



January 31, 2019

To: Prospective Purchasers

Dear Sir/Madam:

**Re: VersAccounts Limited (the “Company”)**

On January 22, 2019, the Company filed a Notice of Intention to Make a Proposal (“**NOI**”) under Section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and A. Farber & Partners Inc. was appointed as trustee in respect of the Company’s NOI proceedings (in such capacity, the “**Proposal Trustee**”).

In connection with your interest in considering an acquisition of the property and assets of the Company (a “**Transaction**”), you have requested certain information from the Company, the Proposal Trustee and the officers, directors, shareholders, employees, representatives, solicitors, advisors and/or agents of the Company (collectively, the “**Company’s Representatives**”). References to “**Information Parties**” herein shall mean the Company, the Proposal Trustee and the Company’s Representatives. All such information furnished to you or your Representatives (as defined below) by or on behalf of the Information Parties (irrespective of the form of communication and whether such information is so furnished before, on or after the date hereof), and all analyses, compilations, data, studies, notes, interpretations, memoranda or other documents prepared by you or your Representatives containing or based in whole or in part on any such furnished information are collectively referred to herein as the “**Information**”. Information about identifiable individuals is referred to as “**Personal Information**”.

In consideration of furnishing you with the Information, the Information Parties request your agreement to, and you agree to and will cause your Representatives to comply with, the following:

1. The Information will be used solely for the purpose of evaluating a Transaction and will be kept strictly confidential. The Information will not be disclosed by you or your Representatives, except that you may disclose the Information or portions thereof to those of your directors, officers, shareholders and employees and representatives of your legal, accounting and financial advisors (the persons to whom such disclosure is permissible being collectively referred to herein as the “**Representatives**”) who need to know such information for the purpose of evaluating a Transaction; provided that such Representatives are informed of the confidential and proprietary nature of the Information and agree in advance, in writing, to comply with the terms of this Agreement. You agree to be responsible for any breach of this Agreement by your Representatives (it being understood that such responsibility shall be in addition to and not by way of limitation of any right or remedy the Company and/or the Proposal Trustee may have against such Representatives with respect to any such breach).

2. Except with the prior written consent of the Proposal Trustee, neither you nor your Representatives will disclose to any person either the fact that any investigations, discussions or negotiations are taking place concerning a Transaction, or that you have received Information from any of the Information Parties, or any of the terms, conditions or other facts with respect to any such possible Transaction or involvement, including the status thereof. The term “person” as used in this Agreement will be interpreted broadly to include the media and any corporation, company, group, partnership, limited liability company, trust or other entity or individual.
3. If you or any of your Representatives become legally compelled (including by deposition, discovery, interrogatory, request for documents, subpoena, civil investigative demand or similar process) to disclose any of the Information, you shall provide the Proposal Trustee and the Company with prompt prior written notice of such requirement so that the Proposal Trustee and/or the Company may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this Agreement. If such protective order or other remedy is not obtained, both you and your Representatives shall disclose only that portion of the Information which is legally required to be disclosed and shall take all reasonable steps to attempt to preserve the confidentiality of the Information.
4. Other than with regard to “Personal Information”, the term “Information” does not include any information which (i) at the time of disclosure is generally available to the public (other than as a result of a disclosure directly or indirectly by you or your Representatives or a person that disclosed such information in breach of a confidentiality obligation owed to the Proposal Trustee or the Company) or (ii) was available to you on a non-confidential basis from a source other than any of the Information Parties or their respective advisors, provided that such source is not and was not known by you to be bound by a confidentiality obligation owed to the Proposal Trustee or the Company.
5. Notwithstanding anything to the contrary contained in this Agreement, the following additional restrictions shall apply to Personal Information: (a) Personal Information will be kept confidential at all times in accordance with the terms of this Agreement and will not be used or disclosed except in accordance with applicable law; (b) you shall store the Personal Information properly and securely and ensure that appropriate physical, technological and organizational measures are in place to protect the Personal Information against unauthorized or unintended access, use or disclosure; (c) you shall not retain, for any longer than necessary, any records pertaining to Personal Information; and (d) the confidentiality and non-use obligations in this Agreement pertaining to Personal Information shall survive any termination or expiration of this Agreement.
6. If you determine not to pursue a Transaction, you will promptly notify the Proposal Trustee of your determination. At the time of such notice, or if, at any earlier time, the Proposal Trustee so directs (whether or not you determine to pursue a Transaction), you and your Representatives will promptly return to the Proposal Trustee (whether or not prepared by the Information Parties or otherwise on their behalf), or destroy, all Information and all copies, extracts or other reproductions in whole or in part thereof. Notwithstanding the return of the Information, you and your

Representatives will continue to be bound by this Agreement.

7. You understand and acknowledge that none of the Information Parties, or any of their officers, directors, employees, shareholders, representatives or agents is making any representation or warranty, express or implied, as to the accuracy or completeness of the Information, and none of the Information Parties, or any of their officers, directors, shareholders, employees, representatives or agents, will have any liability to you or any other person resulting from your use of the Information. Only those representations or warranties that are made to you in a definitive and executed written agreement regarding a Transaction (a “**Definitive Agreement**”) will have any legal effect, subject to such limitations and restrictions as may be specified in such Definitive Agreement. For greater certainty, the term “Definitive Agreement” does not include an executed letter of intent or any other preliminary written agreement nor does it include any written or oral acceptance by the Information Parties of any offer or bid, if any, made by you or your Representatives. Unless and until a Definitive Agreement with respect to a Transaction has been executed and delivered, neither the Company nor the Proposal Trustee has any legal obligation of any kind whatsoever with respect to a Transaction.
8. You acknowledge that the sale process (“**Sale Process**”) in respect of the Company and its assets shall be conducted pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (“**Court**”), dated January 30, 2019. Modifications and amendments to the Sale Process may be sought without notice to you. The Company and the Proposal Trustee reserve the right to cease or amend this offering at any time and/or to reject any or all offers received, subject to the Court’s approval. Subject to the terms of the Sale Process, the Proposal Trustee shall be free to provide Information to any person as it in its sole discretion shall determine.
9. Except with the prior written consent of the Proposal Trustee, you, your Representatives and your affiliates and their Representatives shall not have discussions with, or negotiate with, any persons other than the Proposal Trustee to, (a) in any manner acquire, agree to acquire or make any proposal to acquire, directly or indirectly, any property of the Company, (b) enter into, directly or indirectly, any merger, joint venture or business combination involving the Company, (c) control or influence the management, Board of Directors or policies of the Company, or (d) advise, assist or encourage any other persons in connection with any of the foregoing.
10. You agree that monetary damages would not be a sufficient remedy for any breach of this Agreement by you and that the Proposal Trustee and the Company shall be entitled to, and you shall not oppose the granting of, equitable relief, including an injunction and specific performance, in the event of any such breach, in addition to all other remedies available to the Proposal Trustee and the Company at law or in equity or otherwise. You further agree to indemnify the Proposal Trustee and the Company for any costs and expenses, including legal costs which such parties may incur in connection with the enforcement of this Agreement.

11. You agree that no failure or delay by the Proposal Trustee or the Company in exercising any right, power or privilege hereunder will operate as a waiver thereof or an estoppel thereto, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.
12. If any provision of this Agreement is found to violate any statute, regulation, rule, order or decree of any governmental authority, court, agency or exchange, such invalidity shall not be deemed to affect any other provision hereof or the validity of the remainder of this Agreement, and such invalid provision shall be deemed deleted herefrom to the minimum extent necessary to cure such violation.
13. All contacts by you or your Representatives with the Proposal Trustee, the Company or the Company's Representatives regarding the Information, a Transaction or otherwise shall be made through representatives of the Proposal Trustee or such other person as you are notified by the Proposal Trustee, in writing, to contact.
14. Any requirement for you to provide notice or other communication shall be in writing and may be delivered personally or transmitted by fax or email, addressed as follows:  
  
A. Farber & Partners Inc.  
1600-150 York Street  
Toronto, ON M5H 3S5  
Attention: Robyn White  
Fax: +1 (416) 496-3839  
Email: [rwhite@farbergroup.com](mailto:rwhite@farbergroup.com)
15. You acknowledge and agree that the Company and the Proposal Trustee are not obligated to accept any offer, including the highest offer. You further acknowledge that Court approval of any Transaction is required.
16. This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein without regard to the conflicts of law principles thereof. The courts of the Province of Ontario in Toronto shall have exclusive jurisdiction to determine any action arising under this Agreement and the parties hereto hereby attorn to the exclusive jurisdiction thereof.
17. This Agreement may be executed in counterparts and transmitted by facsimile or other form of electronic transmission, each of which when so executed shall constitute an original and all of which shall together constitute one and the same Agreement.
18. If you agree with the foregoing, please sign and return a copy of this letter, which will constitute our agreement with respect to the subject matter hereof.

Yours very truly,

**A. Farber & partners Inc., solely in its capacity as trustee *in re* the proposal of VersAccounts Limited and not in its personal or corporate capacity**

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Per: Robyn White, CPA, CGA, CIRP, LIT  
Managing Director

## CONFIRMED AND AGREED

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Company

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Name (please print)

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Signature

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Email address

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Date