable Securities in accordance with applicable SEC guidance, including without limitation, Compliance and Disclosure Interpretation 612.09.

(ii) Notwithstanding any other provision of this Section 4.15, if the SEC sets forth a limitation on the number of Registrable Securities permitted to be registered on a particular Registration Statement as a secondary offering, the number of Registrable Securities to be registered on such Registration Statement will be reduced by reducing or eliminating any securities to be included other than Registrable Securities. In the event of such a cutback, the Company shall give the Purchasers at least five (5) calendar days prior written notice along with the calculations as to the Purchaser's allotment. In the event the Company amends the Registration Statement in accordance with the foregoing, the Company will use its commercially reasonable efforts to file with the SEC, as promptly as allowed by the SEC or applicable SEC guidance provided to the Company or to registrants of securities in general, one or more registration statements on Form S-1 (or if available, Form S-3) to register for resale those Registrable Securities that were not previously registered for resale.

(g) Indemnification.

(i) Indemnification by the Company. The Company will indemnify and hold harmless each Purchaser Party, from and against any losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation ("**Losses**") to which they may become subject under the Securities Act or otherwise, arising out of, relating to or based upon: (i) any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement, any preliminary Prospectus, final Prospectus or other document, including any Blue Sky Application (as defined below), or any amendment or supplement thereof or any omission or alleged omission of a material fact required to be stated therein or, in the case of the Registration Statement, necessary to make the statements therein not misleading or, in the case of any preliminary Prospectus, final Prospectus or other document, necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; (ii) any Blue Sky Application or other document executed by the Company specifically for that purpose or based upon written information furnished by the Company filed in any state or other jurisdiction in order to qualify any or all of the Registrable Securities under the securities Laws thereof (any such application, document or information herein called a "**Blue Sky Application**"); (iii) any violation or alleged violation by the Company or its agents of the Securities Act, the Exchange Act or any similar federal or state law or any rule or regulation promulgated thereunder applicable to the Company or its agents and relating to any action or inaction required of the Company in connection with the registration or the offer or sale of the Registrable Securities pursuant to any Registration Statement; or (iv) any failure to register or qualify the Registrable Securities included in any such Registration Statement in any state where the Company or its agents has affirmatively undertaken or agreed in writing that the Company will undertake such registration or qualification on the Purchasers behalf and will reimburse each Purchaser Party for any legal or other expenses reasonably incurred by them in connection with investigating, preparing or defending any such Losses; provided, however, that the Company will not be liable in any such case if and to the extent, but only to the extent, that any such Losses arise out of or are based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished by the Purchasers or any such controlling Person in writing specifically for use in such Registration Statement or Prospectus.

(ii) Conduct of Indemnification Proceedings. Any Person entitled to indemnification hereunder shall (i) give prompt notice to the indemnifying party of any claim, action, suit or proceeding with respect to which it seeks indemnification following such Person's receipt of, or such Person otherwise become aware of, the commencement of such claim, action, suit or proceeding and (ii) permit such indemnifying party to assume the defense of such claim, action, suit or proceeding with counsel reasonably satisfactory to the indemnified party; provided, however, that any Person entitled to indemnification hereunder shall have the right to employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such Person unless (A) the indemnifying party has agreed to pay such fees or expenses, (B) the indemnifying party shall have failed to assume the defense of such claim and employ counsel reasonably satisfactory to such Person or (C) in the reasonable judgment of any such Person, based upon written advice of its counsel, a conflict of interest exists between such Person and the indemnifying party with respect to such claims (in which case, if the Person notifies the indemnifying party in writing that such Person elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such claim on behalf of such Person); and provided, further, that the failure or delay of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations hereunder, except to the extent that such failure or delay to give notice shall materially adversely affect the indemnifying party in the defense of any such claim or litigation. It is understood that the indemnifying party shall not, in connection with any proceeding in the same jurisdiction, be liable for fees or expenses of more than one separate firm of attorneys at any time for all such indemnified parties. No indemnifying party will, except with the consent of the indemnified party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect of such claim or litigation.

(iii) Contribution. If for any reason the indemnification provided for in the preceding paragraph (ii) is unavailable to an indemnified party or insufficient to hold it harmless, other than as expressly specified therein, the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such Losses in such proportion as is appropriate to reflect the relative fault of the indemnified party and the indemnifying party, as well as any other relevant equitable considerations. No Person guilty of fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act shall be entitled to contribution from any Person not guilty of such fraudulent misrepresentation. The indemnity and contribution agreements contained in this Section 4.15(g)(iii) are in addition to any other rights or remedies that any indemnified party may have under applicable law, by separate agreement or otherwise.

(h) Effect of Failure to File and Maintain Effectiveness of any Registration Statement. In addition to any other remedies provided under the Transaction Documents, if (i) the Registration Statement covering the resale of all of the Registrable Securities required to be covered thereby and required to be filed by the Company pursuant to this Section 4.15 is (a) not filed with the SEC on or before the Filing Deadline (a "**Filing Failure**") or (b) not declared effective on or before the Effectiveness Deadline, (ii) on any day after the effective date of a Registration Statement sales of all of the Registrable Securities required to be included on such Registration Statement cannot be made pursuant to such Registration Statement (including, without limitation, because of a failure to keep such Registration Statement effective, a failure to disclose such information as is necessary for sales to be made pursuant to such Registration Statement, a suspension or delisting of (or a failure to timely list) the Common Shares on a Trading Market, or a failure to register a sufficient number of Common Shares or by reason of a stop order, but excluding any failure of the Company to register all of the Registrable Securities required to be included on such Registration Statement as a result of the application of Rule 415 promulgated under the Securities Act) or the prospectus contained therein is not available for use for any reason (a "**Maintenance Failure**"), other than the period of time where the Registration Statement is not effective due to a post-effective amendment filing to the Registration Statement after an Annual Report on Form 10-K is filed, or (iii) if the Company fails to file with the SEC any required reports under Section 13 or 15(d) of the Exchange Act such that it is not in compliance with Rule 144(c)(1) (or Rule 144(i)(2), if applicable) (a "**Current Public Information Failure**") as a result of which the Purchasers are unable to sell those Registrable Securities included in such Registration Statement without restriction

under Rule 144 (including, without limitation, volume restrictions), then, as partial relief for the damages to any holder by reason of any such delay in, or reduction of, its ability to sell the underlying Common Shares (which remedy shall not be exclusive of any other remedies available at law or in equity), the Company shall pay to the Purchasers an amount in cash equal to two percent (2.0%) of the aggregate Subscription Amount of the Offering (provided that no such liquidated damages shall accrue as to any Registrable Security from and after the earlier of the date such security is no longer a Registrable Security and the expiration of the Effectiveness Period): (1) on the date of such Filing Failure, Maintenance Failure or Current Public Information Failure, as applicable, and (2) on every thirty (30) calendar day anniversary of (I) a Filing Failure until such Filing Failure is cured; (II) a Maintenance Failure until such Maintenance Failure is cured; and (III) a Current Public Information Failure until the earlier of (i) the date such Current Public Information Failure is cured and (ii) such time that such public information is no longer required pursuant to Rule 144 (in each case, pro-rated for periods totaling less than thirty (30) days). The payments to which Purchasers shall be entitled pursuant to this Section 4.15(h) are referred to herein as "**Registration Delay Payments**." Following the initial Registration Delay Payment for any particular event or failure (which shall be paid on the date of such event or failure, as set forth above), without limiting the foregoing, if an event or failure giving rise to the Registration Delay Payments is cured prior to any thirty (30) calendar day anniversary of such event or failure, then such Registration Delay Payment shall be made on the third (3rd) Trading Day after such cure. Notwithstanding the foregoing, (i) no single event or failure with respect to a particular Registration Statement shall give rise to more than one type of Registration Delay Payment with respect to such Registration Statement, (ii) no Registration Delay Payments shall be owed to the Purchasers (with respect to any period during which all of Registrable Securities may be sold by the Purchasers without restriction under Rule 144 (including, without limitation, volume restrictions) and without the need for current public information required by Rule 144(c)(1) (or Rule 144(i)(2), if applicable), and (iii) with respect to any Registrable Securities excluded from a Registration Statement by election of the Purchaser.

(i) Reverse Merger Registration. If the Company consummates a Reverse Merger and any securities to be received by the securityholders of the Company in connection with the Reverse Merger are to be registered under a Securities Act registration statement (including pursuant to a Form S-4 or Form F-4) (the "**Reverse Merger Registration Statement**"), then to the maximum extent permitted by applicable law (including, but not limited to, the Securities Act and the rules and regulations promulgated thereunder), the Company shall cause all Registrable Securities to be registered for immediate resale at prevailing market prices under such Reverse Merger Registration Statement. In addition to any other remedies provided under the Transaction Documents, if the Company fails to comply with this Section 4.15(i), then the Company shall pay to the Purchasers an amount in cash equal to eight percent (8.0%) of the aggregate Subscription Amount. For the avoidance of doubt, to the extent the Registrable Securities are, and remain, registered pursuant to this Section 4.15(i), the obligations of the Company to file a registration statement pursuant to Section 4.15(a) shall not apply.

(j) Purchaser Lock-Up. In connection with the Public Company Event, the Purchaser agrees to enter into a customary lock-up agreement with respect to the Underlying Shares upon the reasonable request of the Placement Agent.

(k) Key Securityholder Lock-Up. In connection with the Public Company Event, the Company (pursuant to a reasonable request of the underwriter(s) or financial advisor, as applicable) shall use commercially reasonable best efforts to cause all Key Securityholders (except any Key Securityholders that are already subject to the Lock-Up Agreement as provided in this Agreement) to enter into customary lock-up agreements with respect to all of the Common Shares or "derivative" securities beneficially held by such Key Securityholders. As used herein, "**Key Securityholders**" means every Person beneficially holding greater than five percent (5.0%) of the Company's outstanding Common Shares, where holders of "derivative" securities shall be deemed to hold the underlying Common Shares.

ARTICLE V.
MISCELLANEOUS

5.1 Fees and Expenses. Except as expressly set forth in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all Transfer Agent fees (including, without limitation, any fees required for processing of any instruction letter delivered by the Company and any conversion delivered by a Purchaser pursuant to the terms of the Notes), stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Purchasers. In addition, Joseph Gunnar & Co., LLC is acting as placement agent for this private offering pursuant to a placement agency agreement with the Company and will receive cash and warrant compensation on amounts closed on pursuant to this Agreement, as well as an expense reimbursement from the Company, including, but not limited to, reimbursement of up to US$100,000 for its legal fees and expenses unless and until the aggregate gross proceeds amount from Closings of the placement exceeds US$5,000,000, provided, further, that the reimbursement expenses shall not exceed US$150,000 unless and until the aggregate gross proceeds amount from the placement exceeds US$10,000,000, provided further, however, that the reimbursement expenses shall not exceed US$200,000 in any event without the prior written consent of the Company.

5.2 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.3 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the time of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment at the email address as set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Business Day, (b) the next Business Day after the time of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment as set forth on the signature pages attached hereto on a day that is not a Business Day or later than 5:30 p.m. (New York City time) on any Business Day, (c) the second (2^{nd}) Business Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto. To the extent that any notice provided pursuant to any Transaction Document constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, and at such time the Common Shares are quoted or listed on a Trading Market, then the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K.

5.4 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and Purchasers holding at least 50.01% in interest of the Notes (the "**Majority Purchasers**") at the time of the respective amendment or modification, provided that if any amendment, modification or waiver disproportionately and adversely impacts a Purchaser (or group of Purchasers), the consent of such disproportionately impacted Purchaser (or group of Purchasers) shall also be required. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right. Any proposed amendment or waiver that disproportionately, materially and adversely affects the rights and obligations of any Purchaser relative to the comparable rights and obligations of the other Purchasers shall require the prior written consent of such adversely affected Purchaser. Any amendment effected in accordance with this Section 5.4 shall be binding upon each Purchaser and holder of Securities and the Company.

5.5 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of each Purchaser (other than by merger). Any Purchaser may assign any or all of its rights under this Agreement to any Person to whom such Purchaser assigns or transfers any Securities, provided that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the "Purchasers" and neither the transferee nor any officer, director, member,

or affiliate of the transferee would be deemed a "bad actor" as covered by Rule 506(d) of the Securities Act of 1933, as amended.

5.7 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.8. Notwithstanding the foregoing, the Placement Agent shall be deemed a third-party beneficiary of the representations and warranties of the Company as contained in Section 3.1 of this Agreement and shall have the right to enforce such provisions directly to the extent it may deem such enforcement necessary or advisable to protect its rights.

5.8 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal Proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in New York, New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in New York, New York for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any Action or Proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such Action or Proceeding is improper or is an inconvenient venue for such Proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such Action or Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If any party shall commence an Action or Proceeding to enforce any provisions of the Transaction Documents, then, in addition to the obligations of the Company under Section 4.9, the prevailing party in such Action or Proceeding shall be reimbursed by the non-prevailing party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Action or Proceeding.

5.9 Survival. The representations and warranties contained herein shall survive the Closing and the delivery of the Securities.

5.10 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page was an original thereof.

5.11 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

5.12 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) any of the other Transaction Documents, whenever any Purchaser exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then such Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights; provided, however, that, in the case of a rescission of a conversion of a Note or exercise of a Warrant, the terms of the Note or Warrants as applicable will control.

5.13 Replacement of Securities. If any certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction. The applicant for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity) associated with the issuance of such replacement Securities.

5.14 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchasers and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any Action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.15 Payment Set Aside. To the extent that the (a) Company makes a payment or payments to the Purchaser hereunder, pursuant to the Note, or pursuant to any other agreement, certificate, instrument or document contemplated hereby or thereby, or (b) the Purchaser enforces or exercises its rights hereunder, pursuant to the Note, or pursuant to any other agreement, certificate, instrument or document contemplated hereby or thereby, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof (including but not limited to the sale of the Securities) are for any reason (i) subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, or disgorged by the Purchaser, or (ii) are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver, government entity, or any other person or entity under any law (including, without limitation, any bankruptcy law, foreign, state or federal law, common law or equitable cause of action), then (A) to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred and (B) to the extent permitted by applicable law, the Company shall immediately pay to the Purchaser a dollar amount equal to the amount that was for any reason (1) subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, or disgorged by the Purchaser, or (2) required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver, government entity, or any other person or entity under any law (including, without limitation, any bankruptcy law, foreign, state or federal law, common law or equitable cause of action).

5.16 Usury. To the extent it may lawfully do so, the Company hereby agrees not to insist upon or plead or in any manner whatsoever claim, and will resist any and all efforts to be compelled to take the benefit or advantage of, usury laws wherever enacted, now or at any time hereafter in force, in connection with any Action or Proceeding that may be brought by any Purchaser in order to enforce any right or remedy under any Transaction Document. Notwithstanding any provision to the contrary contained in any

Transaction Document, it is expressly agreed and provided that the total liability of the Company under the Transaction Documents for payments in the nature of interest shall not exceed the maximum lawful rate authorized under applicable law (the "**Maximum Rate**"), and, without limiting the foregoing, in no event shall any rate of interest or default interest, or both of them, when aggregated with any other sums in the nature of interest that the Company may be obligated to pay under the Transaction Documents exceed such Maximum Rate. It is agreed that if the maximum contract rate of interest allowed by law and applicable to the Transaction Documents is increased or decreased by statute or any official governmental action subsequent to the date hereof, the new maximum contract rate of interest allowed by law will be the Maximum Rate applicable to the Transaction Documents from the effective date thereof forward, unless such application is precluded by applicable law. If under any circumstances whatsoever, interest in excess of the Maximum Rate is paid by the Company to any Purchaser with respect to indebtedness evidenced by the Transaction Documents, such excess shall be applied by such Purchaser to the unpaid principal balance of any such indebtedness or be refunded to the Company, the manner of handling such excess to be at such Purchaser's election.

5.17 Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser under any Transaction Document are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance or non- performance of the obligations of any other Purchaser under any Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Purchaser pursuant hereto or thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. Each Purchaser shall be entitled to independently protect and enforce its rights, including, without limitation, the rights arising out of this Agreement or out of the other Transaction Documents, and it shall not be necessary for any other Purchaser to be joined as an additional party in any Proceeding for such purpose. Each Purchaser has been represented by its own separate legal counsel in its review and negotiation of the Transaction Documents. The Company has elected to provide all Purchasers with the same terms and Transaction Documents for the convenience of the Company and not because it was required or requested to do so by any of the Purchasers. It is expressly understood and agreed that each provision contained in this Agreement and in each other Transaction Document is between the Company and a Purchaser, solely, and not between the Company and the Purchasers collectively and not between and among the Purchasers.

5.18 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

5.19 Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

5.20 Electronic Signature. This Agreement may be executed and delivered in one or more counterparts (including by facsimile or electronic mail or in .pdf or any other form of electronic delivery (including any electronic signature complying with U.S. federal ESIGN Act of 2000)) and by different parties in separate counterparts, with the same effect as if all parties hereto had signed the same document. All counterparts so executed and delivered shall be construed together and shall constitute one and the same agreement.

5.21 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto. In addition, each and every reference to share prices and Common Shares in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Shares that occur after the date of this Agreement.

5.22 Personal Information. The Purchasers consents to the collection by the Company of personal information about the Purchaser (as defined under applicable privacy laws, the "**Personal Information**") for the purpose of completing the transactions contemplated by this Agreement. The Purchaser consents to the Company retaining the Personal Information for as long as permitted or required by law or business practices. The Purchaser acknowledges that the Company may use the Personal Information: (i) internally (for the purpose of managing the relationship between and contractual obligations of the Company and the Purchaser); (ii) for income tax-related purposes; (iii) to demonstrate compliance with securities laws; and (iv) in record books prepared in respect of the offering of the securities contemplated in this Agreement. The Purchaser acknowledges that the Company may disclose the Personal Information: (i) to the Canada Revenue Agency; (ii) to professional advisers of the Company in connection with the performance of their professional services; (iii) as required by securities regulatory authorities, stock exchanges and other regulatory bodies; (iv) to a governmental or other authority to which the disclosure is required by court order or subpoena compelling that disclosure (if there is no reasonable alternative to that disclosure); (v) to a court determining the rights of the parties under this Agreement; (vi) to any other parties involved in the offering of the securities contemplated in this Agreement, including legal counsel; (vii) to the Company's registrar and transfer agent (if applicable); and (viii) as otherwise required or permitted by law. The Purchaser consents to the use and disclosure of the Personal Information set out in this Section 5.22 and agrees to furnish to the Company any additional information as may be required and requested by the Company in order to file a Form 45-106F1 – Report of Exempt Distribution under applicable Canadian securities laws.

If the Purchaser is an individual, the Purchaser authorizes the indirect collection of the Personal Information by the securities regulatory authority or regulator (each as defined in National Instrument 14-101 Definitions) and confirms that the Purchaser has been notified by the Company: (i) that the Company will be delivering the Personal Information to the securities regulatory authority or regulator; (ii) that the Personal Information is being collected by the securities regulatory authority or regulator under the authority granted in applicable securities laws; (iii) that the Personal Information is being collected for the purposes of the administration and enforcement of applicable securities laws; and (iv) that the title, business address and business telephone number of the public official who can answer questions about the securities regulatory authority's or regulator's indirect collection of the Personal Information is as set out below.

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

5.23 WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.

(Signature Pages Beginning with Page 45 Following)

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

DAMON MOTORS INC.

Address for Notice:
Damon Motors Inc.
704 Alexander Street
Vancouver, British Columbia V6A 1E3 Canada
Email: Mike.G@Damon.com

By: _____
Name: Mike Galbraith
Title: Chief Financial Officer

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

Dorsey & Whitney LLP
161 Bay Street, Suite 4310
Toronto, ON M5J 2S1625
Attn: Richard Raymer
Email: Raymer.Richard@Dorsey.com

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOR PURCHASER FOLLOWS]

[PURCHASER SIGNATURE PAGES TO DAMON SECURITIES PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Purchaser: _____

Signature of Authorized Signatory of Purchaser: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Email Address of Authorized Signatory: _____

Facsimile Number of Authorized Signatory: _____

Address for Notice to Purchaser:

Address for Delivery of Securities to Purchaser (if not same as address for notice):

Subscription Amount: $ _____

Principal Amount (*Subscription Amount*): $ _____

Warrant Shares: _____

EIN Number: _____

[SIGNATURE PAGES CONTINUE]

Exhibit A

Form of D&2 Lock-Up Agreement

(see attached)

LOCK-UP AGREEMENT

June 9, 2023

Each Purchaser referenced below

Re: Securities Purchase Agreement, dated as of June 9, 2023 (the "Purchase Agreement"), by and among Damon Motors Inc., a British Columbia company (the "Company") and the purchaser signatory thereto (each, a "Purchaser" and, collectively, the "Purchasers")

Ladies and Gentlemen:

The undersigned irrevocably agrees with the Company that, from the date of the consummation of a Public Company Event (as defined below) (such date, the "Trigger Date") until the six-month anniversary of the Trigger Date (such period, the "Restriction Period"), the undersigned will not offer, sell, contract to sell, hypothecate, pledge or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the undersigned or any Affiliate (as defined in the Purchase Agreement) of the undersigned, directly or indirectly, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), with respect to, any common shares of the Company or securities convertible, exchangeable or exercisable into, common shares of the Company beneficially owned, held or hereafter acquired by the undersigned (the "Securities"). Beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act. In order to enforce this covenant, the Company shall impose irrevocable stop-transfer instructions preventing the transfer agent of the Company from effecting any actions in violation of this letter agreement. As used herein, "Public Company Event" means a transaction or series of related transactions (including a firm commitment, underwritten public offering, a "direct listing" or a reverse merger of the Company with a publicly reporting corporation), in any case which results in the common shares of the Company (or any other class of common equity of the Company or any successor to the Company) being listed on the NYSE American, the New York Stock Exchange, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, or any other national securities exchange (or any successors to any of the foregoing).

Notwithstanding the foregoing, and subject to the conditions below, the undersigned may transfer the Securities provided that (1) the Company receives a signed lock-up agreement (in the form of this letter agreement) for the balance of the Restriction Period from each trustee, distributee, or transferee, as the case may be, prior to such transfer, (2) any such transfer shall not involve a disposition for value, (3) such transfer is not required to be reported with the Securities and Exchange Commission in accordance with the Exchange Act (and no report of such transfer shall be made voluntarily, and (4) neither the undersigned nor any trustee, distributee or transferee, as the case may be, otherwise voluntarily effects any public filing or report regarding such transfers, with respect to transfers:

i. to any immediate family member or to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned (for purposes of this letter agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin);

ii. to any corporation, partnership, limited liability company, or other business entity all of the equity holders of which consist of the undersigned and/or the immediate family of the undersigned; or

iii. by will, other testamentary document or intestate succession to the legal representative, heir, beneficiary or a member of the immediate family of the undersigned.

In addition, notwithstanding the foregoing, this letter agreement shall not restrict the delivery of common shares of the Company to the undersigned upon the exercise of options, warrants, convertible preferred shares or other derivative securities; provided that such common shares are subject to the restrictions set forth in this letter agreement.

The undersigned acknowledges that the execution, delivery and performance of this letter agreement is a material inducement to each Purchaser to perform under the Purchase Agreement and that each Purchaser (which shall be a third-party beneficiary of this letter agreement) and the Company shall be entitled to specific performance of the undersigned's obligations hereunder. The undersigned hereby represents that the undersigned has the power and authority to execute, deliver and perform this letter agreement, that the undersigned has received adequate consideration therefor and that the undersigned will indirectly benefit from the closing of the transactions contemplated by the Purchase Agreement.

This letter agreement may not be amended or otherwise modified in any respect without the written consent of each of the Company, at least a majority in interest of the Notes (as defined in the Purchase Agreement) at the time of the respective amendment or modification, and the undersigned. This letter agreement shall be construed and enforced in accordance with the laws of the State of New York without regard to the principles of conflict of laws. The undersigned hereby irrevocably submits to the exclusive jurisdiction of the United States District Court sitting in the Southern District of New York and the courts of the State of New York located in Manhattan, for the purposes of any suit, action or proceeding arising out of or relating to this letter agreement, and hereby waives, and agrees not to assert in any such suit, action or proceeding, any claim that (i) it is not personally subject to the jurisdiction of such court, (ii) the suit, action or proceeding is brought in an inconvenient forum, or (iii) the venue of the suit, action or proceeding is improper. The undersigned hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by receiving a copy thereof sent to the Company at the address in effect for notices to it under the Purchase Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. The undersigned hereby waives any right to a trial by jury. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. The undersigned agrees and understands that this letter agreement does not intend to create any relationship between the undersigned and each Purchaser and that no issuance or sale of the Securities is created or intended by virtue of this letter agreement.

This letter agreement shall be binding on successors and assigns of the undersigned with respect to the Securities and any such successor or assign shall enter into a similar agreement for the benefit of the Purchasers.

[Signature Page 5 Follows]

This letter agreement may be executed in two or more counterparts, all of which when taken together may be considered one and the same agreement.

Signature

Print Name

Position in Company

Address for Notice:

Number of common shares

Number of common shares
underlying subject to warrants, options,
debentures or other convertible securities

By signing below, the Company agrees to enforce the restrictions on transfer set forth in this letter agreement.

DAMON MOTORS INC.

By:
Name:
Title:

Exhibit B

Form of Convertible Promissory Note

(see attached)

Exhibit C

None.

Exhibit D

Form of Subsidiary Guarantee

(see attached)

SUBSIDIARY GUARANTEE

SUBSIDIARY GUARANTEE, dated as of _____, 2023 (this "Guarantee"), made by each of the signatories hereto (together with any other entity that may become a party hereto as provided herein, the "Guarantors"), in favor of the purchasers signatory (together with their permitted assigns, the "Purchasers") to that certain Securities Purchase Agreement, dated as of the date hereof, by and among DAMON MOTORS INC., a British Columbia company (the "Company") and the Purchasers.

W I T N E S S E T H:

WHEREAS, pursuant to that certain Securities Purchase Agreement, dated as of the date hereof, by and among the Company and the Purchasers (the "Purchase Agreement"), the Company has agreed to sell and issue to the Purchasers, and the Purchasers have agreed to purchase from the Company the Notes, subject to the terms and conditions set forth therein; and

WHEREAS, each Guarantor will directly benefit from the extension of credit to the Company represented by the issuance of the Notes; and

NOW, THEREFORE, in consideration of the premises and to induce the Purchasers to enter into the Purchase Agreement and to carry out the transactions contemplated thereby; each Guarantor hereby agrees with the Purchasers as follows:

1. Definitions. Unless otherwise defined herein, terms defined in the Purchase Agreement and used herein shall have the meanings given to them in the Purchase Agreement. The words "hereof," "herein," "hereto" and "hereunder" and words of similar import when used in this Guarantee shall refer to this Guarantee as a whole and not to any particular provision of this Guarantee, and Section and Schedule references are to this Guarantee unless otherwise specified. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms. The following terms shall have the following meanings:

"Guarantee" means this Subsidiary Guarantee, as the same may be amended, supplemented or otherwise modified from time to time.

"Obligations" means, in addition to all other reasonable costs and expenses of collection incurred by Purchasers in enforcing any of such Obligations and/or this Guarantee, all of the liabilities and obligations (primary, secondary, direct, contingent, sole, joint or several) due or to become due, or that are now or may be hereafter contracted or acquired, or owing to, of the Company or any Guarantor to the Purchasers, including, without limitation, all obligations under this Guarantee, the Notes, the Warrants, and any other instruments, agreements or other documents executed and/or delivered in connection herewith or therewith, in each case, whether now or hereafter existing, voluntary or involuntary, direct or indirect, absolute or contingent, liquidated or unliquidated, whether or not jointly owed with others, and whether or not from time to time decreased or extinguished and later increased, created or incurred, and all or any portion of such obligations or liabilities that are paid, to the extent all or any part of such payment is avoided or recovered directly or indirectly from any of the Purchasers as a preference, fraudulent transfer or otherwise as such obligations may be amended, supplemented, converted, extended or modified from time to time. Without limiting the generality of the foregoing, the term "Obligations" shall include, without limitation: (i) principal of, and interest on the Notes and the loans extended pursuant thereto and all amounts owed under the Warrants; (ii) any and all other fees, indemnities, costs, obligations and liabilities of the Company or any Guarantor from time to time under or in connection with this Guarantee, the Notes and any other instruments, agreements or other documents executed and/or delivered in connection herewith or therewith; and (iii) all amounts (including but not limited to post-petition interest) in respect of the foregoing that would be payable but for the fact that the obligations to pay such amounts are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Company or any Guarantor.

2. Guarantee.

(a) Guarantee.

(i) The Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantee to the Purchasers and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations.

(ii) Anything herein or in any other Transaction Document to the contrary notwithstanding, the maximum liability of each Guarantor hereunder and under the other Transaction Documents shall in no event exceed the amount which can be guaranteed by such Guarantor under applicable federal and state laws, including laws relating to the insolvency of debtors, fraudulent conveyance or transfer or laws affecting the rights of creditors generally (after giving effect to the right of contribution established in Section 2(b)).

(iii) Each Guarantor agrees that the Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing the guarantee contained in this Section 2 or affecting the rights and remedies of the Purchasers hereunder.

(iv) The guarantee contained in this Section 2 shall remain in full force and effect until all the Obligations and the obligations of each Guarantor under the guarantee contained in this Section 2 shall have been satisfied by indefeasible payment in full.

(v) No payment made by the Company, any of the Guarantors, any other guarantor or any other Person or received or collected by the Purchasers from the Company, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Obligations or any payment received or collected from such Guarantor in respect of the Obligations), remain liable for the Obligations up to the maximum liability of such Guarantor hereunder until the Obligations are indefeasibly paid in full.

(vi) Notwithstanding anything to the contrary in this Guarantee, with respect to any defaulted non-monetary Obligations the specific performance of which by the Guarantors is not reasonably possible (e.g. the issuance of the Company's Common Stock), the Guarantors shall only be liable for making the Purchasers whole on a monetary basis for the Company's failure to perform such Obligations in accordance with the Transaction Documents.

(b) Right of Contribution. Subject to Section 2(c), each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 2(c). The provisions of this Section 2(b) shall in no respect limit the obligations and liabilities of any Guarantor to the Purchasers and each Guarantor shall remain liable to the Purchasers for the full amount guaranteed by such Guarantor hereunder.

(c) No Subrogation. Notwithstanding any payment made by any Guarantor hereunder or any set-off or application of funds of any Guarantor by the Purchasers, no Guarantor shall be entitled to be subrogated to any of the rights of the Purchasers against the Company or any other Guarantor or any collateral security or guarantee or right of offset held by the Purchasers for the payment of the Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Company or any other Guarantor in respect of payments made by such Guarantor hereunder, until all amounts owing to the Purchasers by the Company on account of the Obligations are indefeasibly paid in full. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full, such amount shall be held by such Guarantor in trust for the Purchasers, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Purchasers in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Purchasers, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Purchasers may determine.

(d) Amendments, Etc. With Respect to the Obligations. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Obligations made by the Purchasers may be rescinded by the Purchasers and any of the Obligations continued, and the Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Purchasers, and the Purchase Agreement and the other Transaction Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Purchasers may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Purchasers for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. The Purchasers shall have no obligation to protect, secure, perfect or insure any Lien at any time held by them as security for the Obligations or for the guarantee contained in this Section 2 or any property subject thereto.

(e) Guarantee Absolute and Unconditional. Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Purchasers upon the guarantee contained in this Section 2 or acceptance of the guarantee contained in this Section 2; the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the

guarantee contained in this Section 2; and all dealings between the Company and any of the Guarantors, on the one hand, and the Purchasers, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 2. Each Guarantor waives to the extent permitted by law diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Company or any of the Guarantors with respect to the Obligations. Each Guarantor understands and agrees that the guarantee contained in this Section 2 shall be construed as a continuing, absolute and unconditional guarantee of payment and performance without regard to (a) the validity or enforceability of the Purchase Agreement or any other Transaction Document, any of the Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Purchasers, (b) any defense, set-off or counterclaim (other than a defense of payment or performance or fraud by Purchasers) which may at any time be available to or be asserted by the Company or any other Person against the Purchasers, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Company or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Company for the Obligations, or of such Guarantor under the guarantee contained in this Section 2, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, the Purchasers may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as they may have against the Company, any other Guarantor or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Purchasers to make any such demand, to pursue such other rights or remedies or to collect any payments from the Company, any other Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Company, any other Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Purchasers against any Guarantor. For the purposes hereof, "demand" shall include the commencement and continuance of any legal proceedings.

(f) Reinstatement. The guarantee contained in this Section 2 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Purchasers upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Company or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Company or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

(g) Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Purchasers without set-off or counterclaim in U.S. dollars at the address set forth or referred to in the Signature Pages to the Purchase Agreement.

3. Representations and Warranties. Each Guarantor hereby makes the following representations and warranties to Purchasers as of the date hereof:

(a) Organization and Qualification. The Guarantor is duly organized, validly existing and in good standing under the laws of the applicable jurisdiction set forth on Schedule 1, with the requisite corporate power and authority to own and use its properties and assets and to carry on its business as currently conducted. The Guarantor has no subsidiaries other than those identified as such on the Disclosure Schedules to the Purchase Agreement. The Guarantor is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not, individually or in the aggregate, (x) adversely affect the legality, validity or enforceability of any of this Guaranty in any material respect, (y) have a material adverse effect on the results of operations, assets, or financial condition of the Guarantor or (z) adversely impair in any material respect the Guarantor's ability to perform fully on a timely basis its obligations under this Guaranty (a "Material Adverse Effect").

(b) Authorization; Enforcement. The Guarantor has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Guaranty, and otherwise to carry out its obligations hereunder. The execution and delivery of this Guaranty by the Guarantor and the consummation by it of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of the Guarantor. This Guaranty has been duly executed and delivered by the Guarantor and constitutes the valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application.

(c) No Conflicts. Except as disclosed in the Disclosure Schedules to the Purchase Agreement, the execution, delivery and performance of this Guaranty by the Guarantor and the consummation by the Guarantor of the transactions contemplated thereby do not and will not (i) conflict with or violate any provision of its Certificate of Incorporation or By-laws or (ii) conflict with, constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Guarantor is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Guarantor is subject (including Federal and State securities laws and regulations), or by which any material property or asset of the Guarantor is bound or affected, except in the case of each of clauses (ii) and (iii), such conflicts, defaults, terminations, amendments, accelerations, cancellations and violations as could not, individually or in the aggregate, have or result in a Material Adverse Effect. The business of the Guarantor is not being conducted in violation of any law, ordinance or regulation of any governmental authority, except for violations which, individually or in the aggregate, do not have a Material Adverse Effect.

(d) Consents and Approvals. Except as disclosed in the Disclosure Schedules to the Purchase Agreement, the Guarantor is not required to obtain any consent, waiver, authorization or order of, or make any filing or registration with, any court or other federal, state, local, foreign or other governmental authority or other person in connection with the execution, delivery and performance by the Guarantor of this Guaranty.

(e) Purchase Agreement. The representations and warranties of the Company set forth in the Purchase Agreement as they relate to such Guarantor, each of which is hereby incorporated herein by reference, are true and correct as of each time such representations are deemed to be made pursuant to such Purchase Agreement, and the Purchasers shall be entitled to rely on each of them as if they were fully set forth herein, provided that each reference in each such representation and warranty to the Company's knowledge shall, for the purposes of this Section 3, be deemed to be a reference to such Guarantor's knowledge.

4. Covenants.

(a) Each Guarantor covenants and agrees with the Purchasers that, from and after the date of this Guarantee until the Obligations shall have been indefeasibly paid in full, such Guarantor shall take, and/or shall refrain from taking, as the case may be, each commercially reasonable action that is necessary to be taken or not

taken, as the case may be, so that no Event of Default (as defined in the Notes) (each an "Event of Default") is caused by the failure to take such action or to refrain from taking such action by such Guarantor.

(b) So long as any of the Obligations are outstanding, unless Purchasers holding at least 67% of the aggregate principal amount of the then outstanding Notes shall otherwise consent in writing, each Guarantor will not directly or indirectly on or after the date of this Guarantee:

i. other than Permitted Indebtedness (as defined in the Note), enter into, create, incur, assume or suffer to exist any indebtedness for borrowed money of any kind, including but not limited to, a guarantee, on or with respect to any of its property or assets now owned or hereafter acquired or any interest therein or any income or profits therefrom;

ii. other than Permitted Indebtedness (as defined in the Note), enter into, create, incur, assume or suffer to exist any liens of any kind, on or with respect to any of its property or assets now owned or hereafter acquired or any interest therein or any income or profits therefrom;

iii. amend its certificate of incorporation, bylaws or other charter documents so as to adversely affect any rights of any Purchaser;

iv. repay, repurchase or offer to repay, repurchase or otherwise acquire more than a de minimis number of shares of its securities or debt obligations;

v. pay cash dividends on any equity securities of the Company;

vi. enter into any transaction with any Affiliate of the Guarantor unless such transaction is made on an arm's-length basis and expressly approved by a majority of the disinterested directors of the Company (even if less than a quorum otherwise required for board approval); or

vii. enter into any agreement with respect to any of the foregoing.

5. Miscellaneous.

(a) Amendments in Writing. None of the terms or provisions of this Guarantee may be waived, amended, supplemented or otherwise modified except in writing by the Purchasers holding at least 67% of the aggregate principal amount of the then outstanding Notes.

(b) Notices. All notices, requests and demands to or upon the Purchasers or any Guarantor hereunder shall be effected in the manner provided for in the Purchase Agreement, provided that any such notice, request or demand to or upon any Guarantor shall be addressed to such Guarantor at its notice address set forth on Schedule 5(b).

(c) No Waiver by Course of Conduct; Cumulative Remedies. The Purchasers shall not by any act (except by a written instrument pursuant to Section 5(a)), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any default under the Transaction Documents or Event of Default. No failure to exercise, nor any delay in exercising, on the part of the Purchasers, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Purchasers of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Purchasers would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

(d) Enforcement Expenses; Indemnification.

(i) Each Guarantor agrees to pay, or reimburse the Purchasers for, all its costs and expenses to the extent reasonable incurred in collecting against such Guarantor under the guarantee contained in Section 2 or otherwise enforcing or preserving any rights under this Guarantee and the other Transaction Documents to which such Guarantor is a party, including, without limitation, the reasonable fees and disbursements of counsel to the Purchasers.

(ii) Each Guarantor agrees to pay, and to save the Purchasers harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes (not including income taxes) which may be payable or determined to be payable in connection with any of the transactions contemplated by this Guarantee.

(iii) Each Guarantor agrees to pay, and to save the Purchasers harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Guarantee to the extent the Company would be required to do so pursuant to the Purchase Agreement.

(iv) The agreements in this Section shall survive repayment of the Obligations and all other amounts payable under the Purchase Agreement and the other Transaction Documents.

(e) Successor and Assigns. This Guarantee shall be binding upon the successors and assigns of each Guarantor and shall inure to the benefit of the Purchasers and their respective successors and assigns; provided that no Guarantor may assign, transfer or delegate any of its rights or obligations under this Guarantee without the prior written consent of the Purchasers, Company, and Guarantors (and any such assignment or transfer in violation of the aforementioned provision shall be void).

(f) Set-Off. Each Guarantor hereby irrevocably authorizes the Purchasers at any time and from time to time while an Event of Default under any of the Transaction Documents shall have occurred and be continuing, without notice to such Guarantor or any other Guarantor, any such notice being expressly waived by each Guarantor, to set-off and appropriate and apply any and all deposits, credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Purchasers to or for the credit or the account of such Guarantor, or any part thereof in such amounts as the Purchasers may elect, against and on account of the obligations and liabilities of such Guarantor to the Purchasers hereunder and claims of every nature and description of the Purchasers against such Guarantor, in any currency, whether arising hereunder, under the Purchase Agreement, any other Transaction Document or otherwise, as the Purchasers may elect, whether or not the Purchasers have made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. The Purchasers shall notify such Guarantor promptly of any such set-off and the application made by the Purchasers of the proceeds thereof, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Purchasers under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Purchasers may have.

(g) Counterparts. This Guarantee may be executed by one or more of the parties to this Guarantee on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

(h) Severability. Any provision of this Guarantee which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(i) Section Headings. The Section headings used in this Guarantee are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

(j) Integration. This Guarantee and the other Transaction Documents represent the agreement of the Guarantors and the Purchasers with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Purchasers relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Transaction Documents.

(k) Governing Laws. All questions concerning the construction, validity, enforcement and interpretation of this Guarantee shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each of the Company and the Guarantors agree that all proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Guarantee (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York, Borough of Manhattan. Each of the Company and the Guarantors hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such proceeding is improper. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Guarantee and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Guarantee or the transactions contemplated hereby.

(l) Acknowledgements. Each Guarantor hereby acknowledges that:

(i) it has been advised by counsel in the negotiation, execution and delivery of this Guarantee and the other Transaction Documents to which it is a party;

(ii) the Purchasers have no fiduciary relationship with or duty to any Guarantor arising out of or in connection with this Guarantee or any of the other Transaction Documents, and the relationship between the Guarantors, on the one hand, and the Purchasers, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(iii) no joint venture is created hereby or by the other Transaction Documents or otherwise exists by virtue of the transactions contemplated hereby among the Guarantors and the Purchasers.

(m) Additional Guarantors. Until the Obligations shall have been indefeasibly paid in full, the Company shall cause each of its subsidiaries formed or acquired on or subsequent to the date hereof to become a Guarantor for all purposes of this Guarantee by executing and delivering an Assumption Agreement in the form of Annex 1 hereto.

(n) Release of Guarantors. Each Guarantor will be released from all liability hereunder concurrently with the indefeasible repayment in full of all amounts owed under the Purchase Agreement, the Notes, Warrants, and the other Transaction Documents.

(o) WAIVER OF JURY TRIAL. **GUARANTORS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS GUARANTEE AND FOR ANY COUNTERCLAIM THEREIN.**

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(Signature Page 12 Follows)

IN WITNESS WHEREOF, each of the undersigned has caused this Guarantee to be duly executed and delivered as of the date first above written.

DAMON MOTORS CORPORATION

By: _____

Name: Jay Giraud
Title: President

SCHEDULE 1

GUARANTORS

The following are the names, notice addresses and jurisdiction of organization of each Guarantor.

	JURISDICTION OF INCORPORATION	COMPANY OWNED BY PERCENTAGE
Damon Motors Corporation	Delaware	100%

Annex 1 to
SUBSIDIARY GUARANTEE

ASSUMPTION AGREEMENT, dated as of _____ ___, _____made by _____, a _____ corporation (the "Additional Guarantor"), in favor of the Purchasers pursuant to the Purchase Agreement referred to below. All capitalized terms not defined herein shall have the meaning ascribed to them in such Purchase Agreement.

W I T N E S S E T H:

WHEREAS, DAMON MOTORS INC., a British Columbia company (the "Company") and the Purchasers have entered into a Securities Purchase Agreement, dated as of _____, 2023 (as amended, supplemented or otherwise modified from time to time, the "Purchase Agreement");

WHEREAS, in connection with the Purchase Agreement, the Subsidiaries of the Company (other than the Additional Guarantor) have entered into the Subsidiary Guarantee, dated as of _____, 2023 (as amended, supplemented or otherwise modified from time to time, the "Guarantee") in favor of the Purchasers;

WHEREAS, the Purchase Agreement requires the Additional Guarantor to become a party to the Guarantee; and

WHEREAS, the Additional Guarantor has agreed to execute and deliver this Assumption Agreement in order to become a party to the Guarantee;

NOW, THEREFORE, IT IS AGREED:

1. Guarantee. By executing and delivering this Assumption Agreement, the Additional Guarantor, as provided in Section 5(m) of the Guarantee, hereby becomes a party to the Guarantee as a Guarantor thereunder with the same force and effect as if originally named therein as a Guarantor and, without limiting the generality of the foregoing, hereby expressly assumes all obligations and liabilities of a Guarantor thereunder. The information set forth in Annex 1 hereto is hereby added to the information set forth in Schedule 1 to the Guarantee. The Additional Guarantor hereby represents and warrants that each of the representations and warranties contained in Section 3 of the Guarantee is true and correct on and as the date hereof as to such Additional Guarantor (after giving effect to this Assumption Agreement) as if made on and as of such date.

2. Governing Law. THIS ASSUMPTION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the undersigned has caused this Assumption Agreement to be duly executed and delivered as of the date first above written.

[ADDITIONAL GUARANTOR]

By: _____
Name:
Title:

Exhibit E

Form of Purchaser Warrants

(see attached)

Exhibit F

Form of Purchaser Questionnaire

(see attached)

Exhibit G

Form of Legal Opinion

(to be completed at closing)

Exhibit H

Investor Presentation

(see attached)

Exhibit I

Term Sheet

(see attached)

Exhibit A

Risk Factors

(Attached)

IN CANADA, UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY AND THE SECURITIES INTO WHICH THIS SECURITY IS CONVERTIBLE MUST NOT TRADE THE SECURITY OR THE SECURITIES INTO WHICH THIS SECURITY IS CONVERTIBLE BEFORE THE DATE THAT IS FOUR (4) MONTHS AND ONE (1) DAY AFTER THE LATER OF (I) THE ISSUE DATE, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

NEITHER THIS SECURITY NOR THE SECURITIES INTO WHICH THIS SECURITY IS CONVERTIBLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE " **SECURITIES ACT**"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY AND THE SECURITIES ISSUABLE UPON CONVERSION OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

DAMON MOTORS INC.

UNSECURED CONVERTIBLE PROMISSORY NOTE

Issue Date:	October [__], 2023 (the "**Issue Date**")
Investor:	Inpixon, a Nevada corporation (the "**Investor**")
Principal:	U.S.$3,000,000.00 (the "**Principal**")
Term:	One (1) year after the initial closing of the Offering
Interest Rate:	12.00% per annum (the "**Interest Rate**")
Applicable Currency:	American dollars (the "**Applicable Currency**")
Purpose:	Working capital and other general corporate purposes, as well as going-public transactions (collectively, the "**Purpose**")

This unsecured convertible promissory note (as it may be amended from time-to-time in accordance with its terms and conditions, the "**Note**") forms part of a larger offering of unsecured convertible promissory notes issued by Damon Motors Inc., a British Columbia company (the "**Company**"), on a private placement basis (the "**Offering**"). All unsecured convertible promissory notes issued as part of the Offering are collectively referred to in this Note as the "**Notes**" and their holders are collectively referred to in this Note as the "**Holders**". This Note is an unsecured obligation of the Company. This Note shall rank *pari passu* with the other Notes issued as part of the Offering. The following is a statement of the rights of the Investor and the terms and conditions to which this Note is subject, and to which the Investor hereof, by the acceptance of this Note, agrees. This Note is free from all taxes, liens, claims and encumbrances with respect to the issue thereof and shall not be subject to preemptive rights or other similar rights of shareholders of the Company and will not impose personal liability upon the holder thereof.

All capitalized terms used but not otherwise defined herein have the meanings given to them in Schedule A hereto, provided, however, that if any such capitalized term is not in Schedule A hereto, then such capitalized term shall have the meaning set forth in that certain securities purchase agreement by and between the Company and Investor, dated on or around the Issue Date, pursuant to which this Note was originally issued (the "**Purchase Agreement**").

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1. Promise to Pay

For value received, the Company promises to pay to the Investor, or its registered assigns, in the Applicable Currency, the Principal, together with simple interest ("**Interest**") on the Principal at a rate equal to the Interest Rate, all in accordance with the terms of this Note.

2. Interest

(a) Interest shall accrue on the unpaid Principal outstanding from time-to-time at the Interest Rate as of Issue Date until the same becomes due and payable, whether at maturity or upon acceleration or by prepayment or otherwise, as further provided herein. Any Principal which is not paid when due shall bear interest at the rate of the lesser of (i) sixteen percent (16%) per annum and (ii) the maximum amount permitted by the applicable law from the due date thereof until the same is paid ("**Default Interest**").

(b) Interest and Default Interest will computed on the basis of a 365-day or 366-day year, as applicable; except that Interest in respect of any period that is shorter than a full annual period will be computed on the basis of a 365-day or 366-day year, as applicable, and the actual number of days elapsed in that period.

3. Maturity

Unless repurchased earlier or converted in accordance with Section 7, the Company shall repay the Outstanding Amount on the earlier of:

(a) the date that is one (1) year after the initial closing of the Offering (the "**Maturity Date**"); or

(b) the date on which the Investor demands payment after the occurrence of an Event of Default (for the avoidance of doubt, including the lapse of any applicable grace or cure period as provided in this Note).

4. Payment; Prepayment; Rank

(a) All amounts paid by the Company under this Note will be paid in the Applicable Currency at such time as specified in Section 3.

(b) The Company may not prepay the Outstanding Amount in whole or in part without the written consent of the Requisite Holders.

(c) The Notes will rank *pari passu* in right of payment with respect to each other, and all payment to each of the Holders under the Notes will be made pro rata among the Holders based upon the aggregate outstanding principal amount of the Notes immediately before any such payment.

(d) If, following the occurrence of an Event of Default (for the avoidance of doubt, including the lapse of any applicable grace or cure period as provided in this Note), the Company receives cash proceeds from the issuance of equity or debt securities, the incurrence of indebtedness for borrowed money, a merchant cash advance or similar transaction, the conversion of outstanding warrants of the Company, or the sale of assets or products, the Company shall, within three (3) Business Days of Company's receipt of such proceeds, inform the Holders, following which each Investor shall have the right in its sole discretion to require the Company to immediately apply up to twenty-five percent (25%) of such net cash proceeds (net cash shall mean the total amount remaining after taxes and transactional expenses only) (the "**Repayment Percentage**") to repay all or any portion of the Default Amount then due under this Note, provided, however, that if any of the other Notes are outstanding at such time, then the Repayment Percentage shall be allocated amongst the Notes on a pro rata basis in proportion to the aggregate principal amount of the Notes then held by the Holders. In the event that any of the Holders elects not to apply their pro rata portion of the respective Repayment Percentage towards the repayment of their Notes, then such respective Repayment Percentage shall be allocated to the other Holders on a pro rata basis in proportion to the aggregate principal amount of Notes then held by such other Holders.

5. Use of Proceeds

The Company intends to use the proceeds from the issuance of the Notes for the Purpose, and for no other purpose.

6. Event of Default; Remedies

(a) Upon the occurrence or existence of any Event of Default, and at any time thereafter during the continuance of such Event of Default, the Investor may, by written notice to the Company, declare the Outstanding Amount to be immediately due and payable, and the Company shall pay to the Holder, in full satisfaction of its obligations hereunder, an amount equal to the Default Amount. The Investor shall be entitled to exercise all other rights and remedies available at law or in equity.

7. Conversion

(a) Automatic Conversion – Public Company Event

Upon the closing of a Public Company Event (or, in the case of a direct listing, upon the date which is ten (10) trading days following the date of the direct listing), the Outstanding Amount shall automatically be converted into such number of Listed Securities obtained by dividing the Outstanding Amount by the Public Company Event Conversion Price.

(b) Voluntary Conversion

The Investor shall have the right, following the occurrence of an Event of Default (for the avoidance of doubt, including the lapse of any applicable grace or cure period as provided in this Note), to convert all or any portion of the Outstanding Amount into fully paid and non-assessable Common Shares, as such Common Shares exist on the Issue Date, or any shares of capital stock or other securities of the Company into which such Common Shares shall hereafter be changed or reclassified, at the Default Conversion Price, by submitting to the Company a notice of conversion (in the form attached hereto as Exhibit A) (each a "**Notice of Conversion**") by e-mail or other reasonable means of communication dispatched on the applicable conversion date prior to 11:59 p.m., New York, New York time. Upon submission to the Company by the Investor of a Notice of Conversion meeting the requirements for conversion as provided in this Section 7(b), the Company shall issue and deliver or cause to be issued and delivered to or upon the order of the Investor certificates for the Common Shares within two (2) Business Days after Investor's submission of the respective Notice of Conversion. If electronic delivery of the Common Shares is available at such time, then Company shall deliver such Common Shares electronically by crediting Investor's balance account with DTC.

(c) Change of Control

Upon the occurrence of a Change of Control, the Investor may either (a) require that the Company repurchase for cash all or a portion of this Note in principal amounts of $1,000 or an integral multiple thereof at a repurchase price equal to 125% of the principal amount under this Note to be repurchased, plus 125% of any accrued and unpaid interest thereon, and this Note shall thereafter be cancelled and be of no further force or effect, whether or not delivered to the Company for cancellation or (b) convert the Outstanding Amount into such number of Common Shares obtained by dividing the Outstanding Amount by the Change of Control Conversion Price.

(d) Mechanics of Conversion

(i) Transaction Notice. The Company will provide the Investor with written notice of a proposed Public Company Event or Change of Control, as applicable, as soon as reasonably practicable in advance of such event (but in any event no less than ten (10) Business Days prior to the anticipated closing of such event (the "**Anticipated Closing Date**")), which notice will set forth the Anticipated Closing Date of such event and the principal terms and conditions of such event.

(ii) Fractional Securities; Non-Assessable; Effect of Conversion. No fractional Conversion Securities will be issued to the Investor on conversion of this Note. In lieu of any fractional Conversion Securities to which the Investor would otherwise be entitled, the Company will pay to the Investor in cash the unconverted outstanding amount under this Note that would otherwise be converted into a fractional Conversion Security, conditional on such cash amount being greater than $20.00, otherwise no cash payment shall be made in lieu of such fractional Conversion Securities. The Company covenants that the Conversion Securities issuable upon the conversion of this Note will, upon conversion of this Note, be validly issued, fully paid and non-assessable and free from all taxes, liens, and charges in respect of the issue thereof. Whether or not this Note has been surrendered for cancellation concurrently with any conversion of this Note, all rights with respect to this Note terminate upon the issuance of Conversion Securities upon conversion of this Note in accordance with Section 7, and the Company shall then be released from all of its obligations and liabilities under this Note.

(iii) Notwithstanding anything herein to the contrary, in the event that any issuance of Common Shares under this Note for any reason would cause the Investor (together with the Investor's Affiliates, and any other Persons acting as a group together with the Investor or any of the Investor's Affiliates (such Persons, "**Attribution Parties**")), to beneficially own in excess of the Beneficial Ownership Limitation (as defined in this Note), the Company shall only issue such number of shares of Common Shares to the Investor that would not cause the Investor to exceed the Beneficial Ownership Limitation with the balance of such remaining Common Shares above the Beneficial Ownership Limitation to be issued to Investor in the form of Pre-Funded Warrants. The Company agrees that no event shall result in the Investor beneficially owning more than the Beneficial Ownership Limitation. For purposes of the foregoing sentence, the number of shares of Common Shares beneficially owned by the Investor and Attribution Parties shall include the number of shares of Common Shares issuable upon conversion of this Note with respect to which such determination is being made, but shall exclude the number of shares of Common Shares, which would be issuable upon (i) conversion of the remaining, nonconverted portion of this Note beneficially owned by the Investor or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company subject to a limitation on conversion or exercise analogous to the limitation contained herein regarding securities beneficially owned by the Investor or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "**1934 Act**") and the rules and regulations promulgated thereunder, it being acknowledged by the Investor that the Investor is solely responsible for any schedules required to be filed in accordance therewith. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the 1934 Act and the rules and regulations promulgated thereunder. Upon the written request of an Investor, the Company shall within three (3) Business Days confirm in writing to the Investor the number of shares of Common Shares then outstanding. In any case, the number of outstanding shares of Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Note, by the Investor or its Affiliates or Attribution Parties. The "Beneficial Ownership Limitation" shall be 9.99% of the number of shares of the Common Shares outstanding at the time of the respective calculation hereunder. Notwithstanding the foregoing, the Beneficial Ownership Limitation restrictions provided for herein may be waived at the election of the Investor upon not less than 61 calendar days' prior notice to the Company, provided that the Beneficial Ownership Limitation restrictions shall continue to apply until such 61st calendar day (or such later date, as determined by the Investor, as specified in such notice of waiver).

(iv) The certificates representing any Conversion Securities shall bear the following legend:

IN CANADA, UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR (4) MONTHS AND ONE (1) DAY AFTER THE LATER OF (I) THE ISSUE DATE, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

(v) The conversion of all or any portion of the Outstanding Amount of this Note into Conversion Securities in accordance with the terms of this Note will constitute a full settlement of the debt obligation to the extent of the Outstanding Amount so converted in consideration for the issuance by the Company of such Conversion Securities.

8. Covenants

(a) Reserved Shares. The Company covenants that at all times until this Note is satisfied in full, the Company will reserve from its authorized and unissued Common Shares a sufficient number of shares, free from pre-emptive rights, to provide for the issuance of a number of Common Shares equal to the Reserved Amount. The Company represents that upon issuance, the Common Shares will be duly and validly issued, fully paid and non-assessable.

(b) Sale of Assets. So long as the Company shall have any obligation under this Note, the Company shall not, without the written consent of the Requisite Holders, sell, divest, lease or otherwise dispose of any of its assets outside the ordinary course of business, except (i) with respect to any disposition of Bridgeview Property in connection with the Bosa Default or (ii) where any such action would not result in a Material Adverse Effect. Any consent by the Requisite Holders to the disposition of any assets may be conditioned on a specified use of the proceeds of disposition.

(c) Advances and Loans; Affiliate Transactions. So long as the Company shall have any obligation under this Note, the Company shall not, without the written consent of the Requisite Holders, lend money, give credit, make advances to or enter into any transaction with any person, firm, joint venture or corporation, including, without limitation, officers, directors, employees, subsidiaries and affiliates of the Company, except loans, credits or advances (a) in existence or committed on the Issue Date and which the Company has informed Investor in writing prior to the Issue Date, (b) in regard to transactions with unaffiliated third parties, made in the ordinary course of business or (c) in regard to transactions with unaffiliated third parties, which are not in excess of $100,000. So long as the Company shall have any obligation under this Note, the Company shall not, without the written consent of the Requisite Holders, repay any Affiliate of the Company in connection with any indebtedness or accrued amounts owed to any such party, except with respect to up to $500,000 of payments to Affiliates in the aggregate on or after the initial closing of the Offering.

(d) Preservation of Business and Existence, etc. So long as the Company shall have any obligation under this Note, the Company shall not, without the written consent of the Requisite Holders, (a) change the nature of its business; or (b) fail to maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, its existence, rights and privileges, or fail to become or remain, or fail to cause each of its Subsidiaries (other than dormant Subsidiaries that have no or minimum assets) to become or remain, duly qualified and in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary.

(e) Public Company Event. Notwithstanding the foregoing, the consent rights of the Requisite Holders set forth in Sections 8(b) through 8(d) shall not apply to any transaction or series of related transactions that would constitute a Public Company Event.

(f) Non-circumvention. The Company hereby covenants and agrees that the Company will not, by amendment of its Articles or bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Note, and will at all times in good faith carry out all the provisions of this Note and take all action as may be required to protect the rights of the Investor.

9. Schedules

The schedules attached to this Note are incorporated into and are deemed to be a part of this Note.

10. Direction of Payment

The Company hereby directs the Investor to pay the Principal by wire transfer to the account of the Company or, at the Company's election, to the account of the Escrow Agent (as defined in the Purchase Agreement), in either case in accordance with wire transfer instructions provided by the Company to the Investor prior to the Issue Date.

11. Successors and Assigns

Subject to the restrictions on transfer described in Sections 14 and 15, the rights and obligations of the Company and the Investor are binding upon and benefit the successors, assigns, heirs, administrators and transferees of the parties. Neither this Note nor any of the rights, interests or obligations hereunder may be assigned, by operation of law or otherwise, in whole or in part, by the Company without the prior written consent of the Requisite Holders.

12. Waiver of Notice

The Company hereby waives presentment for payment, notice of non-payment, notice of protest of this Note and the right to assert in any action or proceeding with regard to this Note any set-offs or counterclaims that the Investor may have.

13. Waiver and Amendment

This Note and the obligations of the Company and the rights of the Investor under this Note may be amended, waived, discharged or terminated (either generally or in a particular instance, either retroactively or prospectively and either for a specified period of time or indefinitely) with the prior written consent of the Company and the Requisite Holders; provided, however, that any amendment, waiver or discharge which would disproportionately and adversely affect the Investor relative to the other Holders must be approved in writing by the Investor. Investor acknowledges that an amendment, waiver, discharge or termination effected in accordance with this Section 13 shall be binding upon the Investor and the Company.

14. Transfer of this Note or Conversion Securities

This Note, including all rights and obligations associated hereunder, as well as the Conversion Securities, may be transferred by the Investor in accordance with Section 4.1 of the Purchase Agreement.

15. Assignment by the Company

Neither this Note nor any of the rights, interests or obligations hereunder may be assigned, by operation of law or otherwise, in whole or in part, by the Company without the prior consent of the Requisite Holders.

16. No Shareholder Rights

This Note does not entitle the Investor to any voting rights or any other rights as a shareholder of the Company or to any other rights except the rights stated in this Note, unless and until (and only to the extent that) this Note is actually converted into Conversion Securities in accordance with its terms. Upon the conversion of this Note in accordance with its terms, the Investor shall be entitled to the rights and be subject to all obligations of the holders of Conversion Securities.

17. Severability

If one or more provisions of this Note are held to be unenforceable under applicable law, then (i) such provision will be excluded from this Note, (ii) the balance of this Note will be interpreted as if such provision were so excluded, and (iii) the balance of this Note is enforceable in accordance with its terms.

18. Notices

All notices, requests, approvals, consents, claims, demands, elections, waivers and other communications under this Note must be in writing and will be deemed effectively given upon the earlier of (a) actual receipt for personal delivery to the party to be notified; (b) when sent, if sent by electronic mail or facsimile during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next Business Day; or (c) three (3) Business Days after deposit with an internationally recognized overnight courier, freight prepaid, specifying next or second Business Day delivery, with written verification of receipt. All communications shall be sent to the Investor at its email address or address as set forth on the signature page to this Note, or to such email address or address as subsequently modified by written notice given in accordance with this Section 18. If notice is given to the Company, it shall be sent at:

Damon Motors Inc.
704 Alexander Street
Vancouver, British Columbia V6A 1E3
Canada

Attention: Chief Financial Officer
Email: mike.g@damon.com

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

Dorsey & Whitney LLP
161 Bay Street, Suite 4310
Toronto, ON M5J 2S1625
Canada

Attention: Richard Raymer
Email: Raymer.Richard@dorsey.com

19. Expenses

Each of the Company and the Investor shall bear its respective out-of-pocket fees and expenses (including legal fees) incurred with respect to this Note and the transactions contemplated hereby.

20. Purchase Agreement

The Company and the Investor shall be bound by the applicable terms of the Transaction Documents (as defined in the Purchase Agreement).

21. Governing Law

This Note shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Note or any other agreement, certificate, instrument or document contemplated hereby shall be brought only in New York, New York. The Company hereby irrevocably waives any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS NOTE OR ANY TRANSACTIONS CONTEMPLATED HEREBY. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Note or any other agreement, certificate, instrument or document contemplated hereby or thereby by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. The prevailing party in any action or dispute brought in connection with this this Note or any other agreement, certificate, instrument or document contemplated hereby or thereby shall be entitled to recover from the other party its reasonable attorney's fees and costs.

22. Usury

To the extent it may lawfully do so, the Company hereby agrees not to insist upon or plead or in any manner whatsoever claim, and will resist any and all efforts to be compelled to take the benefit or advantage of, usury laws wherever enacted, now or at any time hereafter in force, in connection with any action or proceeding that may be brought by the Investor in order to enforce any right or remedy under this Note. Notwithstanding any provision to the contrary contained in this Note, it is expressly agreed and provided that the total liability of the Company under this Note for payments under the applicable law, which are in the nature of interest shall not exceed the maximum lawful rate authorized under applicable law (the "**Maximum Rate**"), and, without limiting the foregoing, in no event shall any rate of interest or default interest, or both of them, when aggregated with any other sums which under the applicable law in the nature of interest that the Company may be obligated to pay under this Note exceed such Maximum Rate. It is agreed that if the maximum contract rate of interest allowed by applicable law and applicable to this Note is increased or decreased by statute or any official governmental action subsequent to the Issue Date, the new maximum contract rate of interest allowed by law will be the Maximum Rate applicable to this Note from the effective date thereof forward, unless such application is precluded by applicable law. If under any circumstances whatsoever, interest in excess of the Maximum Rate is paid by the Company to the Investor with respect to indebtedness evidenced by this Note, such excess shall be applied by the Investor to the unpaid principal balance of any such indebtedness or be refunded to the Company, the manner of handling such excess to be at the Investor's election.

23. Dilutive Issuances

Except with respect to any Exempt Issuance (as defined in the Purchase Agreement), if the Company, at any time while this Note or any amounts due hereunder are outstanding, issues, sells or grants any option to purchase, or sells or grants any right to reprice, or otherwise disposes of, or issues, any Common Shares or other securities convertible into, exercisable for, or otherwise entitle any person or entity the right to acquire, shares of Common Shares (including, without limitation, upon conversion of this Note, and any convertible notes or warrants outstanding as of or following the Issue Date), in each or any case at an effective price per share that is lower than the then applicable Conversion Price (such lower price, the "**Base Conversion Price**" and such issuances, collectively, a "**Dilutive Issuance**") (it being agreed that if the holder of the Common Shares or other securities so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share that are issued in connection with such issuance, be entitled to receive shares of Common Shares at an effective price per share that is lower than the Conversion Price, such issuance shall be deemed to have occurred for less than the Conversion Price on such date of the Dilutive Issuance), then the Conversion Price shall be reduced, at the option of the Investor, to a price equal to the product of the Discounted Conversion Rate and the Base Conversion Price. Such adjustment shall be made whenever such Common Shares or other securities are issued.

By way of example, except with respect to any Exempt Issuance (as defined in the Purchase Agreement), if the Company issues a convertible promissory note, and the holder of such convertible promissory note has the right to convert it into Common Shares at an effective price per share that is lower than the then applicable Conversion Price (including but not limited to a conversion price with a discount that varies with the trading prices of or quotations for the Common Shares), then the Investor has the right to reduce the Conversion Price to the product of the Discounted Conversion Rate and the Base Conversion Price in perpetuity regardless of whether the holder of such convertible promissory note ever effectuated a conversion at the Base Conversion Price.

In the event of an issuance of securities involving multiple tranches or closings, any adjustment pursuant to thisSection 23 shall be calculated as if all such securities were issued at the initial closing. Upon the occurrence of each adjustment or readjustment of the Conversion Price as a result of the events described in Section 23 of this Note, the Company shall, at its expense and within three (3) calendar days after the occurrence of each respective adjustment or readjustment of the Conversion Price, compute such adjustment or readjustment and prepare and furnish to the Investor a certificate setting forth (i) the Conversion Price in effect at such time based upon the Dilutive Issuance, (ii) the number of shares of Common Shares and the amount, if any, of other securities or property which at the time would be received upon conversion of this Note, (iii) the detailed facts upon which such adjustment or readjustment is based, and (iv) copies of the documentation (including but not limited to relevant transaction documents) that evidences the adjustment or readjustment.

In addition, the Company shall, within three (3) calendar days after each written request from the Investor, furnish to such Investor a like certificate setting forth (i) the Conversion Price in effect at such time based upon the Dilutive Issuance, (ii) the number of shares of Common Shares and the amount, if any, of other securities or property which at the time would be received upon conversion of this Note, (iii) the detailed facts upon which such adjustment or readjustment is based, and (iv) copies of the documentation (including but not limited to relevant transaction documents) that evidence the adjustment or readjustment. For the avoidance of doubt, each adjustment or readjustment of the Conversion Price as a result of the events described in Section 23 of this Note shall occur without any action by the Investor and regardless of whether the Company complied with the notification provisions in Section 23 of this Note.

24. Other Indebtedness

Except with respect to the Permitted Indebtedness, so long as the Company shall have any obligation under this Note, the Company shall not (directly or indirectly through any Subsidiary or Affiliate) incur, suffer to exist, or guarantee any indebtedness (including but not limited to all obligations evidenced by notes, bonds, debentures or other similar instruments).

25. Counterparts and Electronic Signature

This Note may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together

shall constitute one and the same instrument. For the purposes of this Section 25, the delivery of an electronic copy of an executed counterpart of this Note shall deemed to be valid execution and delivery of this Note.

(Signature Page 10 Follows)

IN WITNESS WHEREOF, the Company and the Investor have duly executed this Note.

Company:

DAMON MOTORS INC.

By: _____
Name: Mike Galbraith
Title: Chief Financial Officer

Investor:

By: _____
Name: KLOVIS LLC
Title: Partner / Partner Greg Diamond / Serge Khoury

By: _____
Name:
Title:

Address: Klovis, LLC 428 Childers Street, Pensacola, FL 32534

Email: greg.diamond@me.com / sergek24@gmail.com

[Signature Page To Convertible Promissory Note]

SCHEDULE A
DEFINITIONS

"**Affiliate**" means with respect to any specified Person:

(a) any other Person who, directly or indirectly, controls, is controlled by or is under common control with such Person;

(b) any general partner, managing member, officer or director of such Person or any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company with, such Person; or

(c) in the case of any venture capital, private equity or similar fund now or hereafter existing, all partners, members, shareholders or other equity holders of any kind of such venture capital, private equity or similar fund, regardless of whether such partners, members, shareholders or other equity holders control such venture capital, private equity or similar fund.

"**Articles**" means the articles of incorporation of the Company, as amended from time-to-time.

"**Bosa Default**" means the subject matter of the notice of default delivered to the Company by Bosa Commercial relating to the Bridgeview Property, as further described in the disclosure schedules to the Purchase Agreement.

"**Bridgeview Property**" means the Company's leased premises located at Bridgeview – 12580 – 112B Ave, Surrey BC.

"**Business Day**" means a day other than a Saturday, Sunday or other days on which commercial banks in the city of New York, New York are authorized or required by law or executive order to remain closed.

"**Change of Control**" means a change in ownership or control of the Company effected through any of the following transactions, in each case excluding (i) a *bona fide* financing transaction effected primarily for capital raising purposes and (ii) any transaction or series or related transactions constituting a Public Company Event:

(a) a merger, arrangement, consolidation or other reorganization approved by the Company's shareholders, unless securities representing more than fifty percent (50%) of the total combined voting power of the voting securities of the successor corporation or its direct or indirect parent entity are immediately thereafter beneficially owned, directly or indirectly, by the Persons who beneficially owned the Company's outstanding voting securities immediately prior to such transaction;

(b) a shareholder-approved sale, transfer or other disposition of all or substantially all of the Company's assets; or

(c) the acquisition, directly or indirectly by any Person or related group of Persons (other than the Company or a Person or related group of Persons that directly or indirectly controls, is controlled by, or is under common control with, the Company), of beneficial ownership of securities representing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities pursuant to a share purchase transaction or a tender or exchange offer made directly to the Company's stockholders.

"**Change of Control Conversion Price**" means the lowest of:

(a) the price equal to the product of the Discounted Conversion Rate and the price per Common Share ascribed to the Common Shares in the Change of Control transaction;

(b) the price equal to the quotient of the Valuation Cap and the Diluted Capitalization; and

(c) if an Event of Default has occurred (and any applicable grace or cure periods as provided in this Note have lapsed) prior to the applicable time of conversion, the Default Conversion Price.

"**Common Shares**" means the common shares in the capital of the Company.

"**Conversion Date**" means the effective date of the Conversion of this Note in accordance withSections 7(a), 7(b) or 7(c) of this Note, as applicable.

"**Conversion Price**" shall mean the price equal to the quotient of the Valuation Cap and the Diluted Capitalization, subject to further adjustment as provided in this Note (including but not limited to Section 23 of this Note); provided, however, that following the occurrence of an Event of Default (for the avoidance of doubt, including the lapse of any applicable grace or cure period as provided in this Note), then the Conversion Price shall mean the Default Conversion Price. All Conversion Price determinations are to be appropriately adjusted for any stock dividend, stock split, stock combination, rights offerings, reclassification or similar transaction that proportionately decreases or increases the number of Common Shares.

"**Conversion Securities**" means the Listed Securities or the Common Shares issued to the Investor on the Conversion Date further to a conversion of this Note in accordance with Sections 7(a), 7(b) or 7(c) of this Note, as applicable.

"**Default Amount**" means an amount equal to the Outstanding Amount through the date of full repayment or full conversion multiplied by 130%.

"**Default Conversion Price**" shall mean the price equal to the quotient of the Discounted Valuation Cap and the Diluted Capitalization, subject to further adjustment as provided in this Note (including but not limited to Section 23 of this Note).

"**Diluted Capitalization**" means aggregate number of outstanding Common Shares as at immediately prior to the closing or occurrence of a Public Company Event, voluntary conversion or Change of Control, as applicable, assuming in each case full conversion or exercise of all convertible or exercisable securities then outstanding, other than the Notes, the warrants issued pursuant under the Purchase Agreement, any warrants issued to Joseph Gunnar & Co., LLC as compensation for acting as placement agent in connection with the sale of securities under the Purchase Agreement, any other convertible notes then outstanding, any Simple Agreements for Future Equity and any Common Shares reserved and available for future grant under any equity incentive or similar plan of the Company and/or any equity incentive plan or similar plan to be created or increased in connection with the Public Company Event or Change of Control, if and as applicable.

"**Discounted Conversion Rate**" means seventy-five percent (75%).

"**Discounted Valuation Cap**" means US$93,750,000.

"**Event of Default**" means the occurrence of any of the following:

(a) the Company fails to make any payment to the Investor when due on the Principal or interest thereon when due on this Note, whether on the Maturity Date, upon acceleration or otherwise, and such failure continues for one (1) Business Day after the Company's receipt of written notice of such failure;

(b) the Company fails to issue Common Shares to the Investor as required under this Note, upon exercise by the Investor of the conversion rights in accordance with the terms of this Note, or as required under the Warrants (as defined in the Purchase Agreement) upon exercise by the Investor of the exercise rights in accordance with the terms of the Warrants, and in each such case the failure continues for one (1) Business Day after the after the Company's receipt of written notice of such failure (provided, however, that the aforementioned reference to one (1) Business Day shall be extended to ten (10) calendar days if the Investor has requested the delivery of physical certificates evidencing the Common Shares in lieu of electronic delivery);

(c) the Company fails to reserve the Reserved Amount at all times, and such failure continues for ten (10) calendar days after the Company's receipt of written notice of such failure;

(d) the Company fails to remove (or directs its transfer agent not to remove impairs, delays, and/or hinders its transfer agent from removing) any restrictive legend (or to withdraw any stop transfer instructions in respect thereof) on any Common Shares issued or to be issued to the Investor upon conversion of or otherwise pursuant to this Note or upon exercise of or otherwise pursuant to the Warrants, in any case as and when required by this Note and the Warrants, and such failure continues for one (1) Business Day after the Company's receipt of written notice of such failure (provided, however, that the aforementioned reference to one (1) Business Day shall be extended to ten (10) calendar days if the Investor has requested the delivery of physical certificates evidencing the Common Shares in lieu of electronic delivery);

(e) excluding the Bosa Default, the Company defaults under any agreement, mortgage, deed, hypothec, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by the Company, whether such indebtedness now exists, or is created after the date of this Note, if (i) that default results in the acceleration of such indebtedness prior to its stated maturity (which acceleration is not rescinded or annulled) and (ii) the aggregate principal amount of any such indebtedness, together with the principal amount of any other such indebtedness the maturity of which has been so accelerated, aggregates $1,000,000 or more;

(f) excluding the Bosa Default, any money judgment, writ or similar process shall be entered or filed against the Company or any Subsidiary or any of its property or other assets for more than $1,000,000, and shall remain unvacated, unbonded or unstayed for a period of twenty (20) calendar days unless otherwise consented to by the Investor, which consent will not be unreasonably withheld;

(g) any cessation of operations by Company, or any dissolution, liquidation, or winding up of Company or any substantial portion of its business;

(h) the failure by Company to maintain any intellectual property rights or personal, real property or other assets, except where such any such failure would not result in a Material Adverse Effect;

(i) the Company is in material breach of any term, condition, obligation or covenant made by it to or with the Investor under any of the Transaction Documents, where such breach continues for ten (10) calendar days after the Company's receipt of written notice of such breach;

(j) any representation or warranty of the Company made in the Transaction Documents or in any agreement, statement or certificate given in writing pursuant hereto or in connection herewith or therewith shall be false or misleading when made, except where such any such breach would not result in a Material Adverse Effect;

(k) the Company or any Subsidiary:

(i) commences voluntary proceedings to be adjudicated bankrupt or insolvent;

(ii) consents to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable law;

(iii) consents to the appointment of a custodian of it or for all or substantially all of its property;

(iv) makes a general assignment for the benefit of its creditors; or

(v) seeks, consents, or otherwise becomes subject to the appointment of a receiver, manager, receiver and manager, receiver-manager, trustee, agent, custodian or other similar official for it or for any part of its properties and assets.

(l) a court of competent jurisdiction enters an order or decree under any applicable law that:

(i) is for relief against the Company or any Subsidiary in an involuntary proceeding in which the Company or any Subsidiary is to be adjudicated bankrupt or insolvent;

(ii) appoints a custodian of the Company or for all or substantially all of the property or assets of the Company, or any Subsidiary for all or substantially all of the property or assets of the Subsidiary; or

(iii) orders the liquidation of the Company or any Subsidiary.

"**Governmental Authority**" means any foreign, domestic, federal, territorial, state or local governmental authority, quasi-governmental authority, court, commission, board, bureau, agency or instrumentality, or any regulatory, administrative or other department, agency, or any political or other subdivision, department or branch of any of the foregoing.

"**Listed Securities**" means the Common Shares or any other class of common equity of the Company (or a successor issuer thereof) which are listed on NYSE American, the New York Stock Exchange, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, or any other national securities exchange (or any successors to any of the foregoing) as a result of a Public Company Event.

"**Outstanding Amount**" means the entire then-outstanding and unpaid Principal, together with all accrued but unpaid Interest under this Note.

"Permitted Indebtedness" shall mean:

(a) the Notes;

(b) all indebtedness in existence prior to the Issue Date;

(c) up to $2,000,000 in indebtedness incurred on or after the initial closing of the Offering for working capital and equipment financing, so long as (i) the obligations thereunder are pari passu with or junior to the Company's obligations under this Note, and (ii) such indebtedness does not involve a merchant cash advance, accounts receivable factoring agreement, or similar transaction;

(d) indebtedness to the extent fully secured by tax refunds, investment tax credits and grant funding programs sponsored by Governmental Authorities;

(e) grants or funding provided by Governmental Authorities under support agreements, development agreements or similar arrangements;

(f) trade payables;

(g) purchase money indebtedness hereafter incurred by the Company to finance the purchase of fixed or capital assets, including all capital lease obligations of the Company, in each case to the extent such indebtedness does not exceed the original purchase price of the assets funded;

(h) any indebtedness that is or may be owed to Bosa Commercial in connection with the Bosa Default; or

(i) all guarantees of the Company or its Subsidiaries with respect to clauses (a) through (h) above.

"**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

"**Public Company Event**" means (a) a transaction or series of related transactions (including a firm commitment, underwritten public offering, or a Reverse Merger, or (b) a "direct listing", in each case which results in Listed Securities being listed on the NYSE American, the New York Stock Exchange, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, or any other national securities exchange (or any successors to any of the foregoing).

"**Public Company Event Conversion Price**" means the lowest of:

(a) the price equal to the product of the Discounted Conversion Rate and (i) in the case of an underwritten public offering, the offering price of the Listed Securities, (ii) in the case of Reverse Merger, the price per share of each Listed Security of the Company implied in the business combination; or (iii) in the case of a direct listing, the lowest volume weighted average price for the Listed Securities during the ten (10) trading days immediately following the direct listing;

(b) the price equal to the quotient of the Valuation Cap and the Diluted Capitalization; or

(c) if an Event of Default has occurred (and any applicable grace or cure periods as provided in this Note have lapsed) prior to the applicable time of conversion, the Default Conversion Price.

"**Pre-Funded Warrants**" means the pre-funded common share purchase warrants in the form of Exhibit B, which may be issued pursuant to Section 7(d)(iii) of this Note.

"**Requisite Holders**" means the Holders holding an aggregate principal amount of Notes representing more than fifty percent (50%) of the aggregate principal amount of all then-outstanding Notes.

"**Reserved Amount**" means the sum of (i) the number of Common Shares issuable upon the full conversion of this Note (assuming no payment of Principal Amount or interest) at the time of such calculation (taking into consideration any adjustments to the applicable Conversion Price as provided in this Note) multiplied by (ii) two (2).

"**Reverse Merger**" shall mean a reverse merger of the Company with a publicly reporting corporation that has a class of securities then trading on NYSE American, the New York Stock Exchange, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, or any other national securities exchange (or any successors to any of the foregoing), excluding any business combination with a special purpose acquisition company (i.e. SPAC).

"**Shareholders Agreement**" means the amended and restated shareholders agreement dated as of November 19, 2021, between the Company, each Person listed in Schedule A, Schedule B or Schedule C thereto and any Person who becomes a party to the Shareholders Agreement in accordance with its terms (as the same may be amended, amended and restated, supplemented or renewed from time-to-time).

"U.S. Person" has the meaning ascribed to it in Regulation S under the 1933 Act, as amended, the definition of which includes: (i) an individual resident in the United States; (ii) an estate or trust of which any executor, administrator or trustee is a U.S. Person; or (iii) any partnership or corporation organized or incorporated under the laws of the United States.

"Valuation Cap" means US$125,000,000.

EXHIBIT A – NOTICE OF CONVERSION

The undersigned hereby elects to convert $ principal amount of the Note (defined below) into that number of Common Shares to be issued pursuant to the conversion of the Note ("**Common Shares**") as set forth below, of **DAMON MOTORS INC.**, a British Columbia company (the "**Company**"), according to the conditions of the convertible promissory note of the Company dated as of October [__], 2023 (the "**Note**"), as of the date written below. No fee will be charged to the Investor for any conversion, except for transfer taxes, if any.

Box Checked as to applicable instructions:

☐ The Company shall electronically transmit the Common Shares issuable pursuant to this Notice of Conversion to the account of the undersigned or its nominee with DTC through its Deposit Withdrawal Agent Commission system ("**DWAC Transfer**") or its Direct Registration System ("**DRS Transfer**").

Name of DTC Prime Broker:
Account Number:

☐ The undersigned hereby requests that the Company issue a certificate or certificates for the number of shares of Common Shares set forth below (which numbers are based on the Investor's calculation attached hereto) in the name(s) specified immediately below or, if additional space is necessary, on an attachment hereto:

Date of Conversion:
Applicable Conversion Price: $
Number of Shares of Common Shares to be Issued Pursuant to Conversion of the Note:
Amount of Principal Balance Due remaining Under the Note after this conversion:

By:
Name:
Title:
Date:

EXHIBIT B – PRE-FUNDED WARRANT

(see attached)

IN CANADA, UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY AND THE SECURITIES INTO WHICH THIS

SECURITY IS EXERCISABLE MUST NOT TRADE THE SECURITY OR THE SECURITIES INTO WHICH THIS SECURITY IS EXERCISABLE BEFORE THE DATE THAT IS FOUR MONTHS AND ONE DAY AFTER THE LATER OF INITIAL EXERCISE DATE AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON SHARE PURCHASE WARRANT

DAMON MOTORS INC.

Warrant Shares: [_____] Initial Exercise Date: [_____]

THIS COMMON SHARE PURCHASE WARRANT (the "Warrant") certifies that, for value received, [____] or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and until this Warrant is exercised in full (such applicable date, the "Termination Date") but not thereafter, to subscribe for and purchase from Damon Motors Inc., a British Columbia company (the "Company"), up to [_____] Common Shares (as subject to adjustment hereunder, the "Warrant Shares"). The purchase price of one Common Share under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

This Warrant is being issued pursuant to Section 7(d)(iii) of that certain Note (as defined in the Purchase Agreement), which was originally issued in connection with the Company's private placement (the "Offering") of up to $10,000,000 principal amount of Notes (subject to increase upon mutual agreement of the Company and the Placement Agent (as defined in the Purchase Agreement)) and Warrants (as defined in the Purchase Agreement).

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Securities Purchase Agreement (the "Purchase Agreement"), dated as of October [ ], 2023, by and among the Company and the purchasers signatory thereto (the "Investors") and in the Notes issued in connection therewith. All references to "Trading Day" in this Warrant shall mean "Business Day" until the Common Shares are listed or quoted for trading on a Trading Market.

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed facsimile copy or PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto as Exhibit A (the "Notice of Exercise"). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i)) following the date of exercise as aforesaid, the Holder shall deliver to the Company the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Business Day of receipt of such notice. The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.

b) Exercise Price. The aggregate exercise price of this Warrant, except for a nominal exercise price of $0.01 per Warrant Share, was pre-funded to the Company on or prior to the Initial Exercise Date and, consequently, no additional consideration (other than the nominal exercise price of $0.01 per Warrant Share) shall be required to be paid by the Holder to any Person to effect any exercise of this Warrant. The Holder shall not be entitled to the return or refund of all, or any portion, of such pre-paid aggregate exercise price under any circumstance or for any reason whatsoever. The remaining unpaid exercise price per share of Common Stock under this Warrant shall be $0.01 (on an as adjusted basis giving effect to any splits, dividend and the like from the date hereof), subject to adjustment hereunder (the "Exercise Price").

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c) Cashless Exercise. This Warrant may also be exercised, in whole or in part, at any time, by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) both executed and delivered pursuant to Section 2(a) hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to Section 2(a) on a Trading Day prior to the opening of "regular trading hours" (as defined in Rule 600(b)(64) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) at the option of the Holder, either (y) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise or (z) the Bid Price of the Common Shares on the principal Trading Market as reported by Bloomberg L.P. as of the time of the Holder's execution of the applicable Notice of Exercise if such Notice of Exercise is executed during "regular trading hours" on a Trading Day and is delivered within two (2) hours thereafter (including until two (2) hours after the close of "regular trading hours" on a Trading Day) pursuant to Section 2(a) or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is both executed and delivered pursuant to Section 2(a) after the close of "regular trading hours" on such Trading Day;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the characteristics of the Warrants being exercised, and the holding period of the Warrant Shares being issued may be tacked on to the holding period of this Warrant. The Company agrees not to take any position contrary to this Section 2(c).

"Bid Price" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Shares are then listed or quoted on a Trading Market, the bid price of the Common Shares for the time in question (or the nearest preceding date) on the Trading Market on which the Common Shares are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Shares for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Shares are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Shares are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Shares so reported, or (d) in all other cases, the fair market value of a Common Share as determined by an independent appraiser selected in good faith by the holders of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Shares are then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Shares for such date (or the nearest preceding date) on the Trading Market on which the Common Shares are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Shares for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Shares are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Shares are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Shares so reported, or (d) in all other cases, the fair market value of a Common Share as determined by an independent appraiser selected in good faith by the holders of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder's or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) the Warrant Shares are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144 (assuming cashless exercise of the Warrants), and otherwise by physical delivery of a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is the earliest of (i) two (2) Trading Days after the delivery to the Company of the Notice of Exercise, (ii) one (1) Trading Day after delivery of the aggregate Exercise Price to the Company and (iii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate (but not Rule 144) purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Shares on the date of the applicable Notice of Exercise), $5 per Trading Day (increasing to $15 per Trading Day on the fifth (5th) Trading Day after such liquidated damages begin to accrue) for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise. The Company agrees, following the Public Company Event, to maintain a transfer agent that is a participant in the FAST program during the period beginning on the date of the Public Company Event and continuing for so long as this Warrant remains outstanding and exercisable. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Share as in effect on the date of delivery of the Notice of Exercise.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, Common Shares to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the Common Shares so purchased exceeds (y) the product of (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of Common Shares that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Share having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of Common Shares with an aggregate sale price giving rise to such purchase obligation of $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver Common Shares upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto as Exhibit B duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares. The Company shall , if requested by Holder, provide an attorney legal opinion from counsel to the Company to Holder for removal of restrictive legends on Warrant Shares.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, " Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of Common Shares beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of Common Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Common Shares which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company (including, without limitation, any other Common Share Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding Common Shares, a Holder may rely on the number of outstanding Common Shares as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of Common Shares outstanding. Upon the written or oral request of a Holder, the Company shall within one Trading Day confirm orally and in writing to the Holder the number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding Common Shares was reported. The " Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Shares outstanding immediately after giving effect to the issuance of Common Shares issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Shares outstanding immediately after giving effect to the issuance of Common Shares upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Share or any other equity or equity equivalent securities payable in Common Shares (which, for avoidance of doubt, shall not include any Common Shares issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding Common Shares into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding Common Shares into a smaller number of shares or (iv) issues by reclassification of shares of the Common Shares any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of Common Shares (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of Common Shares outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re classification.

b) [Intentionally Omitted]:

c) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Common Shares acquirable upon complete exercise of this Warrant (subject to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Common Shares are to be determined for the participation in such Distribution (provided, however, that, the Holder's right to participate in any such Distribution shall be limited to the Beneficial Ownership Limitation, and the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any Common Shares as a result of such Distribution to such extent) beyond the Beneficial Ownership Limitation).

d) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company or any Subsidiary, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company or any Subsidiary, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Shares are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Shares or 50% or more of the voting power of the common equity of the Company, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires 50% or more of the outstanding Common Shares or 50% or more of the voting power of the common equity of the Company (not including any Common Shares held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of Common Shares of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of Common Shares for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Common Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. Notwithstanding anything to the contrary, in the event a Fundamental Transaction is consummated at or prior to the time of a Public Company Event, the Company or any Successor Entity (as defined below) shall, at the Holder's option, exercisable at any time concurrently with, or within 30 days after, the consummation of the Fundamental Transaction (or, if later, the date of the public announcement of the applicable Fundamental Transaction), purchase this Warrant from the Holder by paying to the Holder an amount of cash equal to the Black Scholes Value (as defined below) of the remaining unexercised portion of this Warrant on the date of the consummation of such Fundamental Transaction; provided, however, that, if the Fundamental Transaction is not within the Company's control, including not approved by the Company's Board of Directors, Holder shall only be entitled to receive from the Company or any Successor Entity the same type or form of consideration (and in the same proportion), at the Black Scholes Value of the unexercised portion of this Warrant, that is being offered and paid to the holders of Common Stock of the Company in connection with the Fundamental Transaction, whether that consideration be in the form of cash, stock or any combination thereof, or whether the holders of Common Stock are given the choice to receive from among alternative forms of consideration in connection with the Fundamental Transaction; provided, further, that if holders of Common Stock of the Company are not offered or paid any consideration in such Fundamental Transaction, such holders of Common Stock will be deemed to have received common stock of the Successor Entity (which Entity may be the Company following such Fundamental Transaction) in such Fundamental Transaction. "Black Scholes Value" means the value of this Warrant based on the Black-Scholes Option Pricing Model obtained from the "OV" function on Bloomberg, L.P. ("Bloomberg") determined as of the day of consummation of the applicable Fundamental Transaction for pricing purposes and reflecting (A) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date, (B) an expected volatility equal to the greater of 100% and the 100 day volatility obtained from the HVT function on Bloomberg (determined utilizing a 365 day annualization factor) as of the Trading Day immediately following the public announcement of the applicable Fundamental Transaction, (C) the underlying price per share used in such calculation shall be the greater of (i) the sum of the price per share being offered in cash, if any, plus the value of any non-cash consideration, if any, being offered in such Fundamental Transaction and (ii) the greater of (x) the last VWAP immediately prior to the public announcement of such Fundamental Transaction and (y) the last VWAP immediately prior to the consummation of such Fundamental Transaction and (D) a remaining option time equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date and (E) a zero cost of borrow. The payment of the Black Scholes Value (or such other consideration) will be made by wire transfer of immediately available funds within five Business Days of the Holder's election (or, if later, on the effective date of the Fundamental Transaction). The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(d) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the Common Shares acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the Common Shares pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein.

e) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of Common Shares deemed to be issued and outstanding as of a given date shall be the sum of the number of Common Shares (excluding treasury shares, if any) issued and outstanding.

f) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by facsimile or email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Share, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Shares, (C) the Company shall authorize the granting to all holders of the Common Shares rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Shares, any consolidation or merger to which the Company (or any of its Subsidiaries) is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Shares are converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by facsimile or email to the Holder at its last facsimile number or email address as it shall appear upon the Warrant Register of the Company, at least 15 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Shares of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Shares of record shall be entitled to exchange their shares of the Common Shares for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof

shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

g) Voluntary Adjustment by Company . Subject to the rules and regulations of the Trading Market, the Company may at any time during the term of this Warrant, subject to the prior written consent of the Holder, reduce the then current Exercise Price to any amount and for any period of time deemed appropriate by the Board of Directors of the Company.

Section 4. Transfer of Warrant.

a) Transferability. Subject to compliance with any applicable securities laws and the conditions set forth in Section 4(d) hereof and to the provisions of Section 4.1 of the Purchase Agreement, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date on which the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants . This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the Initial Exercise Date and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

d) Transfer Restrictions. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, (A) the Company has not been a reporting issuer in any jurisdiction of Canada for at least four months and one day; and (B) the transfer of this Warrant shall not be either (i) registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws or (ii) eligible for resale without volume or manner-of-sale restrictions or current public information requirements pursuant to Rule 144, the Company may require, as a condition of allowing such transfer, that the Holder or transferee of this Warrant, as the case may be, comply with the provisions of Section 4.1 of the Purchase Agreement.

e) Representation by the Holder. The Holder, by the acceptance hereof, represents and warrants that it is acquiring this Warrant and, upon any exercise hereof, will acquire the Warrant Shares issuable upon such exercise, for its own account and not with a view to or for distributing or reselling such Warrant Shares or any part thereof in violation of the Securities Act or any applicable state securities law, except pursuant to sales registered or exempted under the Securities Act.

f) Permitted Transfers and Assignments. Notwithstanding any provision to the contrary in this Section 4, the Holder may transfer, with or without consideration, this Warrant or any of the Warrant Shares (or a portion thereof) to the Holder's Affiliates (as such term is defined under Rule 144 of the Securities Act) or to officers, directors, employees and other associated persons of the Holder without obtaining an opinion from counsel that may be required hereunder, unless otherwise required by the Company's transfer agent, provided, that the Holder delivers to the Company and its counsel certification, documentation, and other assurances reasonably required by the Company's counsel to enable the Company's counsel to render an opinion to the Company's Transfer Agent that such transfer does not violate applicable securities laws. In addition, the Warrant Shares acquired upon the exercise of this Warrant will have restrictions upon resale in Canada until such time as the Company has been a reporting issuer in any jurisdiction of Canada for a period of four months and one day pursuant to applicable Canadian securities laws.

Section 5. Miscellaneous.

a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares. The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Shares the number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant multiplied by two (2). The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise

of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Share may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the provisions of the Purchase Agreement.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant or the Purchase Agreement, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered in accordance with the notice provisions of the Purchase Agreement.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Share or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment; Waivers. Any modifications, amendments or waivers of the provisions hereof shall be subject to Section 5.4 of the Purchase Agreement.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

Signature Page 16 Follows

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IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

DAMON MOTORS INC.

By: _____

Name: Mike Galbraith
Title: Chief Financial Officer

EXHIBIT A

NOTICE OF EXERCISE

TO: [_____

(1) The undersigned hereby elects to purchase_____Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

[ ] in lawful money of the United States; or

[ ] [if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

The Warrant Shares shall be delivered to the following DWAC Account Number:

_____

_____

_____

(4) Accredited Investor. The undersigned is an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

_____

EXHIBIT B

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

Phone Number: _____

Email Address: _____

Dated: _____

Holder's Signature: _____

Holder's Address: _____

_____

_____

IN CANADA, UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY AND THE SECURITIES INTO WHICH THIS SECURITY IS EXERCISABLE MUST NOT TRADE THE SECURITY OR THE SECURITIES INTO WHICH THIS SECURITY IS EXERCISABLE BEFORE THE DATE THAT IS FOUR MONTHS AND ONE DAY AFTER THE LATER OF INITIAL EXERCISE DATE AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON SHARE PURCHASE WARRANT

DAMON MOTORS INC.

Warrant Shares: 1,096,321 Initial Exercise Date: October [__], 2023

THIS COMMON SHARE PURCHASE WARRANT (the "Warrant") certifies that, for value received, Inpixon, a Nevada corporation, or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and on or prior to 5:00 p.m. (New York City time) on the date that is five (5) years after the Initial Exercise Date (such applicable date, the "Termination Date") but not thereafter, to subscribe for and purchase from Damon Motors Inc., a British Columbia company (the "Company"), up to 1,096,321 Common Shares (as subject to adjustment hereunder, the "Warrant Shares"). The purchase price of one Common Share under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

This Warrant is being issued pursuant to the Purchase Agreement in connection with the Company's private placement (the "Offering") of up to $10,000,000 principal amount of Notes (subject to increase upon mutual agreement of the Company and the Placement Agent (as defined in the Purchase Agreement)) and Warrants (as defined in the Purchase Agreement).

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Securities Purchase Agreement (the "Purchase Agreement"), dated as of October [__], 2023, by and among the Company and the purchasers signatory thereto (the "Investors") and in the Notes issued in connection therewith. All references to "Trading Day" in this Warrant shall mean "Business Day" until the Common Shares are listed or quoted for trading on a Trading Market.

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed facsimile copy or PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto as Exhibit A (the "Notice of Exercise"). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i)) following the date of exercise as aforesaid, the Holder shall deliver to the Company the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Business Day of receipt of such notice. The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.

b) Exercise Price. The exercise price per Common Share under this Warrant shall mean the price equal to the quotient of the Valuation Cap (as defined herein) and the Diluted Capitalization (as defined herein) (on an as adjusted basis giving effect to any splits, dividend and the like from the date hereof). "Valuation Cap" means US$125,000,000. "Diluted Capitalization" means the aggregate number of Common Shares outstanding as of immediately prior to the initial closing of the Offering, assuming full conversion or full exercise of all convertible or exercisable securities then outstanding (including any outstanding convertible notes, any "Simple Agreements for Future Equity" and any Common Shares reserved and available for future grant under any equity incentive or similar plan of the Company), but for the avoidance of doubt excluding the Securities (as defined in the Purchase Agreement) and any warrants issued to the Placement Agent as compensation in the Offering.

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c) Cashless Exercise. If at any time after 180 days following the closing of the Public Company Event ("Registration Deadline"), there is no effective registration statement registering, or no currently prospectus available for, the resale of the Warrant Shares by the Holder (a "Registration Default"), then this Warrant may also be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) both executed and delivered pursuant to Section 2(a) hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to Section 2(a) on a Trading Day prior to the opening of "regular trading hours" (as defined in Rule 600(b)(64) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) at the option of the Holder, either (y) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise or (z) the Bid Price of the Common Shares on the principal Trading Market as reported by Bloomberg L.P. as of the time of the Holder's execution of the applicable Notice of Exercise if such Notice of Exercise is executed during "regular trading hours" on a Trading Day and is delivered within two (2) hours thereafter (including until two (2) hours after the close of "regular trading hours" on a Trading Day) pursuant to Section 2(a) or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is both executed and delivered pursuant to Section 2(a) after the close of "regular trading hours" on such Trading Day;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the characteristics of the Warrants being exercised, and the holding period of the Warrant Shares being issued may be tacked on to the holding period of this Warrant. The Company agrees not to take any position contrary to this Section 2(c).

"Bid Price" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Shares are then listed or quoted on a Trading Market, the bid price of the Common Shares for the time in question (or the nearest preceding date) on the Trading Market on which the Common Shares are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Shares for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Shares are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Shares are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Shares so reported, or (d) in all other cases, the fair market value of a Common Share as determined by an independent appraiser selected in good faith by the holders of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Shares are then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Shares for such date (or the nearest preceding date) on the Trading Market on which the Common Shares are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Shares for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Shares are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Shares are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Shares so reported, or (d) in all other cases, the fair market value of a Common Share as determined by an independent appraiser selected in good faith by the holders of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

Notwithstanding anything herein to the contrary, on the Termination Date, this Warrant shall be automatically exercised via cashless exercise pursuant to this Section 2(c).

If at any time after the Registration Deadline, there is a Registration Default, then, (i) the Holder shall be entitled to liquidated damages for each $1,000 of the Holder's Warrant Shares subject to such exercise (based on the VWAP of the Common Shares on the date of the applicable Notice of Exercise), $20 per Trading Day for each trading day thereafter until such Warrant Shares are delivered or the Holder rescinds the applicable Notice of Exercise not to exceed $250,000 in the aggregate during the term of this Warrant, and (ii) for each thirty (30) days following the Registration Deadline, or portion of any thirty (30) day period thereafter in which a Registration Default exists, the amount of Warrant Shares of Holder shall be automatically increased by three percent (3%) over the Warrant Shares which are held by the Holder as on such dates (which percentage shall be prorated in the case of a partial month) not to exceed in the aggregate an additional eight percent (8%); provided that the foregoing shall not apply if (A) the Company is current in all of its filing obligations under the Exchange Act as of the time of the applicable Notice of Exercise, and (B) there is no delay with the delivery of the Warrant Shares pursuant to Section 2(d).

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder's or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) the Warrant Shares are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144 (assuming cashless exercise of the Warrants), and otherwise by physical delivery of a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is the earliest of (i) two (2) Trading Days after the delivery to the Company of the Notice of Exercise, (ii) one (1) Trading Day after delivery of the aggregate Exercise Price to the Company and (iii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate (but not Rule 144) purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Shares on the date of the applicable Notice of Exercise), $5 per Trading Day (increasing to $15 per Trading Day on the fifth (5th) Trading Day after such liquidated damages begin to accrue) for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise. The Company agrees, following the Public Company Event, to maintain a transfer agent that is a participant in the FAST program during the period beginning on the date of the Public Company Event and continuing for so long as this Warrant remains outstanding and exercisable. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Share as in effect on the date of delivery of the Notice of Exercise.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender

of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, Common Shares to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the Common Shares so purchased exceeds (y) the product of (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of Common Shares that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Share having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of Common Shares with an aggregate sale price giving rise to such purchase obligation of $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver Common Shares upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto as Exhibit B duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares. The Company shall, if requested by Holder, provide an attorney legal opinion from counsel to the Company to Holder for removal of restrictive legends on Warrant Shares.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, " Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of Common Shares beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of Common Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Common Shares which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company (including, without limitation, any other Common Share Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding Common Shares, a Holder may rely on the number of outstanding Common Shares as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of Common Shares outstanding. Upon the written or oral request of a Holder, the Company shall within one Trading Day confirm orally and in writing to the Holder the number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding Common Shares was reported. The " Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Shares outstanding immediately after giving effect to the issuance of Common Shares issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Shares outstanding immediately after giving effect to the issuance of Common Shares upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Share or any other equity or equity equivalent securities payable in Common Shares (which, for avoidance of doubt, shall not include any Common Shares issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding Common Shares into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding Common Shares into a smaller number of shares or (iv) issues by reclassification of shares of the Common Shares any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of Common Shares (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of Common Shares outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re classification.

b) Subsequent Equity Sales. If and whenever, at any time while this Warrant is outstanding, the Company issues or sells, announces any offer, sale, or other disposition of, or in accordance with this Section 3 is deemed to have issued, sold or granted (or makes an announcement regarding the same), any Common Shares and/or Common Share Equivalents (including the issuance or sale of Common Shares owned or held by or for the account of the Company, but excluding any Exempt Issuance, for a consideration per share (the "New Issuance Price") less than a price equal to the Exercise Price in effect immediately prior to such issuance or sale or deemed issuance or sale (such Exercise Price then in effect is referred to herein as the "Applicable Price") (the foregoing a "Dilutive Issuance"), then immediately after such Dilutive Issuance, (1) the Exercise Price then in effect shall be reduced to an amount equal to the New Issuance Price and (2) the number of Warrant Shares issuable hereunder shall be increased such that the aggregate Exercise Price payable hereunder, after taking into account the decrease in the Exercise Price, shall be equal to the aggregate Exercise Price prior to such adjustment (subject to adjustment as provided herein). For all purposes of the foregoing (including, without limitation, determining the adjusted Exercise Price and the New Issuance Price under this Section 3(b)), the following shall be applicable:

i. Issuance of Options. Except with respect to any Exempt Issuance (as defined in the Purchase Agreement), if the Company in any manner grants, issues or sells (or enters into any agreement to grant, issue or sell) any Options (as defined below) and the lowest price per share for which one Common Shares are at any time issuable upon the exercise of any such Option (as defined below) or upon conversion, exercise or exchange of any Common Share Equivalents issuable upon exercise of any such Option (as defined below) or otherwise pursuant to the terms thereof is less than the Applicable Price, then such Common Share shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the granting or sale of such Option (as defined below) for such price per share. For purposes of this Section 3(b)(i), the "lowest price per share for which one Common Shares are at any time issuable upon the exercise of any such Options (as defined below) or upon conversion, exercise or exchange of any Common Share Equivalents issuable upon exercise of any such Option (as defined below) or otherwise pursuant to the terms thereof" shall be equal to (1) the lower of (x) the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to any one Common Share upon the granting, issuance or sale of such Option (as defined below), upon exercise of such Option (as defined below) and upon conversion, exercise or exchange of any Common Share Equivalents issuable upon exercise of such Option (as defined below) or otherwise pursuant to the terms thereof and (y) the lowest exercise price set forth in such Option (as defined below) for which one Common Shares are issuable (or may become issuable assuming all possible market conditions) upon the exercise of any such Options (as defined below) or upon conversion, exercise or exchange of any Common Share Equivalents issuable upon exercise of any such Option (as defined below) or otherwise pursuant to the terms thereof minus (2) the sum of all amounts paid or payable to the holder of such Option (or any other Person) upon the granting, issuance or sale of such Option (as defined below), upon exercise of such Option (as defined below) and upon conversion, exercise or exchange of any Common Share Equivalents issuable upon exercise of such Option (as defined below) or otherwise pursuant to the terms thereof plus the value of any other consideration received or receivable by, or benefit conferred on, the holder of such Option (as defined below) (or any other Person). Except as contemplated below, no further adjustment of the Exercise Price shall be made upon the actual issuance of such Common Shares or of such Common Share Equivalents upon the exercise of such Options (as defined below) or otherwise pursuant to the terms of or upon the actual issuance of such Common Shares upon conversion, exercise or exchange of such Common Share Equivalents. "Option" means any rights, warrants or options to subscribe for or purchase Common Shares or Convertible Securities except with respect to any Exempt Issuance as defined in the Purchase Agreement. "Convertible Securities" means any shares or other security (other than Options) that is at any time and under any circumstances, directly or indirectly, convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any Common Shares.

ii. Issuance of Convertible Securities. If the Company in any manner issues or sells (or enters into any agreement to issue or sell) any Common Share Equivalents and the lowest price per share for which one Common Share is at any time issuable upon the conversion, exercise or exchange thereof or otherwise pursuant to the terms thereof is less than the Applicable Price, then such Common Shares shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the issuance or sale of such Common Share Equivalents for such price per share. For the purposes of this Section 3(b)(ii), the "lowest price per share for which one Common Shares are at any time issuable upon the conversion, exercise or exchange thereof or otherwise pursuant to the terms thereof" shall be equal to (1) the lower of (x) the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to one Common Share upon the issuance or sale of the Common Shares Equivalents and upon conversion, exercise or exchange of such Common Share Equivalents or otherwise pursuant to the terms thereof and (y) the lowest conversion price set forth in such Common Share Equivalents for which one Common Share is issuable (or may become issuable assuming all possible market conditions) upon conversion, exercise or exchange thereof or otherwise pursuant to the terms thereof minus (2) the sum of all amounts paid or payable to the holder of such Common Share Equivalents (or any other Person) upon the issuance or sale of such Common Share Equivalents plus the value of any other consideration received or receivable by, or benefit conferred on, the holder of such Common Share Equivalents (or any other Person). Except as contemplated below, no further adjustment of the Exercise Price shall be made upon the actual issuance of such Common Shares upon conversion, exercise or exchange of such Common Share Equivalents or otherwise pursuant to the terms thereof, and if any such issuance or sale of such Common Share Equivalents is made upon exercise of any Options for which adjustment of this Warrant has been or is to be made pursuant to other provisions of this Section 3(b), except as contemplated below, no further adjustment of the Exercise Price shall be made by reason of such issuance or sale.

iii. Change in Option Price or Rate of Conversion. If the purchase or exercise price provided for in any Options, the additional consideration, if any, payable upon the issue, conversion, exercise or exchange of any Common Share Equivalents, or the rate at which any Common Share Equivalents are convertible into or exercisable or exchangeable for Common Shares increases or decreases at any time (other than proportional changes in conversion or exercise prices, as applicable, in connection with an event referred to in Section 3(a)), the Exercise Price in effect at the time of such increase or decrease shall be adjusted to the Exercise Price which would have been in effect at such time had such Options or Common Share Equivalents provided for such increased or decreased purchase price, additional consideration or increased or decreased conversion rate, as the case may be, at the time initially granted, issued or sold. For purposes of this Section 3(b)(iii), if the terms of any Option or Common Share Equivalents that was outstanding as of the date this Warrant was issued are increased or decreased in the manner described in the immediately preceding sentence, then such Option or Common Share Equivalents and the Common Shares deemed issuable upon exercise, conversion or exchange thereof shall be deemed to have been issued as of the date of such increase or decrease. No adjustment pursuant to this Section 3(b) shall be made if such adjustment would result in an increase of the Exercise Price then in effect.

iv. Change in Option Price or Rate of Conversion. If any Option and/or Common Share Equivalents and/or Adjustment Right (as defined below) is issued in connection with the issuance or sale or deemed issuance or sale of any other securities of the Company (as determined by the Holder, the "Primary Security", and such Option and/or Common Share Equivalents and/or Adjustment Right (as defined below), the "Secondary Securities"), together comprising one integrated transaction, (or one or more transactions if such issuances or sales or deemed issuances or sales of securities of the Company either (A) have at least one investor or purchaser in common, (B) are consummated in reasonable proximity to each other and/or (C) are consummated under the same plan of financing) the aggregate consideration per Common Share with respect to such Primary Security shall be deemed to be equal to the difference of (x) the lowest price per share for which one Common Share was issued (or was deemed to be issued pursuant to Section 3(b)(i) or 3(b)(ii) above, as applicable) in such integrated transaction solely with respect to such Primary Security, minus (y) with respect to such Secondary Securities, the sum of (I) the Black Scholes Consideration Value (as defined below) of each such Option, if any, (II) the fair market value (as determined by the Holder in good faith) or the Black Scholes Consideration Value (as defined below), as applicable, of such Adjustment Right (as defined below), if any, and (III) the fair market value (as determined by the Holder) of such Common Share Equivalents, if any, in each case, as determined on a per share basis in accordance with this Section 3(b)(iv). If any Common Shares, Options or Common Share Equivalents are issued or sold or deemed to have been issued or sold for cash, the consideration received therefor (for the purpose of determining the consideration paid for such Common Share, Option or Common Share Equivalents, but not for the purpose of the calculation of the Black Scholes Consideration Value (as defined below)) will be deemed to be the net amount of consideration received by the Company therefor. If any Common Shares, Options or Common Share Equivalents are issued or sold for a consideration other than cash, the amount of such consideration received by the Company (for the purpose of determining the consideration paid for such Common Share, Option or Common Share Equivalents, but not for the purpose of the calculation of the Black Scholes Consideration Value (as defined below)) will be the fair value of such consideration, except where such consideration consists of publicly traded securities, in which case the amount of consideration received by the Company for such securities will be the arithmetic average of the VWAPs of such security for each of the five (5) Trading Days immediately preceding the date of receipt. If any Common Shares, Options or Common Share Equivalents are issued to the owners of the non-surviving entity in connection with any merger in which the Company is the surviving entity, the amount of consideration therefor (for the purpose of determining the consideration paid for such Common Shares, Option or Common Share Equivalents, but not for the purpose of the calculation of the Black Scholes Consideration Value (as defined below)) will be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such Common Shares, Options or Common Share Equivalents (as the case may be). The fair value of any consideration other than cash or publicly traded securities will be determined jointly by the Company and the Holder. If such parties are unable to reach agreement within ten (10) days after the occurrence of an event requiring valuation (the "Valuation Event"), the fair value of such consideration will be determined within five (5) Trading Days after the tenth (10th) day following such Valuation Event by an independent, reputable appraiser jointly selected by the Company and the Holder. The determination of such appraiser shall be final and binding upon all parties absent manifest error and the fees and expenses of such appraiser shall be borne by the Company). "Adjustment Right" means any right granted with respect to any securities issued in connection with, or with respect to, any issuance or sale (or deemed issuance or sale hereunder) of Common Shares (other than rights of the type described in Sections 3(c) and 3(d) hereof) that could result in a decrease in the net consideration received by the Company in connection with, or with respect to, such securities (including, without limitation, any cash settlement rights, cash adjustment or other similar rights).

v. Change in Option Price or Rate of Conversion. If the Company takes a record of the holders of Common Shares for the purpose of entitling them (A) to receive a dividend or other distribution payable in Common Shares, Options or in Common Share Equivalents or (B) to subscribe for or purchase Common Shares, Options or Common Share Equivalents, then such record date will be deemed to be the date of the issuance or sale of the Common Shares deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase (as the case may be).

c) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Common Shares acquirable upon complete exercise of this Warrant (subject to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Common Shares are to be determined for the participation in such Distribution (provided, however, that, the Holder's right to participate in any such Distribution shall be limited to the Beneficial Ownership Limitation, and the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any Common Shares as a result of such Distribution to such extent) beyond the Beneficial Ownership Limitation).

d) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company or any Subsidiary, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company or any Subsidiary, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Shares are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Shares or 50% or more of the voting power of the common equity of the Company, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires 50% or more of the outstanding Common Shares or 50% or more of the voting power of the common equity of the Company (not including any Common Shares held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of Common Shares of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of Common Shares for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Common Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. Notwithstanding anything to the contrary, in the event a Fundamental Transaction is consummated at or prior to the time of a Public Company Event, the Company or any Successor Entity (as defined below) shall, at the Holder's option, exercisable at any time concurrently with, or within 30 days after, the consummation of the Fundamental Transaction (or, if later, the date of the public announcement of the applicable Fundamental Transaction), purchase this Warrant from the Holder by paying to the Holder an amount of cash equal to the Black Scholes Value (as defined below) of the remaining unexercised portion of this Warrant on the date of the consummation of such Fundamental Transaction; provided, however, that, if the Fundamental Transaction is not within the Company's control, including not approved by the Company's Board of Directors, Holder shall only be entitled to receive from the Company or any Successor Entity the same type or form of consideration (and in the same proportion), at the Black Scholes Value of the unexercised portion of this Warrant, that is being offered and paid to the holders of Common Stock of the Company in connection with the Fundamental Transaction, whether that consideration be in the form of cash, stock or any combination thereof, or whether the holders of Common Stock are given the choice to receive from among alternative forms of consideration in connection with the Fundamental Transaction; provided, further, that if holders of Common Stock of the Company are not offered or paid any consideration in such Fundamental Transaction, such holders of Common Stock will be deemed to have received common stock of the Successor Entity (which Entity may be the Company following such Fundamental Transaction) in such Fundamental Transaction. "Black Scholes Value" means the value of this Warrant based on the Black-Scholes Option Pricing Model obtained from the "OV" function on

Bloomberg, L.P. ("Bloomberg") determined as of the day of consummation of the applicable Fundamental Transaction for pricing purposes and reflecting (A) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date, (B) an expected volatility equal to the greater of 100% and the 100 day volatility obtained from the HVT function on Bloomberg (determined utilizing a 365 day annualization factor) as of the Trading Day immediately following the public announcement of the applicable Fundamental Transaction, (C) the underlying price per share used in such calculation shall be the greater of (i) the sum of the price per share being offered in cash, if any, plus the value of any non-cash consideration, if any, being offered in such Fundamental Transaction and (ii) the greater of (x) the last VWAP immediately prior to the public announcement of such Fundamental Transaction and (y) the last VWAP immediately prior to the consummation of such Fundamental Transaction and (D) a remaining option time equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date and (E) a zero cost of borrow. The payment of the Black Scholes Value (or such other consideration) will be made by wire transfer of immediately available funds within five Business Days of the Holder's election (or, if later, on the effective date of the Fundamental Transaction). The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(d) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the Common Shares acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the Common Shares pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein.

e) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of Common Shares deemed to be issued and outstanding as of a given date shall be the sum of the number of Common Shares (excluding treasury shares, if any) issued and outstanding.

f) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by facsimile or email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Share, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Shares, (C) the Company shall authorize the granting to all holders of the Common Shares rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Shares, any consolidation or merger to which the Company (or any of its Subsidiaries) is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Shares are converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by facsimile or email to the Holder at its last facsimile number or email address as it shall appear upon the Warrant Register of the Company, at least 15 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Shares of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Shares of record shall be entitled to exchange their shares of the Common Shares for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

g) Voluntary Adjustment by Company . Subject to the rules and regulations of the Trading Market, the Company may at any time during the term of this Warrant, subject to the prior written consent of the Holder, reduce the then current Exercise Price to any amount and for any period of time deemed appropriate by the Board of Directors of the Company.

Section 4. Transfer of Warrant.

a) Transferability. Subject to compliance with any applicable securities laws and the conditions set forth in Section 4(d) hereof and to the provisions of Section 4.1 of the Purchase Agreement, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date on which the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the Initial Exercise Date and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

d) Transfer Restrictions. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, (A) the Company has not been a reporting issuer in any jurisdiction of Canada for at least four months and one day; and (B) the transfer of this Warrant shall not be either (i) registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws or (ii) eligible for resale without volume or manner-of-sale restrictions or current public information requirements pursuant to Rule 144, the Company may require, as a condition of allowing such transfer, that the Holder or transferee of this Warrant, as the case may be, comply with the provisions of Section 4.1 of the Purchase Agreement.

e) Representation by the Holder. The Holder, by the acceptance hereof, represents and warrants that it is acquiring this Warrant and, upon any exercise hereof, will acquire the Warrant Shares issuable upon such exercise, for its own account and not with a view to or for distributing or reselling such Warrant Shares or any part thereof in violation of the Securities Act or any applicable state securities law, except pursuant to sales registered or exempted under the Securities Act.

f) Permitted Transfers and Assignments. Notwithstanding any provision to the contrary in this Section 4, the Holder may transfer, with or without consideration, this Warrant or any of the Warrant Shares (or a portion thereof) to the Holder's Affiliates (as such term is defined under Rule 144 of the Securities Act) or to officers, directors, employees and other associated persons of the Holder without obtaining an opinion from counsel that may be required hereunder, unless otherwise required by the Company's transfer agent, provided, that the Holder delivers to the Company and its counsel certification, documentation, and other assurances reasonably required by the Company's counsel to enable the Company's counsel to render an opinion to the Company's Transfer Agent that such transfer does not violate applicable securities laws. In addition, the Warrant Shares acquired upon the exercise of this Warrant will have restrictions upon resale in Canada until such time as the Company has been a reporting issuer in any jurisdiction of Canada for a period of four months and one day pursuant to applicable Canadian securities laws.

Section 5. Miscellaneous.

a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares. The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Shares the number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant multiplied by two (2). The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Share may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the provisions of the Purchase Agreement.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant or the Purchase Agreement, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered in accordance with the notice provisions of the Purchase Agreement.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Share or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment; Waivers. Any modifications, amendments or waivers of the provisions hereof shall be subject to Section 5.4 of the Purchase Agreement.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

Signature Page 20 Follows

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IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

DAMON MOTORS INC.

By: _____

Name: Mike Galbraith
Title: Chief Financial Officer

EXHIBIT A

NOTICE OF EXERCISE

TO: [_____

(1) The undersigned hereby elects to purchase_____Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

[ ] in lawful money of the United States; or

[ ] [if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

The Warrant Shares shall be delivered to the following DWAC Account Number:

_____

_____

_____

(4) Accredited Investor. The undersigned is an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

EXHIBIT B

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to:

Name: _____
(Please Print)

Address: _____
(Please Print)

Phone Number: _____

Email Address: _____

Dated: _____

Holder's Signature: _____

Holder's Address: _____

FORM OF SECURITYHOLDER SUPPORT AGREEMENT

This Securityholder Support Agreement (this "**Agreement**"), dated as of [●], 2023, is entered into by and among Inpixon, a Nevada corporation (the "**Parent**"), Grafiti Holding Inc., a company organized under the laws of the Province of British Columbia, Canada ("**Spinco**"), Damon Motors Inc., a company organized under the laws of the Province of British Columbia, Canada (the "**Company**") and the undersigned securityholder of the Company (the "**Securityholder**"). Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Business Combination Agreement (as defined herein).

The Parent, Spinco, the Company and the Securityholder are sometimes referred to herein individually as a "**Party**" and, collectively, as the "**Parties**".

RECITALS

WHEREAS, the Parent, 1444842 B.C. LTD., a British Columbia company and a direct, wholly-owned subsidiary of the Parent ("**Amalco Sub**"), Spinco and the Company have entered into a Business Combination Agreement (as may be amended, restated or otherwise modified from time to time in accordance with its terms, the "**Business Combination Agreement**"), pursuant to which, the Parties intend to carry out a business combination, which shall include the Arrangement (as defined herein) on the terms and subject to the conditions set forth in a plan of arrangement under Part 9 Division 5 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), substantially in the form attached as Exhibit A to the Business Combination Agreement (the " **Plan of Arrangement**"), subject to any amendments or variations to the Plan of Arrangement, including at the direction of the Court in the Final Order, with the prior written consent of the Company and the Parent, each acting reasonably;

WHEREAS, on the terms and subject to the conditions of the Business Combination Agreement and the Plan of Arrangement, among other things, (a) in accordance with the applicable provisions of the BCBCA, Spinco, Amalco Sub and the Company will complete an arrangement pursuant to Part 9 Division 5 of the BCBCA (the "**Arrangement**"), and as a result of the Arrangement, (i) each Company Note issued and outstanding immediately prior to the Effective Time will automatically be exchanged for such number Company Common Shares as set out in the Plan of Arrangement; (ii) each Company SAFE issued and outstanding immediately prior to the Effective Time will automatically be exchanged for such number Company Common Shares as set out in the Plan of Arrangement; (iii) each Company Preferred Share issued and outstanding immediately prior to the Effective Time will be automatically exchanged for such number Company Common Shares as set out in the Plan of Arrangement, (iv) each Company Common Share (including Company Common Shares issued pursuant to items (i), (ii) and (iii) above) issued and outstanding immediately prior to the Effective Time will be automatically exchanged for the number of Spinco Common Shares as set forth in the Plan of Arrangement; (v) each Company Option issued and outstanding immediately prior to the Effective Time will be exchanged for a Converted Option of Spinco as set forth in the Plan of Arrangement, (vi) each Company Warrant issued and outstanding immediately prior to the Effective Time will be exchanged for a Converted Warrant of Spinco as set forth in the Plan of Arrangement, and (vii) Amalco Sub and the Company will merge to form one corporate entity with the same effect as if they had amalgamated under Part 9 Division 3 of the BCBCA;

WHEREAS, as of the date hereof, the Securityholder is a "beneficial owner" (as such term is used herein, within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended) ("**Ownership**") of, and is entitled to dispose of and vote (if applicable), the number of and type of Company Security set forth opposite such Securityholder's name on Schedule 1 of this Agreement (collectively, such Securityholder's " **Owned Securities**", and together with (i) any additional Company Securities (and any securities convertible into or exercisable or exchangeable for Company Securities) in which such Securityholder acquires Ownership after the date hereof, including by purchase, as a result of a stock dividend, share split, recapitalization, combination, reclassification, exchange or change of such shares, or upon exercise or conversion of any securities, (ii) any securities of the Company issued in exchange for the Owned Securities, and (iii) any additional Company Securities with respect to which such Securityholder has the right to vote through a proxy, the "**Additional Securities**" and together with the Owned Securities, the "**Covered Securities**"); and

WHEREAS, as a condition and inducement to the willingness of the Parent and Spinco to enter into the Business Combination Agreement, the Securityholder is entering into this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the Parent, the Company and the Securityholder hereby agree as follows:

1. Agreement to Vote. Subject to the earlier termination of this Agreement in accordance with Section 3 and the last paragraph of this Section 1, the Securityholder, solely in his, her or its capacity as a Securityholder or proxy holder of the Company, irrevocably and unconditionally agrees, and agrees to cause any other holder of record of any of such Securityholder's Covered Securities, to validly execute and deliver to the Company on (or effective as of) the third (3rd) Business Day following the date any management information circular is disseminated to the Company's securityholders in connection with the transactions contemplated under the Business Combination Agreement, a written consent in respect of all of such Securityholder's Covered Securities approving the Plan of Arrangement and the Arrangement Resolution and the proposed transactions contemplated by the Business Combination Agreement and any other matters necessary or reasonably requested by the Company for consummation of the Plan of Arrangement and the other transactions contemplated by the Business Combination Agreement. In addition, subject to the last paragraph of this Section 1, prior to the Termination Date (as defined herein), the Securityholder, in his, her or its capacity as a securityholder or proxy holder of the Company, irrevocably and unconditionally agrees that, at any other meeting of the securityholders of the Company (whether or not an adjourned or postponed meeting, however called and including any adjournment or postponement thereof) and in connection with any written consent of the securityholders of the Company, the Securityholder shall, and shall cause any other holder of record of the Securityholder's Covered Securities to:

(a) when such meeting is held, appear at such meeting or otherwise cause the Securityholder's Covered Securities to be counted as present thereat for the purpose of establishing a quorum;

(b) vote (or execute and return an action by written consent), or cause to be voted at such meeting (or validly execute and return and cause such consent to be granted with respect to), all of the Securityholder's Covered Securities owned as of the record date for such meeting (or the date that any written consent is executed by such Securityholder) in favor of the Plan of Arrangement, the adoption of the Business Combination Agreement and any other matters necessary or reasonably requested by the Company for consummation of the Plan of Arrangement and the other transactions contemplated by the Business Combination Agreement;

(c) in any other circumstances upon which a consent or other approval is required under the Company's articles of incorporation, notice of articles or other constating documents (collectively, the "**Company's Governing Documents**"), the BCBCA or otherwise sought with respect to the Business Combination Agreement or the other transactions contemplated by the Business Combination Agreement, vote, consent or approve (or cause to be voted, consented or approved) all of the Securityholder's Covered Securities held at such time in favor thereof; and

(d) vote (or execute and return an action by written consent), or cause to be voted at such meeting (or validly execute and return and cause such consent to be granted with respect to), all of the Securityholder's Covered Securities against (i) any proposal other than as set out in the Business Combination Agreement or which is required to give effect to the transactions contemplated in the Business Combination Agreement, (ii) any amendment to the Company's Governing Documents (other than as provided for in the Business Combination Agreement or as expressly waived by the parties thereto) and any other action, in each case, that would reasonably be expected to (x) impede, interfere with, delay, postpone or adversely affect the Plan of Arrangement or any of the other transactions contemplated by the Business Combination Agreement, (y) result in any condition to the consummation of the transactions set forth in Article VIII (*Closing Conditions*) of the Business Combination Agreement not being fulfilled, or (z) result in a breach of any covenant, representation or warranty, or other obligation or agreement of such Securityholder contained in this Agreement and (iii) any other action, agreement or transaction that would result in a breach of any covenant, representation or warranty or any other obligation or agreement of the Company under the Business Combination Agreement or that would reasonably be expected to result in the failure of the transactions contemplated by the Business Combination Agreement from being consummated.

The obligations of the Securityholder specified in this Section 1 shall apply whether or not the Plan of Arrangement and the Arrangement Resolution or any action described above is recommended by the board of directors of the Company (the "**Company Board**"), or the Company Board has previously recommended the Plan of Arrangement and the Arrangement Resolution but changed such recommendation.

For the avoidance of doubt, except as explicitly set forth in this Section 1, nothing in this Agreement shall limit the right of the Securityholder to vote in favor of, against or abstain with respect to any other matters presented to the securityholders of the Company. Nothing in this Agreement shall obligate the Securityholder to exercise any option or any other right to acquire any Company Securities.

2. No Inconsistent Agreements. The Securityholder hereby covenants and agrees that they shall not (a) enter into any voting agreement or voting trust with respect to any of such Securityholder's Covered Securities that is inconsistent with such Securityholder's obligations pursuant to this Agreement, (b) grant a proxy or power of attorney with respect to any of such Securityholder's Covered Securities that is inconsistent with such Securityholder's obligations pursuant to this Agreement, or (c) enter into any agreement or undertaking that is otherwise inconsistent with, or would interfere with, or prohibit or prevent it from satisfying, its obligations pursuant to this Agreement.

3. Termination. This Agreement shall terminate upon the earliest of (a) the Effective Time, (b) the termination of the Business Combination Agreement in accordance with its terms, and (c) the time this Agreement is terminated upon the mutual written agreement of the Company, Parent, Spinco and the Securityholder (the earliest such date under clause (a), (b) and (c) being referred to herein as the "**Termination Date**") and the representations, warranties, covenants and agreements contained in this Agreement and in any certificate or other writing delivered pursuant hereto shall not survive the earlier of (i) the Effective Time and (ii) the termination of this Agreement; provided, that the provisions set forth in Sections 12 through 22 shall survive the termination of this Agreement. The termination of this Agreement shall not prevent a Party from seeking any remedies (at law or in equity) against any other Party or relieve such Party from liability for such Party's intentional and material breach of any terms of this Agreement.

4. Dissenters' Rights. The Securityholder hereby irrevocably waives, and agrees not to exercise or attempt to exercise, any right to dissent or right of appraisal or any similar provision under applicable Law (including pursuant to the BCBCA) in connection with the Plan of Arrangement and the other transactions as contemplated by the Business Combination Agreement; provided, however, that such Securityholder shall not be prohibited from exercising or attempting to exercise any of the foregoing in the event of fraud or material misrepresentation pertaining to this Agreement on the part of any of the Parent, Spinco or the Company that results or would reasonably be expected to result in a material harm to such Securityholder. The Securityholder agrees they will not bring, commence, institute, maintain, prosecute or voluntarily aid any action, claim, proceeding, order or other application, at law or in equity, in any court or before any Governmental Authority, which challenges the validity of or seeks to enjoin, impair or delay the valid operation of any provision of this Agreement, the Plan of Arrangement or the Business Combination Agreement or the consideration and approval thereof by the securityholders of the Company, the board of directors of the Company or the governing bodies of the Subsidiary of the Company; provided, however, that the Securityholder shall not be prohibited from bringing, commencing, instituting, maintaining, prosecuting or voluntarily aiding in any of the foregoing in the event of fraud or material misrepresentation pertaining to this Agreement on the part of any of the Parent, Spinco or the Company that results or would reasonably be expected to result in a material harm to such Securityholder.

5. Representations and Warranties of the Securityholder. The Securityholder hereby represents and warrants as of the date hereof to the Parent, Spinco and the Company as follows:

(a) The Securityholder is the beneficial owner of, and has good, valid and marketable title to or has a valid proxy to vote the Securityholder's Covered Securities, free and clear of any Liens (other than as created by this Agreement or the organizational documents of the Company (including, for the purposes hereof, any agreements between or among securityholders of the Company)). Other than the Owned Securities set forth opposite such Securityholder's name on Schedule 1, the Securityholder does not legally own or beneficially hold any Company Securities or any interest therein.

(b) The Securityholder, except as provided in this Agreement or the Company's Governing Documents, (i) has full voting power, full power of disposition and full power to issue instructions with respect to the matters set forth herein whether by ownership or by proxy, in each case, with respect to such Securityholder's Covered Securities, (ii) has not entered into any shareholders' agreement, voting agreement, voting trust, pooling agreement or similar agreement, understanding or arrangement, or any right or privilege (by Law or contract) capable of becoming any of the foregoing, in each case, and has no knowledge and is not aware of any such foregoing agreement or arrangement in effect with respect to any of the Securityholder's Covered Securities that are inconsistent with, or would interfere with, or prohibit or prevent the Securityholder from satisfying its obligations pursuant to, this Agreement, other than the Company Shareholders Agreement (iii) has not granted a proxy or power of attorney with respect to any of the Securityholder's Covered Securities that is inconsistent with the Securityholder's obligations pursuant to this Agreement, and has no knowledge and is not aware of any such proxy or power of attorney in effect, and (iv) has not entered into any agreement or undertaking that is otherwise inconsistent with, or would interfere with, or prohibit or prevent it from satisfying, its obligations pursuant to this Agreement, and has no knowledge and is not aware of any such agreement or undertaking.

(c) The Securityholder affirms that (i) if the Securityholder is a natural person, he or she has all the requisite power and authority and has taken all action necessary in order to execute and deliver this Agreement, to perform his or her obligations hereunder and to consummate the transaction contemplated hereby, and (ii) if the Securityholder is not a natural person, (A) is a legal entity duly organized, validly existing and, to the extent such concept is applicable, in good standing under the Laws of the jurisdiction of its organization, and (B) has all requisite corporate or other power and authority and has taken all corporate or other action necessary in order to, execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Securityholder and, subject to the due execution and delivery of this Agreement by each other Party, constitutes a legally valid and binding agreement of the Securityholder enforceable against the Securityholder in accordance with the terms hereof (except as enforceability may be limited by bankruptcy Laws or other similar Laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies).

(d) Other than the filings, notices and reports pursuant to, in compliance with or required to be made under applicable Law, no filings, notices, reports, consents, registrations, approvals, permits, waivers, expirations of waiting periods or authorizations are required to be obtained by the Securityholder from, or to be given by the Securityholder to, or be made by the Securityholder with, any Governmental Authority in connection with the execution, delivery and performance by the Securityholder of this

Agreement, the consummation of the transactions contemplated hereby, the Plan of Arrangement or the other transactions contemplated by the Business Combination Agreement.

(e) The execution, delivery and performance of this Agreement by the Securityholder does not, and the consummation of the transactions contemplated hereby, the Plan of Arrangement or the other transactions contemplated by the Business Combination Agreement will not, constitute or result in (i) a breach or violation of, or a default under, the constating documents of the Securityholder (if the Securityholder is not a natural person), (ii) with or without notice, lapse of time or both, a breach or violation of, a termination (or right of termination) of or a default under, the loss of any benefit under, the creation, modification or acceleration of any obligations under or the creation of a Lien on any of the properties, rights or assets of the Securityholder pursuant to any Contract binding upon the Securityholder or, assuming (solely with respect to performance of this Agreement and the transactions contemplated hereby), compliance with the matters referred to in Section 5(d), under any applicable Law to which the Securityholder is subject, or (iii) any change in the rights or obligations of any party under any Contract legally binding upon the Securityholder, except, in the case of clause (ii) or (iii) directly above, for any such breach, violation, termination, default, creation, acceleration or change that would not, individually or in the aggregate, reasonably be expected to prevent or materially delay or impair the Securityholder's ability to perform its obligations hereunder or to consummate the transactions contemplated hereby, the consummation of the Plan of Arrangement or the other transactions contemplated by the Business Combination Agreement.

(f) There is no action, proceeding or investigation pending against the Securityholder or, to the knowledge of the Securityholder, threatened against the Securityholder that, (i) in any manner, questions the beneficial or record ownership of the Securityholder's Covered Securities or the validity of this Agreement, or (ii) before (or, in the case of threatened Actions, that would be before) any arbitrator or any Governmental Authority, which challenges or seeks to prevent, enjoin or materially delay the performance by the Securityholder of its obligations under this Agreement.

(g) The Securityholder has received a copy of and reviewed the Business Combination Agreement and has had the opportunity to consult with the Securityholder's tax and legal advisors. The Securityholder is a sophisticated Securityholder and has adequate information concerning the business and financial condition of Spinco and the Company to make an informed decision regarding this Agreement and the other transactions contemplated by the Business Combination Agreement and has independently and based on such information as such Securityholder has deemed appropriate, made its own analysis and decision to enter into this Agreement. The Securityholder acknowledges that (i) the Parent, Spinco and the Company have not made and do not make any representation or warranty, whether express or implied, of any kind or character except as expressly set forth in this Agreement and (ii) the agreements contained herein with respect to the Covered Securities held by the Securityholder are irrevocable.

(h) The Securityholder understands and acknowledges that the Parent and Spinco are entering into the Business Combination Agreement in reliance upon the Securityholder's execution and delivery of this Agreement and the representations, warranties, covenants and other agreements of the Securityholder contained herein.

(i) No investment banker, broker, finder or other intermediary is entitled to any broker's, finder's, financial advisor's or other similar fee or commission for which the Securityholder or the Company is or could be liable in connection with the Business Combination Agreement or this Agreement or any of the respective transactions contemplated hereby or thereby, in each case based upon arrangements made by the Securityholder in his, her or its capacity as a Securityholder or, to the knowledge of the Securityholder, on behalf of the Securityholder in his, her or its capacity as a Securityholder of the Company.

6. Certain Covenants of the Securityholder. Except in accordance with the terms of this Agreement, the Securityholder hereby covenants and agrees as follows:

(a) No Solicitation. Subject to Section 8 hereof, prior to the Termination Date, the Securityholder shall not, and shall cause its Representatives not to, (i) initiate any negotiations with any Person with respect to, or provide any non-public information or data concerning the Company or its Subsidiary, to any Person relating to an Acquisition Proposal or an Alternative Transaction or afford to any Person access to the business, properties, assets or personnel of the Company or its Subsidiary in connection with an Acquisition Proposal or an Alternative Transaction, (ii) enter into any acquisition agreement, merger agreement or similar definitive agreement, or any letter of intent, memorandum of understanding or agreement in principle, or any other agreement relating to an Acquisition Proposal or an Alternative Transaction, (iii) grant any waiver, amendment or release under any confidentiality agreement or the anti-takeover Laws of any state relating to an Acquisition Proposal or an Alternative Transaction, or (iv) otherwise knowingly facilitate any such inquiries, proposals, discussions, or negotiations or any effort or attempt by any Person to make an Acquisition Proposal or an Alternative Transaction. The Securityholder also agrees that immediately following the execution of this Agreement the Securityholder shall, and shall cause its Representatives to, immediately cease any and all existing discussions or negotiations with any Person conducted heretofore with respect to any Acquisition Proposal or an Alternative Transaction. The Securityholder shall promptly (and in any event within two (2) Business Days) notify, in writing, the Parent of the receipt of any inquiry, proposal, offer or request for information received after the date hereof that constitutes, or could reasonably be expected to result in or lead to, an Acquisition Proposal or an Alternative Transaction, which notice shall include a summary of the material terms of such inquiry, proposal or offer (and shall include any other documents evidencing or specifying the terms of such proposal, offer, inquiry or request).

The Securityholder shall promptly (and in any event within forty-eight (48) hours) keep the Parent reasonably informed of any material developments with respect to any such inquiry, proposal, offer, request for information or an Acquisition Proposal or an Alternative Transaction (in each case, including any material changes thereto).

Notwithstanding anything in this Agreement to the contrary, (i) the Securityholder shall not be responsible for the actions of the Company or the Company Board (or any committee thereof), any Subsidiary of the Company, or any officers, directors (in their capacity as such), employees and professional advisors of any of the foregoing (collectively, the "**Company Related Parties**"), (ii) the Securityholder makes no representations or warranties with respect to the actions of any of the Company Related Parties, and (iii) any breach by the Company of its obligations under Section 6.7 (*No Solicitation*) of the Business Combination Agreement shall not be considered a breach of this Section 6(a) (it being understood that, for the avoidance of doubt, the Securityholder or his, her or its Representatives shall remain responsible for any breach by the Securityholder or his, her or its Representatives of this Section 6(a)).

(b) No Transfer. The Securityholder hereby agrees, prior to the Termination Date, not to (except in each case pursuant to the Business Combination Agreement), (i) directly or indirectly, (A) sell, transfer, pledge, encumber, assign, hedge, swap, convert or otherwise dispose of (including by merger (including by conversion into securities or other consideration), by tendering into any tender or exchange offer, by testamentary disposition, by operation of Law or otherwise), either voluntarily or involuntarily (collectively, "**Transfer**"), (B) enter into any Contract, option, or other arrangement or undertaking with respect to the Transfer of, or (C) deposit into a voting trust or enter into a voting agreement or arrangement or grant any proxy or power of attorney with respect thereto that is materially inconsistent with this Agreement with respect to the Securityholder's obligations under Section 1, hereto any of such Securityholder's Covered Securities, or (ii) publicly announce any intention to effect any transaction specified in clauses (A), (B), or (C), or (iii) take any action that would make any representation or warranty of such Securityholder contained herein untrue or incorrect or have the effect of preventing or disabling the Securityholder from performing its obligations under this Agreement; provided, however, that nothing herein shall prohibit a Transfer (i) in the case of an individual, (A) by gift to a member of the individual's immediate family, or to a trust, the beneficiary of which is a member of the individual's immediate family or an Affiliate of such Person, or to a charitable organization, (B) by virtue of laws of descent and distribution upon death of the individual, (C) pursuant to a qualified domestic relations order, or (D) in the case of a trust, by distribution to one or more of the permissible beneficiaries of such trust, or (ii) in the case of an entity, to an Affiliate of such Person; provided, further, that any such Transfer shall be permitted only if, as a precondition to such Transfer, such permitted transferee agrees in a writing, reasonably

satisfactory in form and substance to the Parent and Spinco, to assume all of the obligations of the transferor under, and be bound by all of the terms of, this Agreement. Any Transfer in violation of this Section 6(b) shall be null and void.

(c) The Securityholder hereby authorizes the Company to maintain a copy of this Agreement at either the executive office or the registered office of the Company.

7. Appointed Representative. The Securityholder appoints the Company as its or their representative (the "**Appointed Representative**") as its true and lawful attorney in fact, with full power and authority in its name and on its behalf to:

(a) act in the absolute discretion of the Appointed Representative with respect to all matters relating to this Agreement, including execution and delivery of any amendment of, or supplement to, this Agreement, any waiver of any condition under, or right arising out of, this Agreement, and any termination of this Agreement;

(b) in general, do all things and to perform all acts, including negotiating, executing and delivering all agreements, certificates, receipts, instructions, and other instruments, contemplated by, or deemed advisable to complete the transactions contemplated by, this Agreement;

(c) vote the Covered Securities as contemplated in Section 1 hereof; and

(d) perform its duties and fulfill the obligations of the Securityholder under this Agreement.

The appointment of the Appointed Representative shall be effective as of the date hereunder, and will terminate immediately on the Termination Date. The Appointed Representative shall not be liable for any act done or omitted hereunder as Appointed Representative while acting in good faith and in the exercise of reasonable judgment. The Securityholder shall indemnify the Appointed Representative and hold the Appointed Representative harmless against any loss or expense incurred without negligence or bad faith on the part of the Appointed Representative and arising out of or in connection with the acceptance or administration of their duties hereunder.

8. Further Assurances. From time to time, at the Parent's request and without further consideration, the Securityholder shall execute and deliver such additional documents and take all such further action as may be reasonably necessary or reasonably requested to effect the actions and consummate the transactions contemplated by the Business Combination Agreement and this Agreement. The Securityholder further agrees not to commence or participate in, and to take all actions necessary to opt out of any class in any class action with respect to, any action or claim, derivative or otherwise, against the Parent, Spinco, the Company or any of their respective successors and assigns relating to the negotiation, execution or delivery of this Agreement, the Business Combination Agreement or the consummation of the transactions contemplated hereby and thereby.

9. Disclosure. The Securityholder hereby authorizes the Company and the Parent to publish and disclose in any information circular prepared by Company in respect of approval of the Business Combination Agreement and transactions related thereto, or announcement or disclosure required by any Governmental Authority (including the Court, the SEC or the British Columbia Securities Commission) such Securityholder's identity and ownership of the Covered Securities and the nature of the Securityholder's obligations under this Agreement. The Securityholder agrees to promptly give to the Company, Spinco and the Parent any information as they may reasonably require for the preparation of any such disclosure documents. The Securityholder hereby agrees to promptly notify the Company, Spinco and the Parent of any required corrections with respect to any written information supplied by the Securityholder specifically for use in any such disclosure document, if and to the extent that any such written information has become false or misleading in any material respect. Except as required by Law (including applicable securities law, rules and regulations) or applicable stock exchange requirements, the Securityholder shall not make any public announcement or statement with respect to the Arrangement or this Agreement without the prior written approval of the Company, Spinco and the Parent. Moreover, the Securityholder agrees to provide prior notice to Company, Spinco and the Parent of any public announcement relating to the Arrangement or this Agreement and agrees to consult with the Company, Spinco and the Parent prior to issuing such public announcement.

10. Changes in Company Securities. In the event (a) of a share split, stock dividend or distribution, or any change in Company Shares by reason of any share split, reverse share split, recapitalization, combination, reclassification, exchange of shares or the like, (b) a Securityholder purchases or otherwise acquires beneficial ownership of any Company Securities, or (c) a Securityholder acquires the right to vote or share in the voting of any Company Securities, the terms "Owned Securities" and "Covered Securities" shall be deemed to refer to and include such securities as well as all such stock dividends and distributions and any securities into which or for which any or all of such shares may be changed or exchanged or which are received in such transaction.

11. Amendment and Modification. This Agreement may not be amended, modified or supplemented in any manner, whether by course of conduct or otherwise, except by a duly authorized agreement in writing signed by the Parent, Spinco, the Company and the Securityholder. Any purported amendment by any Party or Parties effected in a manner that does not comply with this Section 11 shall be null and void, *ab initio.*

12. Waiver. No failure or delay by any Party exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies of the Parties are cumulative and are not exclusive of any rights or remedies which they would otherwise have hereunder. Any agreement on the part of a Party to any such waiver shall be valid only if set forth in a written instrument executed and delivered by such Party.

13. Notices. All notices and other communications among the Parties shall be in writing and shall be deemed to have been duly given (a) when delivered in person, (b) when delivered after posting in the United States mail or Canada Post having been sent by registered or certified mail return receipt requested, postage prepaid, (c) when delivered by FedEx or other internationally recognized overnight delivery service, or (d) when delivered by email during normal business hours at the location of the recipient, and otherwise on the next following Business Day, addressed as follows (or at such other address for a Party as shall be specified by like notice made pursuant to this Section 13):

If to the Securityholder:

to the address or email address set forth opposite the Securityholder's name on Schedule 1, or in the absence of such address or email address being set forth on Schedule 1, the address (including email) set forth in the Company's books and records,

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

Gowling WLG (Canada) LLP
1600, 421 7th Avenue SW,
Calgary, Alberta, T2P 4K9, Canada

Attention: Sharagim Habibi
Email: Sharagim.Habibi@gowlingwlg.com

If to the Parent or Spinco, to it at:

c/o Inpixon
2479 E Bayshore Rd, Suite 195
Palo Alto, CA 94303 United States

Attention: Melanie Figueroa
Email: melanie.figueroa@inpixon.com

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

Norton Rose Fulbright US LLP
1045 W Fulton Market, Suite 1200
Chicago, Illinois 60607 United States

Attention: Kevin Friedmann
Email: kevin.friedmann@nortonrosefulbright.com

If to the Company:

Damon Motors Inc.
704 Alexander Street
Vancouver, British Columbia, V6A 1E3

Attention: Jay Giraud
Email: jay@damon.com

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

Dorsey & Whitney LLP
Brookfield Place, 161 Bay Street, Suite 4310
Toronto, Ontario, M5J 2S1

Attention: Richard Raymer
Email: raymer.richard@dorsey.com

and with a copy to (which will not constitute notice):

Gowling WLG (Canada) LLP
1600, 421 7th Avenue SW,
Calgary, Alberta, T2P 4K9, Canada

Attention: Sharagim Habibi
Email: Sharagim.Habibi@gowlingwlg.com

14. No Ownership Interest. Nothing contained in this Agreement shall be deemed to vest in the Parent or Spinco any direct or indirect ownership or incidence of ownership of or with respect to the Covered Securities. All rights, ownership and economic benefits of and relating to the Covered Securities shall remain vested in and belong to the Securityholder, and the Parent and Spinco shall have no authority to direct the Securityholder in the voting or disposition of any of the Securityholder's Covered Securities, except as otherwise provided herein.

15. Entire Agreement. This Agreement and the agreements referenced herein constitute the entire agreement and understanding of the Parties in respect of the subject matter hereof and supersede all prior understandings, agreements or representations by or among the Parties to the extent they relate in any way to the subject matter hereof.

16. No Third-Party Beneficiaries. The Securityholder hereby agrees that its representations, warranties and covenants set forth herein are solely for the benefit of the Parent, Spinco and the Company in accordance with and subject to the terms of this Agreement, and this Agreement is not intended to, and does not, confer upon any Person other than the Parties any rights or remedies hereunder, including the right to rely upon the representations and warranties set forth herein, and the Parties hereby further agree that this Agreement may only be enforced against, and any Action that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement may only be made against, the Persons expressly named as Parties; provided, that the Company shall be an express third party beneficiary with respect to Section 5 and Section 6(b).

17. Governing Law and Venue; Service of Process; Waiver of Jury Trial

(a) This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia, without giving effect to any choice of law or conflict of law provision or rule (whether of the Province of British Columbia or any other jurisdiction) that would cause the application of the law of any jurisdiction other than the Province of British Columbia, except to the extent mandatorily governed by the federal laws of Canada applicable therein, including the provisions related to any information circular sent by the Company to the Securityholder, the meeting of the Company's Securityholders and the Plan of Arrangement.

(b) All legal Actions, claims, demands, actions or causes of action arising out of or relating to this Agreement shall be heard and determined exclusively in the Supreme Court of British Columbia; provided, that if jurisdiction is not then available in the Supreme Court of British Columbia, then any such legal Actions, claims,

demands, actions or causes of action may be brought in any federal court located in the Province of British Columbia or other court as applicable. Each of the Parties (i) irrevocably and unconditionally submits to the exclusive jurisdiction of the aforesaid courts for themselves and with respect to their respective properties for the purpose of any Action, claim, demand, action or cause of action arising out of or relating to this Agreement or any of the transactions contemplated hereby brought by any Party, and (ii) agrees not to commence any Action, claim, demand, action or cause of action relating thereto except in the courts described above in the Province of British Columbia, other than Actions, claims, demands, actions or causes of action in any court of competent jurisdiction to enforce any judgment, decree or award rendered by any such court in the Province of British Columbia as described herein. Each Party hereby irrevocably and unconditionally waives, and agrees not to assert, by way of motion or as a defense, counterclaim or otherwise, in any Action claim, demand, action or cause of action against such Party (i) arising under this Agreement or (ii) in any way connected with or related or incidental to the dealings of the Parties in respect of this Agreement or any of the transactions contemplated hereby or thereby, (A) any claim that such Party is not personally subject to the jurisdiction of the courts in the Province of British Columbia as described in this Section 17(b) for any reason, (B) that such Party or such Party's property is exempt or immune from the jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (C) that (x) the Action, claim, demand, action or cause of action in any such court is brought against such Party in an inconvenient forum, (y) the venue of such Action, claim, demand, action or cause of action against such Party is improper or (z) this Agreement, or the subject matter hereof, may not be enforced against such Party in or by such courts. Each Party agrees that service of any process, summons, notice or document by registered mail to such Party's respective address set forth in Section 13 shall be effective service of process for any such Action, claim, demand, action or cause of action.

(c) THE PARTIES EACH HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY PROCEEDING, CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION (I) ARISING UNDER THIS AGREEMENT OR (II) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES IN RESPECT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS RELATED HERETO OR ANY FINANCING IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY, IN EACH CASE, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY, OR OTHERWISE. THE PARTIES EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH PROCEEDING, CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT SUCH PARTIES MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY AND (D) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 17(c).

18. Assignment; Successors. This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the Parties and their respective heirs, successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder will be assigned (including by operation of law), in whole or in part, without the prior written consent of the Parties. Any such assignment without such consent shall be null and void.

19. Enforcement. Except as otherwise expressly provided herein, any and all remedies provided herein will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon the Parties, and the exercise by a Party of any one remedy will not preclude the exercise of any other remedy. The Parties agree that immediate and irreparable harm or damage may occur for which money damage would not be an adequate remedy in the event that any of the provisions of this Agreement were not performed or complied with in accordance with their specific terms or were otherwise breached. It is accordingly agreed that, in addition to any other remedy to which any Party is entitled to at law or in equity, the Parties shall be entitled to equitable remedies against another Party for its breach or threatened breach of this Agreement, including seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in the Supreme Court of British Columbia or any other court as applicable within the Province of British Columbia, this being in addition to any other remedy to which such Party is entitled at law or in equity, in each case, (a) without necessity of posting a bond or other form of security, and (b) without proving the inadequacy of money damages or another remedy at law. In the event that any Action shall be brought in equity to enforce the provisions of this Agreement (including to prevent breaches or threatened breaches of this Agreement), no Party shall allege, and each Party hereby waives all defenses and objections to such Action on the grounds that (i) money damages would be adequate or there is another adequate remedy at law, or (ii) the Party seeking equitable remedies must either post a bond or other form of security and prove the inadequacy of money damages or another remedy at law.

20. Severability. The provisions of this Agreement shall be deemed severable and the illegality, invalidity or unenforceability of any provision shall not affect the legality, validity or enforceability of the other provisions of this Agreement. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable. The Parties further agree that if any provision contained herein is, to any extent, held invalid or unenforceable in any respect under the Laws governing this Agreement, they shall take any actions necessary to render the remaining provisions of this Agreement valid and enforceable to the fullest extent permitted by Law and, to the extent necessary, shall amend or otherwise modify this Agreement to replace any provision contained herein that is held invalid or unenforceable with a valid and enforceable provision giving effect to the intent of the Parties.

21. Counterparts. This Agreement may be executed in two or more counterparts (any of which may be delivered by electronic transmission), each of which shall constitute an original, and all of which taken together shall constitute one and the same instrument.

22. Capacity as a Securityholder or Proxy Holder. Notwithstanding anything herein to the contrary, the Securityholder or proxy holder signs this Agreement solely in the Securityholder's or proxy holder's capacity as a Securityholder or proxy holder of the Company, and not in any other capacity and this Agreement shall not limit, prevent or otherwise affect the actions of the Securityholder, proxy holder or any Affiliate, employee or designee of the Securityholder or proxy holder, or any of their respective Affiliates in his or her capacity, if applicable, as an officer or director of the Company (or any Subsidiary of the Company) or any other Person, including in the exercise of his or her fiduciary duties as a director or officer of the Company or any Subsidiary of the Company.

23. Miscellaneous. Section 10.11 (*Interpretation*) of the Business Combination Agreement is hereby incorporated into this Agreement (including any relevant definitions contained in such Section), *mutatis mutandis*.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed (where applicable, by their respective officers or other authorized Persons thereunto duly authorized) as of the date first written above.

INPIXON

By: _____
Name:
Title:

[*Signature Page to Securityholder Support Agreement*]

DAMON MOTORS INC.

By: _____
Name:
Title:

[*Signature Page to Securityholder Support Agreement*]

GRAFITI HOLDING INC.

_____
Name:
Title:

_____
[Securityholder**]**

Schedule 1

Securityholder

Securityholder Name	**Securityholder Address**	**Number and Class of Company Securities**
[●]	[●]	[●]

Exhibit 10.5

FORM OF LOCKUP AGREEMENT

This **LOCKUP AGREEMENT** (this "**Agreement**") is entered into as of [●], 2023, by and among Grafiti Holding Inc., a British Columbia Company ("**Spinco**"), Damon Motors Inc., a company organized under the laws of the Province of British Columbia, Canada (the "**Company**") and the undersigned Company Securityholders (as such term is defined in the Business Combination Agreement (as defined below) (each such undersigned Company Securityholder, a "**Securityholder**"). Each of Spinco, the Company and the Securityholders are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**". Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Business Combination Agreement (defined below).

RECITALS

WHEREAS, Inpixon, a Nevada corporation (the "**Parent**"), 1444842 B.C. Ltd., a British Columbia company and a direct, wholly-owned subsidiary of Spinco, Spinco and the Company have entered into a Business Combination Agreement (as may be amended, restated or otherwise modified from time to time in accordance with its terms, the "**Business Combination Agreement**"), pursuant to which, the parties thereto intend to carry out a business combination, which shall include an arrangement on the terms and subject to the conditions set forth in a plan of arrangement under Part 9 Division 5 of the Business Corporations Act (British Columbia), substantially in the form attached as Exhibit A to the Business Combination Agreement (the " **Plan of Arrangement**"), subject to any amendments or variations to the Plan of Arrangement, including at the direction of the Court in the Final Order, with the prior written consent of the Company and the Parent, each acting reasonably;

WHEREAS, in consideration for the benefits to be received by each Securityholder in connection with the Business Combination Agreement, such Securityholder agrees to enter into this Agreement and to be bound by the agreements, covenants and obligations contained in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, each intending to be legally bound, hereby agree as follows:

AGREEMENT

1. Covenants and Agreements.

a. Each Securityholder agrees that, commencing at the Effective Time and continuing for 180 days following the Effective Date, it, he or she shall not Transfer (i) any Spinco Common Shares it, he or she is issued as consideration in the Plan of Arrangement and pursuant to Section 1.13 of the Business Combination Agreement, (ii) any Converted Option or Converted Warrant that it, he or she is issued as consideration in the Plan of Arrangement and pursuant to Section 1.13 of the Business Combination Agreement, or (iii) any Spinco Common Shares it, he or she is issued upon exercise or conversion of a Converted Option or Converted Warrant that it, he or she is issued as consideration in the Plan of Arrangement (collectively, the "**Securityholder Lockup Securities**").

Each Securityholder further agrees that, commencing at the Effective Time and continuing for 180 days following the Effective Date, it, he or she shall cause each Controlled Person (as defined below) not to Transfer (i) any Spinco Common Shares such Controlled Person is issued as consideration in the Plan of Arrangement and pursuant to Section 1.13 of the Business Combination Agreement, (ii) any Converted Option or Converted Warrant that such Controlled Person is issued as consideration in the Plan of Arrangement and pursuant to Section 1.13 of the Business Combination Agreement, or (iii) any Spinco Common Shares such Controlled Person is issued upon exercise or conversion of a Converted Option or Converted Warrant that such Controlled Person is issued as consideration in the Plan of Arrangement (collectively, the "**Controlled Person Lockup Securities**," and together with the Securityholder Lockup Securities, the "**Lockup Securities**").

For purposes of this Agreement, "**Transfer**" means, directly or indirectly, to (i) offer, pledge, assign, encumber, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of any Lockup Securities, (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, the economic consequence of ownership of the Lockup Securities, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of the Lockup Securities or other securities, in cash or otherwise, or publicly announce an intention to do any of the foregoing, and (iii) make any demand for or exercise any right with respect to the registration of any of the Lockup Securities; provided, however, that a direct or indirect transfer or change in ownership of any Securityholder (whether by sale, issuance of equity securities, grant, hypothecation, pledge or otherwise) shall not be deemed a "Transfer".

For purposes of this Agreement, "**Controlled Person**" means each Person Controlled by a Securityholder, where "**Control**" means the entitlement to be allocated or receive, directly or indirectly, fifty percent (50%) or more of the profits, losses, or distributions of such Person.

b. Notwithstanding Section 1(a) above, Transfers of Lockup Securities are permitted: (i) to any Affiliate of the Securityholder; (ii) in the case of an individual, by bona fide gift to a member of such individual's immediate family or to a trust, the beneficiaries of which are members of such individual's immediate family or an Affiliate of such individual, or to a charitable organization; (iii) in the case of an individual, by virtue of laws of descent and distribution upon death of such individual; (iv) in the case of an individual, pursuant to a qualified domestic relations order; (v) in the case of a trust, by distribution to one or more of the permissible beneficiaries of such trust; (vi) in the case of an individual, to a partnership, limited liability company or other entity of which such individual and/or the immediate family of such individual are the sole legal and beneficial owners of such entity; (vii) in the case of an entity, by virtue of the laws of the state of such entity's organization and such entity's organizational documents upon dissolution of such entity; (viii) pursuant to the terms of a Fundamental Transaction following the Amalgamation; (ix) the establishment of a trading plan pursuant to Rule 10b5-1 under the Securities and Exchange Act of 1934, as amended ("**10b5-1 Plan**"), provided that no Transfer of Lockup Securities shall occur during the applicable lockup period; (x) the exercise or conversion of any Converted Options or Converted Warrants; provided that such restrictions shall apply to any of the Securityholder's or Controlled Person's Lockup Securities issued upon such exercise or conversion; (xi) any Transfers of the Lockup Securities to Spinco or the Company or any deemed disposition or deemed sale with respect to such Lockup Securities in connection with the full or partial payment of exercise or purchase prices and taxes or tax withholding obligations required to be paid or satisfied upon the settlement, vesting, or exercise of any Converted Options or Converted Warrants, including any net exercise, or broker-assisted sales of shares for the sole purpose of covering such payment, provided that such restrictions shall apply to any of the Securityholder's or Controlled Person's Lockup Securities issued to the undersigned upon such settlement, vesting or exercise; provided, further, that in the case of clauses (i) through (vii), (a) each permitted transferee must evidence in a writing reasonably satisfactory to Spinco and the Company such transferee's agreement to be bound by the Transfer restrictions in this Agreement; (b) the Transfer does not involve a disposition for value, and (c) if a Section 16 filing or other public filing reporting a change in beneficial ownership is required to be made with respect to such Transfers, such filing shall clearly indicate in the footnotes thereto that the filing relates to the circumstances described in the applicable clause(s) above; and (d) the Securityholder or such Controlled Person, as applicable, does not otherwise voluntarily effect any public filing or report regarding such Transfers.

For the purposes of this Agreement, a "**Fundamental Transaction**" means a liquidation, merger, stock exchange, reorganization or other similar transaction of Spinco that results in all of its shareholders having the right to exchange their respective Spinco Common Shares for cash, securities or other property.

c. The Securityholder agrees and consents to the entry of stop transfer instructions with Spinco's transfer agent and registrar relating to the Transfer of such Securityholder's Spinco Common Shares except in compliance with the provisions in this Section 1.

2. **Securityholder Representations and Warranties**. Each Securityholder represents and warrants to Spinco and the Company as of the date hereof as follows:

a. If the Securityholder is an entity, the Securityholder is a corporation, limited liability company or other applicable business entity duly organized or formed, as applicable, validly existing and in good standing (or the equivalent thereof, if applicable, in each case, with respect to the jurisdictions that recognize the concept of good standing or any equivalent thereof) under the Laws of its jurisdiction of formation or organization (as applicable).

b. The Securityholder has the requisite corporate, limited liability company or other similar power and authority (or, if the Securityholder is a natural person, the Securityholder has the legal capacity) to execute and deliver this Agreement, to perform his, her or its covenants, agreements and obligations hereunder, and to consummate the transactions contemplated hereby. If the Securityholder is an entity, the execution and delivery of this Agreement have been duly authorized by all necessary corporate (or other similar) action on the part of the Securityholder. This Agreement has been duly and validly executed and delivered by the Securityholder and constitutes a valid, legal and binding agreement of the Securityholder (assuming that this Agreement is duly authorized, executed and delivered by Spinco and the Company), enforceable against the Securityholder in accordance with its terms.

c. No consent, approval or authorization of, or designation, declaration or filing with, any Governmental Authority is required or is reasonably expected to be required on the part of the Securityholder with respect to the Securityholder's execution, delivery or performance (as applicable) of his, her or its covenants, agreements or obligations under this Agreement or the consummation of the transactions contemplated hereby.

d. There is no Proceeding pending or, to the Securityholder's knowledge, threatened against or involving the Securityholder or any of his, her or its Affiliates that, if adversely decided or resolved, would reasonably be expected to adversely affect the ability of the Securityholder to perform, or otherwise comply with, any of its covenants, agreements or obligations under this Agreement in any material respect.

e. To the extent one or more Controlled Persons of the Securityholder will hold Lockup Securities, each such Controlled Person is set forth on such Securityholder's signature page hereto. In such case, the Securityholder and such Controlled Person represent and warrant to Spinco and the Company that the above representations and warranties with respect to the Securityholder are true and correct as of the date hereof as if made with respect to the Controlled Person.

3. **Notices**. All notices, consents, waivers and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered (a) in person, (b) by electronic means (including e-mail), with affirmative confirmation of receipt, (c) one (1) Business Day after being sent, if sent by reputable, nationally recognized overnight courier service or (d) three (3) Business Days after being mailed, if sent by registered or certified mail, pre-paid and return receipt requested, in each case to the applicable Party at the following addresses (or at such other address for a Party as shall be specified by like notice):

if to Spinco, at or prior to the Effective Time, to:

c/o Inpixon
2479 E Bayshore Rd, Suite 195
Palo Alto, California 94303

Attn: Melanie Figueroa
E-mail: melanie.figueroa@inpixon.com

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

Norton Rose Fulbright US LLP
1045 W Fulton Market, Suite 1200
Chicago, Illinois 60607

Attn: Kevin Friedmann
E-mail: kevin.friedmann@nortonrosefulbright.com

if to the Company, or to Spinco at or following the Effective Time, to:

Damon Motors Inc.
704 Alexander Street
Vancouver, British Columbia V6A 1E3

Attention: Jay Giraud
Email: jay@damon.com

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

Dorsey & Whitney LLP
TD Canada Trust Tower
Brookfield Place 161 Bay Street, Suite 4310
Toronto, Ontario M5J 2S1

Attention: Richard Raymer

E-Mail: raymer.richard@dorsey.com

And to:

Gowling WLG (Canada) LLP
1600, 421 7th Avenue SW,
Calgary, Alberta, T2P 4K9

Attention: Sharagim Habibi
Email: Sharagim.Habibi@gowlingwlg.com

and if, to a Securityholder or any of its Controlled Persons, to the address or email address set on the Securityholder's signature page hereto, or in the absence of such address or email address being set forth thereon, the address (including email) set forth in the Company's books and records.

4. **Entire Agreement**. This Agreement, the Business Combination Agreement and documents referred to herein and therein constitute the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersede all prior agreements and undertakings, both written and oral, among the Parties with respect to the subject matter of this Agreement, except as otherwise expressly provided in this Agreement.

5. **Amendments and Waivers; Assignment** . Any provision of this Agreement may be amended or waived for any Securityholder only if such amendment or waiver is in writing and signed by such Securityholder, Spinco, and the Company; provided, however, that no amendment or waiver may cause any Securityholder to receive treatment that is more favorable than what is provided to all other Securityholders or any other securityholders of Spinco who are otherwise subject to lockup arrangements for their Spinco securities. No failure or delay by any Party in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any other right hereunder. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assignable by any of the Parties, except with respect to a Transfer completed in accordance with the terms of this Agreement. Any attempted assignment of this Agreement not in accordance with the terms of this Section 5 shall be void. Notwithstanding the foregoing, this Agreement may be terminated and replaced with a Company Lock-Up Agreement in accordance with Section 6.19 of the Business Combination Agreement.

6. **No Third Party Beneficiaries**. This Agreement shall be for the sole benefit of the Parties and their respective successors and permitted assigns and is not intended, nor shall it be construed, to give any Person, other than the Parties and their respective successors and permitted assigns, any legal or equitable right, benefit or remedy of any nature whatsoever by reason of this Agreement.

7. **Miscellaneous**. Sections 10.4 (Governing Law; Jurisdiction), 10.5 (Waiver of Jury Trial), 10.7 (Severability), 10.11 (Interpretation) and 10.12 (Counterparts) of the Business Combination Agreement are incorporated herein by reference and shall apply to this Agreement, *mutatis mutandis*.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the Parties have executed and delivered this Lockup Agreement as of the date first above written.

GRAFITI HOLDING INC.

By: _____
Name: _____
Title: _____

DAMON MOTORS INC.

By: _____
Name: _____
Title: _____

COMPANY SECURITYHOLDER:

[if an entity]

_____
(entity name)

By: _____
Name: _____
Title: _____

Address 1: _____
Address 2: _____
Address 3: _____

[if an individual]

Signature: _____
Print Name: _____

Address 1: _____
Address 2: _____
Address 3: _____

Acknowledged and agreed:

CONTROLLED PERSONS [if any]:

_____
(entity name)

By: _____
Name: _____
Title: _____

_____
(entity name)

By: _____
Name: _____
Title: _____

Exhibit 10.6

FORM OF LOCKUP AGREEMENT

This **LOCKUP AGREEMENT** (this "**Agreement**") is entered into as of [●], 2023, by and among Grafiti Holding Inc., a British Columbia Company ("**Spinco**"), Damon Motors Inc., a company organized under the laws of the Province of British Columbia, Canada (the "**Company**") and the undersigned Company Securityholders (as such term is defined in the Business Combination Agreement (as defined below) (each such undersigned Company Securityholder, a "**Securityholder**"). Each of Spinco, the Company and the Securityholders are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**". Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Business Combination Agreement (defined below).

RECITALS

WHEREAS, Inpixon, a Nevada corporation (the "**Parent**"), 1444842 B.C. Ltd., a British Columbia company and a direct, wholly-owned subsidiary of Spinco, Spinco and the Company have entered into a Business Combination Agreement (as may be amended, restated or otherwise modified from time to time in accordance with its terms, the "**Business Combination Agreement**"), pursuant to which, the parties thereto intend to carry out a business combination, which shall include an arrangement on the terms and subject to the conditions set forth in a plan of arrangement under Part 9 Division 5 of the Business Corporations Act (British Columbia), substantially in the form attached as Exhibit A to the Business Combination Agreement (the " **Plan of Arrangement**"), subject to any amendments or variations to the Plan of Arrangement, including at the direction of the Court in the Final Order, with the prior written consent of the Company and the Parent, each acting reasonably;

WHEREAS, in consideration for the benefits to be received by each Securityholder in connection with the Business Combination Agreement, such Securityholder agrees to enter into this Agreement and to be bound by the agreements, covenants and obligations contained in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, each intending to be legally bound, hereby agree as follows:

AGREEMENT

1. Covenants and Agreements.

a. Each Securityholder agrees that, commencing at the Effective Time and continuing for 180 days following the Effective Date, it, he or she shall not Transfer (i) any Spinco Common Shares it, he or she is issued as consideration in the Plan of Arrangement and pursuant to Section 1.13 of the Business Combination Agreement, (ii) any Converted Option or Converted Warrant that it, he or she is issued as consideration in the Plan of Arrangement and pursuant to Section 1.13 of the Business Combination Agreement, or (iii) any Spinco Common Shares it, he or she is issued upon exercise or conversion of a Converted Option or Converted Warrant that it, he or she is issued as consideration in the Plan of Arrangement (collectively, and excluding any portion of such securities that has been released pursuant to the release schedule set forth below, the "**Lockup Securities**"), subject to the following release schedule:

i. 20% of each of (i) the Spinco Common Shares; (ii) the Converted Warrants (including Spinco Common Shares issued on exercise of such Converted Warrants); and (iii) the Converted Options (including the Spinco Common Shares issued on exercise of such Converted Options) that collectively make up the Lockup Securities may be Transferred at and following the Effective Time;

ii. 40% of each of (i) the Spinco Common Shares; (ii) the Converted Warrants (including Spinco Common Shares issued on exercise of such Converted Warrants); and (iii) the Converted Options (including the Spinco Common Shares issued on exercise of such Converted Options) that collectively make up the Lockup Securities may be Transferred at and following the 90th day following the Effective Date; and

iii. 40% of each of (i) the Spinco Common Shares; (ii) the Converted Warrants (including Spinco Common Shares issued on exercise of such Converted Warrants); and (iii) the Converted Options (including the Spinco Common Shares issued on exercise of such Converted Options) that collectively make up the Lockup Securities may be Transferred at and following the 180th day following the Effective Date.

Notwithstanding the foregoing, 100% of the Lockup Securities may be Transferred at and following the date on which the Closing Price (as defined below) of the Spinco Common Shares has exceeded the Nasdaq Threshold Price (as defined below) for a total of 20 consecutive Trading Days (as defined below).

For purposes of this Agreement:

i. "**Transfer**" means, directly or indirectly, to (i) offer, pledge, assign, encumber, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of any Lockup Securities, (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, the economic consequence of ownership of the Lockup Securities, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of the Lockup Securities or other securities, in cash or otherwise, or publicly announce an intention to do any of the foregoing, and (iii) make any demand for or exercise any right with respect to the registration of any of the Lockup Securities; provided, however, that a direct or indirect transfer or change in ownership of any Securityholder (whether by sale, issuance of equity securities, grant, hypothecation, pledge or otherwise) shall not be deemed a "Transfer".

ii. "**Closing Price**" means the Nasdaq official closing price of the Spinco Common Shares as recorded on the Nasdaq's official website (https://www.nasdaq.com).

iii. "**Nasdaq Threshold Price**" means 150% of the initial listing price per share of the Spinco Common Shares on the Nasdaq (subject to appropriate adjustment for any stock dividend, stock split, stock combination, rights offering, reclassification or similar transaction that proportionately decreases or increases the Spinco Common Shares).

iv. "**Trading Day**" means a day on which the Nasdaq is open for trading.

b. Notwithstanding Section 1(a) above, Transfers of Lockup Securities are permitted: (i) to any Affiliate of the Securityholder; (ii) in the case of an individual, by bona fide gift to a member of such individual's immediate family or to a trust, the beneficiaries of which are members of such individual's immediate family or an Affiliate of such individual, or to a charitable organization; (iii) in the case of an individual, by virtue of laws of descent and distribution upon death of such individual; (iv) in the case of an individual, pursuant to a qualified domestic relations order; (v) in the case of a trust, by distribution to one or more of the permissible beneficiaries of such trust; (vi) in the case of an individual, to a partnership, limited liability company or other entity of which such individual and/or the immediate family of such individual are the sole legal and beneficial owners of such entity; (vii) in the case of an entity, by virtue of the laws of the state of such entity's organization and such entity's organizational documents upon dissolution of such entity; (viii) pursuant to the terms of a Fundamental Transaction following the Amalgamation; (ix) the establishment of a trading plan pursuant to Rule 10b5-1 under the Securities and Exchange Act of 1934, as amended ("**10b5-1 Plan**"), provided that no Transfer of Lockup Securities shall occur during the applicable lockup period; (x) the exercise or conversion of any Converted Options or Converted Warrants; provided that such restrictions shall apply to any of the Securityholder's Lockup Securities issued upon such exercise or conversion; (xi) any Transfers of the Lockup Securities to Spinco or the Company or any deemed disposition or deemed sale with respect to such Lockup Securities in connection with the full or partial payment of exercise or purchase prices and taxes or tax withholding obligations required to be paid or satisfied upon the settlement, vesting, or exercise of any Converted Options or Converted Warrants, including any net exercise, or broker-assisted sales of shares for the sole purpose of covering such payment, provided that such restrictions shall apply to any of the Securityholder's Lockup Securities issued to the undersigned upon such settlement, vesting or exercise; provided, further, that in the case of clauses (i) through (vii), (a) each permitted transferee must evidence in a writing reasonably satisfactory to Spinco and the Company such transferee's agreement to be bound by the Transfer restrictions in this Agreement; (b) the Transfer does not involve a disposition for value, and (c) if a Section 16 filing or other public filing reporting a change in beneficial ownership is required to be made with respect to such Transfers, such filing shall clearly indicate in the footnotes thereto that the filing relates to the circumstances described in the applicable clause(s) above; and (d) the Securityholder does not otherwise voluntarily effect any public filing or report regarding such Transfers.

For the purposes of this Agreement, a "**Fundamental Transaction**" means a liquidation, merger, stock exchange, reorganization or other similar transaction of Spinco that results in all of its shareholders having the right to exchange their respective Spinco Common Shares for cash, securities or other property.

c. The Securityholder agrees and consents to the entry of stop transfer instructions with Spinco's transfer agent and registrar relating to the Transfer of such Securityholder's Spinco Common Shares except in compliance with the provisions in this Section 1.

2. **Securityholder Representations and Warranties**. Each Securityholder represents and warrants to Spinco and the Company as of the date hereof as follows:

a. If the Securityholder is an entity, the Securityholder is a corporation, limited liability company or other applicable business entity duly organized or formed, as applicable, validly existing and in good standing (or the equivalent thereof, if applicable, in each case, with respect to the jurisdictions that recognize the concept of good standing or any equivalent thereof) under the Laws of its jurisdiction of formation or organization (as applicable).

b. The Securityholder has the requisite corporate, limited liability company or other similar power and authority (or, if the Securityholder is a natural person, the Securityholder has the legal capacity) to execute and deliver this Agreement, to perform his, her or its covenants, agreements and obligations hereunder, and to consummate the transactions contemplated hereby. If the Securityholder is an entity, the execution and delivery of this Agreement have been duly authorized by all necessary corporate (or other similar) action on the part of the Securityholder. This Agreement has been duly and validly executed and delivered by the Securityholder and constitutes a valid, legal and binding agreement of the Securityholder (assuming that this Agreement is duly authorized, executed and delivered by Spinco and the Company), enforceable against the Securityholder in accordance with its terms.

c. No consent, approval or authorization of, or designation, declaration or filing with, any Governmental Authority is required or is reasonably expected to be required on the part of the Securityholder with respect to the Securityholder's execution, delivery or performance (as applicable) of his, her or its covenants, agreements or obligations under this Agreement or the consummation of the transactions contemplated hereby.

d. There is no Proceeding pending or, to the Securityholder's knowledge, threatened against or involving the Securityholder or any of his, her or its Affiliates that, if adversely decided or resolved, would reasonably be expected to adversely affect the ability of the Securityholder to perform, or otherwise comply with, any of its covenants, agreements or obligations under this Agreement in any material respect.

3. **Notices**. All notices, consents, waivers and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered (a) in person, (b) by electronic means (including e-mail), with affirmative confirmation of receipt, (c) one (1) Business Day after being sent, if sent by reputable, nationally recognized overnight courier service or (d) three (3) Business Days after being mailed, if sent by registered or certified mail, pre-paid and return receipt requested, in each case to the applicable Party at the following addresses (or at such other address for a Party as shall be specified by like notice):

if to Spinco, at or prior to the Effective Time, to:

c/o Inpixon
2479 E Bayshore Rd, Suite 195
Palo Alto, California 94303

Attn: Melanie Figueroa
E-mail: melanie.figueroa@inpixon.com

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

Norton Rose Fulbright US LLP
1045 W Fulton Market, Suite 1200
Chicago, Illinois 60607

Attn: Kevin Friedmann
E-mail: kevin.friedmann@nortonrosefulbright.com

if to the Company, or to Spinco at or following the Effective Time, to:

Damon Motors Inc.

704 Alexander Street
Vancouver, British Columbia V6A 1E3

Attention: Jay Giraud
Email: jay@damon.com

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

Dorsey & Whitney LLP
TD Canada Trust Tower
Brookfield Place 161 Bay Street, Suite 4310
Toronto, Ontario M5J 2S1

Attention: Richard Raymer
E-Mail: raymer.richard@dorsey.com

And to:

Gowling WLG (Canada) LLP
1600, 421 7th Avenue SW,
Calgary, Alberta, T2P 4K9

Attention: Sharagim Habibi
Email: Sharagim.Habibi@gowlingwlg.com

and if, to a Securityholder, to the address or email address set on the Securityholder's signature page hereto, or in the absence of such address or email address being set forth thereon, the address (including email) set forth in the Company's books and records.

4. **Entire Agreement**. This Agreement, the Business Combination Agreement and documents referred to herein and therein constitute the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersede all prior agreements and undertakings, both written and oral, among the Parties with respect to the subject matter of this Agreement, except as otherwise expressly provided in this Agreement.

5. **Amendments and Waivers; Assignment** . Any provision of this Agreement may be amended or waived for any Securityholder only if such amendment or waiver is in writing and signed by such Securityholder, Spinco, and the Company; provided, however, that no amendment or waiver may cause any Securityholder to receive treatment that is more favorable than what is provided to all other Securityholders or any other securityholders of Spinco who are otherwise subject to lockup arrangements for their Spinco securities. No failure or delay by any Party in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any other right hereunder. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assignable by any of the Parties, except with respect to a Transfer completed in accordance with the terms of this Agreement. Any attempted assignment of this Agreement not in accordance with the terms of this Section 5 shall be void.

6. **No Third Party Beneficiaries**. This Agreement shall be for the sole benefit of the Parties and their respective successors and permitted assigns and is not intended, nor shall it be construed, to give any Person, other than the Parties and their respective successors and permitted assigns, any legal or equitable right, benefit or remedy of any nature whatsoever by reason of this Agreement.

7. **Miscellaneous**. Sections 10.4 (Governing Law; Jurisdiction), 10.5 (Waiver of Jury Trial), 10.7 (Severability), 10.11 (Interpretation) and 10.12 (Counterparts) of the Business Combination Agreement are incorporated herein by reference and shall apply to this Agreement, *mutatis mutandis*.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the Parties have executed and delivered this Lockup Agreement as of the date first above written.

GRAFITI HOLDING INC.

By: _____
Name: _____
Title: _____

DAMON MOTORS INC.

By: _____
Name: _____
Title: _____

COMPANY SECURITYHOLDER:

[if an entity]

_____
(entity name)

By: _____
Name: _____
Title: _____

Address 1: _____
Address 2: _____
Address 3: _____

[if an individual]

Signature: _____
Print Name: _____

Address 1: _____
Address 2: _____
Address 3: _____

Inpixon Announces Planned Spin-off and Merger of SAVES UK Business with Damon Motors Inc., Makers of the Award Winning HyperSport Electric Motorcycle, and Plans for Nasdaq Listing of Combined Company

Transaction in Addition to XTI Aircraft Merger Provides Opportunity to Maximize Shareholder Value for Inpixon Shareholders

Damon Reports Approximately $85 Million in Pre-Production Consumer Reservations for its Motorcycles

PALO ALTO, Calif., Oct. 23, 2023 /PRNewswire/ -- Inpixon® (NASDAQ:INPX) today announced that it has signed a definitive agreement under which its wholly owned subsidiary, Inpixon Ltd., a division of Inpixon's statistical analytics and visualization for engineering and sciences (SAVES) business based in the United Kingdom ("Inpixon UK"), will be acquired by private Canadian company, Damon Motors Inc. ("Damon"), a British Columbia company, and the maker of the acclaimed HyperSport electric motorcycle (the "Business Combination"). The Damon HyperSport is expected to be one of the safest, smartest, and most powerful motorcycles available in the market. Damon concurrently announced that it has obtained approximately $85 million in pre-production consumer reservations for its motorcycles. The enterprise value of Damon was ascertained by Inpixon's independent financial advisory firm to be within the range of $224 million and $284 million.

Damon's Award Winning HyperSport Electric Motorcycle

This transaction is in addition to and independent of the pending merger transaction between Inpixon and XTI Aircraft, Inc. (the "XTI Transaction"), which remains on track for an anticipated closing this quarter. Inpixon has established October 24, 2023, as the record date for stockholders entitled to vote for the XTI Transaction at the special meeting, in lieu of the 2023 annual meeting of shareholders of Inpixon.

Inpixon plans to contribute all the outstanding capital stock of Inpixon UK to Inpixon's newly formed British Columbia subsidiary, Grafiti Holding Inc. ("Grafiti"), followed by a spinoff ("Spin-off") of all the outstanding capital stock of Grafiti ("Grafiti Shares") owned by Inpixon to the holders of Inpixon's outstanding capital stock, and certain other securities as of a record date to be determined ("Inpixon Securityholders").

Following the merger between Grafiti and Damon, holders of Grafiti Shares, including Inpixon Securityholders and management holding Grafiti Shares immediately prior to the closing of the Business Combination, are anticipated to retain approximately 18.75% of the outstanding capital stock of the combined company determined on a fully diluted basis, which includes up to 5% in equity incentives, which may be issued to Inpixon management. Inpixon will also purchase a convertible promissory note from Damon in the principal amount of $3 million and warrants to purchase common shares of Damon ("Damon Note and Warrants") for an aggregate purchase price of $3 million.

Upon the closing of the Business Combination, the Damon Note and Warrants will be exchanged for common shares of the combined company and warrants to purchase common shares of the combined company in accordance with the terms of the definitive agreements. No securities of Inpixon will be issued in connection with the Business Combination.

Following the completion of the Business Combination, Inpixon UK and Damon will be wholly owned subsidiaries of Grafiti, Grafiti will adopt a new name to be determined by Damon, and the combined company will be listed on the Nasdaq Stock Market, subject to Nasdaq approval of an initial listing application. The transaction has been approved unanimously by the Boards of Directors of both Inpixon and Damon subject to necessary approvals and the satisfaction of customary closing conditions.

Inpixon will retain its Industrial Internet of Things (IIOT) business line and continue to work towards the completion of the XTI Transaction. Inpixon believes that pursuing these opportunities will offer multiple opportunities for its shareholders to maximize the value of their investment in Inpixon.

Founded in 2017, Damon is committed to unleashing the full potential of motorcycling for the world. Its products incorporate cutting-edge technology designed to solve unaddressed safety problems in motorcycling. With an impressive 200 hp / 200 mph / 200 miles of range, Damon motorcycles are at the forefront of electric two-wheelers, holding the potential to displace combustion motorcycles, and poised to lead the industry into a safer, more sustainable future.

"You can't be the future of anything if you're not better than the past," said Jay Giraud, founder and CEO of Damon. "It is necessary for us to target performance metrics as good as or better than anything achieved before, otherwise we won't see masses of people giving up their gas motorbikes for electric ones — people want to trade up in life."

"We're thrilled to partner with Damon on their journey and to provide our shareholders an additional opportunity to maximize shareholder value," said Nadir Ali, CEO of Inpixon. "Damon has achieved some remarkable innovations and generated an impressive level of demand and enthusiasm. We're excited for Damon and its growing community of future Damon riders."

The Spin-off is subject to conditions including the filing of a registration statement for the distributed shares of Grafiti with the U.S. Securities and Exchange Commission (the "SEC") and the effectiveness of such registration statement. The Business Combination between Grafiti and Damon is also subject to conditions, including approval of the

Business Combination by Damon securityholders, approval by the Supreme Court of British Columbia, the Plan of Arrangement for purposes of compliance with the exemption from registration provided by Section 3(a)(10) under the Securities Act of 1933, as amended, in connection with the issuance by Grafiti of the merger consideration to Damon securityholders, and approval by Nasdaq to list the shares of the combined company. No assurance can be provided as to the timing of the completion of the Spin-off and the Business Combination or that all conditions to the Spin-off or the Business Combination will be satisfied. Inpixon expects that there will be no public trading market for the shares of Grafiti until or unless the Business Combination is consummated. The shares of Grafiti distributed to Inpixon shareholders in the Spin-off, and issued to Damon securityholders in the Business Combination, will be subject to lock-up restrictions for 180 days after the closing of the Business Combination, with the following release schedule: 20% at the closing, 40% at 90 days following the closing, 40% at 180 days following the closing, subject to accelerated release from lock-up restrictions if, following closing, the public share price of Grafiti reaches a certain threshold.

Joseph Gunnar Bespoke Advisors acted as exclusive M&A advisor to Damon Motors, Inc.

About Damon Motors

Damon Motors is a global technology leader disrupting urban mobility, led by entrepreneurs and executives from world-class EV and technology companies. With its offices in San Rafael, California and headquartered in Vancouver, Canada, Damon is on a mission to cause a paradigm shift for safer, smarter motorcycling. Anchored by its proprietary electric powertrain, HyperDrive™, Damon has captured the attention of the motorcycling world by delivering 200 hp, a top speed of 200 mph, 200 miles of range, innovative design, and new safety features, including CoPilot™ and Shift™, which are attracting an entirely new generation of motorcycle riders. With strong consumer interest in the US and abroad, Damon aims to set a new standard for motorcycle safety and sustainability worldwide. For more information on how Damon technology is defining the new industry standard, please visit damon.com.

About Inpixon

Inpixon® (Nasdaq: INPX) is the innovator of Indoor Intelligence®, delivering actionable insights for people, places, and things. Combining the power of mapping, positioning, and analytics, Inpixon helps to create smarter, safer, and more secure environments. The company's Indoor Intelligence and industrial real-time location system (RTLS) technology are leveraged by a multitude of industries to optimize operations, increase productivity, and enhance safety. Inpixon customers can take advantage of industry-leading location awareness, analytics, sensor fusion, IIoT and the IoT to create exceptional experiences and to do good with indoor data. For the latest insights, follow Inpixon on LinkedIn, and X, and visit inpixon.com.

Important Information About the Proposed Transaction and Where to Find It

In connection with the Spin-off, Grafiti will file with the SEC a registration statement, registering Grafiti common shares. Grafiti will also file a preliminary and final non-offering prospectus with the British Columbia Securities Commission relating to the Business Combination. This press release does not contain all the information that should be considered concerning the Spin-off and the Business Combination (the "Proposed Transaction") and is not a substitute for any other documents that Inpixon or Grafiti may file with the SEC, or that Damon may send to stockholders in connection with the Business Combination. It is not intended to form the basis of any investment decision or any other decision in respect to the Proposed Transaction. Damon's stockholders and Inpixon's stockholders and other interested persons are advised to read, when available, the registration statement of Grafiti together with its exhibits, as these materials will contain important information about Inpixon, Grafiti, Damon, the Proposed Transaction.

The registration statement and other documents to be filed by Grafiti with the SEC will also be available free of charge, at the SEC's website at www.sec.gov, or by directing a request to: Grafiti Holding Inc., 2479 E. Bayshore Road, Suite 195, Palo Alto, CA 94303.

Forward-Looking Statements Regarding the Proposed Transaction

This press release contains certain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act, and Section 21E of the Exchange Act. All statements other than statements of historical fact contained in this press release, including statements regarding the benefits of the Proposed Damon Transaction, the anticipated timing of the completion of the Proposed Damon Transaction, the products under development by Damon and the markets in which it plans to operate, the advantages of Damon's technology, Damon's competitive landscape and positioning, and Damon's growth plans and strategies, are forward-looking statements. Some of these forward-looking statements can be identified by the use of forward-looking words, including "may," "should," "expect," "intend," "will," "estimate," "anticipate," "believe," "predict," "plan," "targets," "projects," "could," "would," "continue," "forecast" or the negatives of these terms or variations of them or similar expressions. All forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. All forward-looking statements are based upon estimates, forecasts, and assumptions that, while considered reasonable by Inpixon and its management, and Damon and its management, as the case may be, are inherently uncertain and many factors may cause the actual results to differ materially from current expectations which include, but are not limited to:

- the risk that the Proposed Transaction may not be completed in a timely manner or at all, which may adversely affect the price of Inpixon's securities;
- the risk that the public market valuation of the combined company following the consummation of the Business Combination may differ from the valuation range ascertained by the parties to the Business Combination and their respective financial advisors, and that the valuation to be ascertained by an independent financial advisor to Damon in connection with the Business Combination may differ from the valuation ascertained by Inpixon's independent financial advisor;
- the failure to satisfy the conditions to the consummation of the Proposed Transaction, including receiving the necessary approvals from the Damon securityholders and the Supreme Court of British Columbia with respect to the Plan of Arrangement;
- the occurrence of any event, change or other circumstance that could give rise to the termination of the Proposed Transaction;
- the effect of the announcement or pendency of the Proposed Transaction on Inpixon, Grafiti and Damon's business relationships, performance, and business generally;
- risks that the Proposed Transaction disrupts current plans of Inpixon, Grafiti and Damon and potential difficulties in their employee retention as a result of the Proposed Transaction;
- the outcome of any legal proceedings that may be instituted against Damon, Grafiti or Inpixon related to the Proposed Transaction;
- failure to realize the anticipated benefits of the Proposed Transaction;
- the inability to satisfy the initial listing criteria of Nasdaq or obtain Nasdaq approval of the initial listing of the combined company on Nasdaq;
- the risk that the price of the securities of the combined company may be volatile due to a variety of factors, including changes in the highly competitive industries in which Grafiti and Damon operate, variations in performance across competitors, changes in laws, regulations, technologies that may impose additional costs and compliance burdens on Grafiti and Damon's operations, global supply chain disruptions and shortages, and macro-economic and social environments affecting Grafiti and Damon's business and changes in the combined capital structure;
- the inability to implement business plans, forecasts, and other expectations after the completion of the Proposed Transaction, and identify and realize additional opportunities;

- the risk that Damon has a limited operating history, has not achieved sufficient sales and production capacity at a mass-production facility, and Damon and its current and future collaborators may be unable to successfully develop and market Damon's motorcycles or solutions, or may experience significant delays in doing so;
- the risk that the combined company may never achieve or sustain profitability;
- the risk that Damon and the combined company may be unable to raise additional capital on acceptable terms to finance its operations and remain a going concern;
- the risk that the combined company experiences difficulties in managing its growth and expanding operations;
- the risk that Damon's $85 million of non-binding reservations are canceled, modified, delayed or not placed and that Damon must return the refundable deposits and such reservations are not converted to sales;
- the risks relating to Damon's ability to satisfy the conditions and deliver on the orders and reservations, its ability to maintain quality control of its motorcycles, and Damon's dependence on third parties for supplying components and manufacturing the motorcycles;
- the risk that other motorcycle manufacturers develop competitive electric motorcycles or other competitive motorcycles that adversely affect Damon's market position;
- the risk that Damon's patent applications may not be approved or may take longer than expected, and Damon may incur substantial costs in enforcing and protecting its intellectual property;
- the risk that Damon's estimates of market demand may be inaccurate; and
- other risks and uncertainties set forth in the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in Inpixon's Annual Report on Form 10-K for the year ended December, 31, 2022, which was filed with the SEC on April 17, 2023, and Quarterly Report on Form 10-Q for the quarterly period thereafter, as such factors may be updated from time to time in Inpixon's filings with the SEC, and the registration statement to be filed by Grafiti in connection with the Spin-off. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements.

Nothing in this press release should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Neither Inpixon nor Damon gives any assurance that either Inpixon or Damon or the combined company will achieve its expected results. Neither Inpixon nor Damon undertakes any duty to update these forward-looking statements, except as otherwise required by law.

Important Information About the Proposed XTI Transaction and Where to Find It

This press release, in part, relates to the previously announced proposed transaction between XTI Aircraft, Inc. ("XTI") and Inpixon pursuant to the agreement and plan of merger, dated as of July 24, 2023, by and among Inpixon, Superfly Merger Sub Inc. and XTI (the "proposed XTI transaction"). Inpixon filed a registration statement on Form S-4 with the U.S. Securities and Exchange Commission ("SEC") on August 14, 2023, as amended by Amendment No. 1 on October 6, 2023, which included a preliminary prospectus and proxy statement of Inpixon in connection with the proposed XTI transaction, referred to as a proxy statement/prospectus. The registration statement on Form S-4 has not yet become effective. A proxy statement/prospectus will be delivered to all Inpixon stockholders as of the applicable record date established for voting on the transaction and to the stockholders of XTI. Inpixon also will file other documents regarding the proposed XTI transaction with the SEC.

Before making any voting decision, investors and security holders are urged to read the registration statement, the proxy statement/prospectus, any amendments thereto, and all other relevant documents filed or that will be filed with the SEC in connection with the proposed XTI transaction as they become available because they will contain important information about Inpixon, XTI and the proposed XTI transaction.

Investors and securityholders will be able to obtain free copies of the registration statement, the proxy statement/prospectus and all other relevant documents filed or that will be filed with the SEC by Inpixon through the website maintained by the SEC at www.sec.gov.

The documents filed by Inpixon with the SEC also may be obtained free of charge at Inpixon's website at www.inpixon.com or upon written request to: Inpixon, 2479 E. Bayshore Road, Suite 195, Palo Alto, CA 94303.

NEITHER THE SEC NOR ANY STATE SECURITIES REGULATORY AGENCY HAS APPROVED OR DISAPPROVED THE TRANSACTIONS DESCRIBED IN THIS COMMUNICATION, PASSED UPON THE MERITS OR FAIRNESS OF THE TRANSACTION OR RELATED TRANSACTIONS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE DISCLOSURE IN THIS COMMUNICATION. ANY REPRESENTATION TO THE CONTRARY CONSTITUTES A CRIMINAL OFFENSE.

Forward-Looking Statements about the Proposed XTI Transaction

This press release contains certain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act, and Section 21E of the Exchange Act. All statements other than statements of historical fact contained in this press release, including statements regarding the benefits of the proposed XTI transaction and the anticipated timing of the completion of the proposed XTI transaction, are forward-looking statements.

Some of these forward-looking statements can be identified by the use of forward-looking words, including "may," "should," "expect," "intend," "will," "estimate," "anticipate," "believe," "predict," "plan," "targets," "projects," "could," "would," "continue," "forecast" or the negatives of these terms or variations of them or similar expressions. All forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. All forward-looking statements are based upon estimates, forecasts, and assumptions that, while considered reasonable by Inpixon and its management, and XTI and its management, as the case may be, are inherently uncertain and many factors may cause the actual results to differ materially from current expectations which include, but are not limited to:

- the risk that the proposed XTI transaction may not be completed in a timely manner or at all, which may adversely affect the price of Inpixon's securities;
- the failure to satisfy the conditions to the consummation of the proposed XTI transaction, including the adoption of the merger agreement by the shareholders of Inpixon;
- the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement;
- the adjustments permitted under the merger agreement to the exchange ratio that could result in XTI shareholders or Inpixon shareholders owning less of the post-combination company than expected;
- the effect of the announcement or pendency of the proposed XTI transaction on Inpixon's and XTI's business relationships, performance, and business generally;
- the risks that the proposed XTI transaction disrupts current plans of Inpixon and XTI and potential difficulties in Inpixon's and XTI's employee retention because of the proposed XTI transaction;

- the outcome of any legal proceedings that may be instituted against XTI or against Inpixon related to the merger agreement or the proposed XTI transaction;
- failure to realize the anticipated benefits of the proposed XTI transaction;
- the inability to meet and maintain the listing of Inpixon's securities (or the securities of the post-combination company) on Nasdaq;
- the risk that the price of Inpixon's securities (or the securities of the post-combination company) may be volatile due to a variety of factors, including changes in the highly competitive industries in which Inpixon and XTI operate;
- the inability to implement business plans, forecasts, and other expectations after the completion of the proposed XTI transaction, and identify and realize additional opportunities;
- variations in performance across competitors, changes in laws, regulations, technologies that may impose additional costs and compliance burdens on Inpixon and XTI's operations, global supply chain disruptions and shortages;
- national security tensions, and macro-economic and social environments affecting Inpixon and XTI's business and changes in the combined capital structure;
- the risk that XTI has a limited operating history, has not yet manufactured any non-prototype aircraft or delivered any aircraft to a customer, and XTI and its current and future collaborators may be unable to successfully develop and market XTI's aircraft or solutions, or may experience significant delays in doing so;
- the risk that XTI is subject to the uncertainties associated with the regulatory approvals of its aircraft including the certification by the Federal Aviation Administration, which is a lengthy and costly process;
- the risk that the post-combination company may never achieve or sustain profitability;
- the risk that XTI, Inpixon and the post-combination company may be unable to raise additional capital on acceptable terms to finance its operations and remain a going concern;
- the risk that the post-combination company experiences difficulties in managing its growth and expanding operations;
- the risk that XTI's conditional pre-orders (which include conditional aircraft purchase agreements, non-binding reservations, and options) are canceled, modified, delayed or not placed and that XTI must return the refundable deposits;
- the risks relating to long development and sales cycles, XTI's ability to satisfy the conditions and deliver on the orders and reservations, its ability to maintain quality control of its aircraft, and XTI's dependence on third parties for supplying components and potentially manufacturing the aircraft;
- the risk that other aircraft manufacturers develop competitive VTOL aircraft or other competitive aircraft that adversely affect XTI's market position;
- the risk that XTI's future patent applications may not be approved or may take longer than expected, and XTI may incur substantial costs in enforcing and protecting its intellectual property;
- the risk that XTI's estimates of market demand may be inaccurate;

- the risk that XTI's ability to sell its aircraft may be limited by circumstances beyond its control, such as a shortage of pilots and mechanics who meet the training standards, high maintenance frequencies and costs for the sold aircraft, and any accidents or incidents involving VTOL aircraft that may harm customer confidence; and
- other risks and uncertainties set forth in the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in Inpixon's Annual Report on Form 10-K for the year ended December, 31, 2022, which was filed with the SEC on April 17, 2023 (the "2022 Form 10-K"), the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023, filed on May 16, 2023, the Current Report on Form 8-K filed on July 25, 2023, the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2023, filed on August 18, 2023, and in the section entitled "Risk Factors" in XTI's periodic reports filed pursuant to Regulation A of the Securities Act including XTI's Annual Report on Form 1-K for the year ended December 31, 2022, which was filed with the SEC on July 13, 2023 (the "2022 Form 1-K"), as such factors may be updated from time to time in Inpixon's and XTI's filings with the SEC, the registration statement on Form S-4 and the proxy statement/prospectus contained therein. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements.

Nothing in this press release should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Neither Inpixon nor XTI gives any assurance that either Inpixon or XTI or the post-combination company will achieve its expected results. Neither Inpixon nor XTI undertakes any duty to update these forward-looking statements, except as otherwise required by law.

Participants in the Solicitation

XTI and Inpixon and their respective directors and officers and other members of management may, under SEC rules, be deemed to be participants in the solicitation of proxies from Inpixon's stockholders with the proposed XTI transaction and the other matters set forth in the registration statement. Information about Inpixon's and XTI's directors and executive officers is set forth in Inpixon's filings and XTI's filings with the SEC, including Inpixon's 2022 Form 10-K and XTI's 2022 Form 1-K. Additional information regarding the direct and indirect interests, by security holdings or otherwise, of those persons and other persons who may be deemed participants in the proposed XTI transaction may be obtained by reading the proxy statement/prospectus regarding the proposed XTI transaction when it becomes available. You may obtain free copies of these documents as described above under "Important Information About the Proposed Transaction and Where to Find It."

No Offer or Solicitation

This press release is not a proxy statement or solicitation of a proxy, consent or authorization with respect to any securities or in respect of the proposed transactions and is not intended to and does not constitute an offer to sell or the solicitation of an offer to buy, sell or solicit any securities or any proxy, vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be deemed to be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act.

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