

**ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

**DISTINCT INFRASTRUCTURE GROUP INC., DISTINCT INFRASTRUCTURE
GROUP WEST INC., DISTINCTTECH INC., IVAC SERVICES INC., IVAC SERVICES
WEST INC., and CROWN UTILITIES LTD.**

Respondents

**FIRST SUPPLEMENT TO THE SPECIAL REPORT OF THE RECEIVER
(Response to Motion to Convert to Action)**

July 3, 2020

THORNTON GROUT FINNIGAN LLP
100 Wellington Street West
Suite 3200, TD West Tower
Toronto ON M5K 1K7

D.J. Miller (LSO# 34393P)
Email: djmiller@tgf.ca
Tel: (416) 304-0559

Rachel Bengino (LSO# 68348V)
Email: rbengino@tgf.ca
Tel: (416) 304-1153

James P. E. Hardy (LSO# 73856R)
Email: jhardy@tgf.ca
Tel: (416) 304-7976

Fax: (416) 304-1313

Lawyers for the Receiver,
Deloitte Restructuring Inc.

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Appendix “A”	Consulting Agreement between the Company and 2460485 Ontario Ltd.
Appendix “B”	Consulting Agreement between the Company and 2460481 Ontario Ltd.

INTRODUCTION AND PURPOSE OF THIS SPECIAL REPORT

1. On March 11, 2019, Deloitte Restructuring Inc. (“**Deloitte**”) was appointed by the Court as Receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Distinct Infrastructure Group Inc. (the “**Company**”) and its subsidiaries pursuant to an order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). The application for the appointment of the Receiver was brought by Royal Bank of Canada (the “**Bank**”) in respect of secured indebtedness owing by DIG of approximately CDN\$53 million plus US\$8,000 as at that time.
2. On November 28, 2019 the Receiver issued the Special Report of the Receiver (the “**Special Report**”), to (among other things) provide the Court with an update on its investigations and to support a motion brought by the Receiver seeking an order of the Court requiring Joe Lanni and Alex Agius (the “**Former CEOs**”) to repay amounts incurred by them using DIG corporate credit cards for their personal benefit.
3. Capitalized terms not defined in this report should be given the same meaning ascribed to them in the Special Report.
4. The Appointment Order, the Special Report and other orders, reports and information filed in connection with the receivership proceedings can be accessed on the Receiver’s case website at www.insolvencies.deloitte.ca/en-ca/dig.
5. Also on November 28, 2019, the Receiver brought a motion seeking an order of the Court requiring Joe Lanni and Alex Agius to repay amounts incurred by them using DIG corporate credit cards for their personal benefit (the “**Expenses Motion**”).
6. Joe Lanni and Alex Agius have subsequently brought a motion to have the Expenses Motion converted into an action.

7. The purpose of this supplement to the Special Report is to provide information that may be helpful to the Court and in response to the materials filed by Mr. Lanni and Mr. Agius in their motion record seeking to convert the Expenses Motion into an action.

TERMS OF REFERENCE

8. In preparing this Special Report, Deloitte has been provided with, and has relied upon unaudited, draft and/or internal financial information, DIG's books and records, previous discussions with management of DIG ("**Management**"), and information from third-party sources (collectively, the "**Information**"). Except as described in this Special Report:

- a. Deloitte has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, Deloitte has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CAS**") pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information;
- b. As noted in prior reports of the Receiver, the Company has issued press releases and guidance to the financial markets advising that its financial statements are misstated and should not be relied upon. DIG has made material write downs to its accounts receivable, work in progress, and inventory balances, and accordingly, Deloitte cautions that the financial information reported herein is subject to further verification and may require material revision; and

- c. Deloitte has prepared this Special Report in its capacity as Receiver solely for the purposes noted herein. Parties using the Special Report other than for the purposes outlined herein are cautioned that it may not be appropriate for their purposes.

9. Unless otherwise stated, all dollar amounts contained in this Special Report are expressed in Canadian dollars.

BACKGROUND

10. A full description of the background of the insolvency of DIG, the appointment of the Receiver, the investigations which gave rise to the Expenses Motion and the factual basis for the Expenses Motion is contained in the Special Report. This supplementary report ought to be read in conjunction with the Special Report.

POWERS OF THE RECEIVER

11. The Former CEOs' motion record suggests that either the Receiver lacks the power to bring the Expenses Motion or that it is not appropriate for the Receiver to do so.
12. In the Investigative Powers Order dated May 3, 2019, Justice Hainey specifically empowered the Receiver to exercise the investigative and other rights and remedies of a trustee in bankruptcy.
13. The Receiver's motion is brought as a result of investigations conducted by the Receiver, and under the Receiver's power to bring such legal proceedings on behalf of the Company as it sees fit.

DOCUMENTATION IN THE POSSESSION OF THE RECEIVER

14. The Former CEOs' motion record alleges that the Receiver is in possession of unspecified documents and records which the Former CEOs claim may be exculpatory, and therefore the Former

CEOs require the full discovery rights provided by the trial process in order to advance their defence.

The Receiver does not believe this position to be reasonable for the following reasons.

7. First, after its appointment, the Receiver collected various documents and records from the Company. In total, it is storing 1,452 boxes of documents from the Company's offices.
8. To review the entirety of the Company's records would be prohibitively expensive, and out of proportion to the amounts sought in the Expenses Motion (\$69,623 and \$172,064 against Mr. Lanni and Mr. Agius respectively).
9. Second, the Former CEOs have failed to provide any specificity regarding the additional information or documents it requires, and have failed to either ask written questions of the Receiver or to make specific document requests in writing.
10. Counsel to the Receiver has repeatedly offered to counsel to the Former CEOs that, if the Former CEOs ask specific questions or make specific document requests, it will respond in accordance with its obligations as an officer of the court. To date, and despite the significant time they have had to do so, the Former CEOs have provided no written questions and have made no specific document requests.
11. Third, the Former CEOs' claim that certain documents are not in their possession lacks credibility. Documents relating to the Former CEOs shareholder loan accounts and payroll deductions would have been provided to the Former CEOs in their personal capacity, and there is no reason why the Former CEOs would not be able to access those records.
12. After their termination, the Former CEOs returned DIG's computer equipment which was in their possession. Every device had been wiped. It is not clear what the Former CEOs did with the documents they deleted from DIG's computer equipment. The Receiver sought an explanation from

the Former CEOs as to why the devices had been wiped by letter dated April 2, 2019.¹ To date, no explanation has been provided.

13. Fourth, the claims of the Former CEOs that the contents of the Company's records will assist their defence lack credibility. It was representatives and board members of the Company that first determined that the expenses claimed had no legitimate corporate purpose.
14. The Former CEOs do not dispute that the expenses the Receiver is claiming for were in fact incurred by the Former CEOs. The Former CEOs only claim that the expenses were for a legitimate corporate purpose, particularly, to entertain clients. However, they do not name a specific client or name any individuals employed by those clients who they entertained. They do not specify the manner in which such expenses advanced the interests of the Company. Such information is within the knowledge of the Former CEOs and not the Receiver.
15. In addition, each of the Former CEOs claims that amounts incurred for the storage of their personal vehicles were both "part of [their] compensation" and "applied against [their] Shareholder Loan Account."
16. It does not make sense for such amounts to be both an entitlement of the Former CEOs **and** to be applied against the Former CEOs shareholder loan accounts.
17. In any event, amounts for storage of personal vehicles were not included in the Former CEOs compensation. Attached as **Appendix A** is a copy of a consulting agreement between the Company and 2460485 Ontario, Ltd., a company through which Mr. Agius provided his services to the Company. Attached as **Appendix B** is a copy of a consulting agreement between the Company and 2460481 Ontario Ltd., a company through which Mr. Lanni provided his services to the Company.

¹ The letter to Mr. Lanni is Appendix H to the Special Report. The letter to Mr. Agius is Appendix I to the Special Report.

Each consulting agreement shows that the Former CEOs' compensation only includes out of pocket expenses incurred in relation to a company vehicle, and not their personal vehicles.

18. The consulting agreements do not entitle the Former CEOs to be reimbursed for any of the expenses for which the Receiver seeks repayment.

RECOMMENDATION

19. If there is a legitimate purpose for the corporate expenses – which the Former CEOs do not dispute they incurred – the Former CEOs have had the opportunity to put forward such an explanation.
20. Their failure to do so appears to be because many of the expenses defy explanation. There can be no proper corporate purpose for spending thousands of dollars of public company funds on a family holiday to Hawaii, ski clothing or flowers for family members.
21. For the reasons set out above, the Receiver respectfully requests that the Court allow the Expenses Motion to proceed as a motion, and that the Former CEOs' motion to convert the motion to an action be rejected. In the Receiver's view, such steps appear to be an attempt to require the Receiver to incur considerable expenses and/or become frustrated in its efforts to obtain reimbursement of these amounts from the Former CEOs, in the hope that the Receiver will simply abandon its efforts.

All of which is respectfully submitted at Toronto, Ontario this 3rd day of July, 2020.

DELOITTE RESTRUCTURING INC.,
solely in its capacity as the Court-appointed
receiver of Distinct Infrastructure Group Inc.
and its subsidiaries set out in Appendix "A"
hereto, and without personal or corporate
liability



Per: For :
Paul Casey, CPA, CA, FCIRP, LIT
Senior Vice-President

APPENDIX “A”

CONSULTING AGREEMENT
made as of the 1st day of October, 2015

B E T W E E N :

DISTINCT INFRASTRUCTURE GROUP INC.
a company incorporated under the laws of
the Province of Alberta

(the "Company")

OF THE FIRST PART

2460485 ONTARIO LTD.
a company incorporated under the laws of
the Province of Ontario

(the "Consultant")

OF THE SECOND PART.

WHEREAS the Company is desirous of retaining the Consultant to provide services in connection with the business of the Company;

AND WHEREAS the Consultant is desirous of providing such services to the Company, on the terms and subject to the conditions herein set out;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the respective covenants and agreements of the parties contained herein, the sum of one dollar paid by each party hereto to each of the other parties hereto and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto) it is agreed as follows:

ARTICLE ONE
CONSULTING SERVICES

- 1.1 **Retainer.** The Company hereby agrees to retain the Consultant to provide the Company with consulting services (the "Services") and the Company hereby agrees that Alex (Alexander) Agius ("Agius"), the president of the Consultant, shall serve in the capacity of Co-Chief Executive Officer and Senior Vice-President Sales and Marketing, of the Company and to serve in such capacity as the Company's needs may from time to time require and as are made known to him by the Company or its authorized representatives.
- 1.2 **Term of Agreement.** Subject to the automatic extension provided for below, the terms of this Agreement shall be for five (5) years commencing on October 1, 2015 (the "Initial Term"). At the expiration of the Initial Term, this Agreement shall automatically be extended by an additional year unless, not less than 90 days prior to the expiration of the Initial Term, the Company shall have given written notice to the Consultant that it does not wish to further extend this Agreement (the "Non-Renewal Notice"). Notwithstanding the expiration of this Agreement, the obligations of the Company shall survive such expiration if there is a change in control prior to the expiration of this Agreement.

- 1.3 **Provision of Services.** The Services to be provided hereunder to the Company by the Consultant shall be provided by Agius. Agius shall devote a minimum of forty (40) hours per week in the provision of the Services to the Company. It is agreed and acknowledged that the Consultant and Agius may from time to time provide services to other persons, firms and corporations, provided that the Consultant and Agius shall at no time while this Agreement remains in force provide ongoing services to any competitor of the Company that is not an affiliate (for the purposes of this Agreement "affiliate" shall mean any person, firm or corporation that is affiliated with the Company within the meaning of the *Business Corporations Act* (Ontario)).
- 1.4 **Board Policy and Instructions.** The Consultant and Agius covenants with the Company that they will act in accordance with any policy of and carry out all reasonable instructions of the board of directors of the Company. The Consultant and Agius acknowledge that such policies and instructions may limit, restrict or remove any power or discretion that might otherwise have been exercised by the Consultant and Agius.
- 1.5 **Remuneration.** In consideration for the services rendered by the Consultant and Agius hereunder, the Company shall pay to the Consultant an annual fee of \$365,000 or a bi-weekly fee of \$15,208.33 exclusive of bonuses, benefits and other compensation. The monthly fee payable to the Consultant pursuant to the provisions of this section 1.5 shall be payable in arrears on a bi-weekly basis or in such other manner as may be mutually agreed upon, less, in any case, any deductions or withholdings required by law.
- 1.6 **Expenses.** The Consultant and Agius shall be reimbursed for all out of pocket expenses, including travel costs, actually and properly incurred by the Consultant and Agius in connection with providing the Services hereunder. The Consultant and Agius shall furnish statements and vouchers to the Company for all such expenses. Such reimbursement shall be paid within fifteen (15) days of submission of the invoice. In any event, the Consultant and Agius shall obtain written approval from the Chairman of the Board of Directors for all expenses over \$25,000.
- 1.8 **Bonus.** The Consultant shall be entitled to an annual performance bonus, the amount to be agreed to in consultation with the board of directors. No performance bonus shall apply in the first year of this agreement. The board, in consultation with Agius, shall determine an appropriate bonus structure for the remaining years of the agreement.
- 1.9 **Options.** In addition to any other compensation and/or bonus provided hereunder, the Consultant shall be entitled to receive options pursuant to the terms and conditions of the Company's stock option plan as and when granted by the board of directors.
- 1.10 **Vacation.** Agius shall be entitled to the greater of six (6) weeks paid vacation or such minimum number of weeks as may be otherwise required by law, per fiscal year of the Company at a time approved in advance by the Chairman of the Board of Directors of the Company, which approval shall not be unreasonably withheld but shall take into account the staffing requirements of the Company and the need for the timely performance of Agius' responsibilities. In the event that Agius decides not to take all the vacation to which he is entitled in any fiscal year, Agius shall be entitled to take up to a maximum of two (2) week of such vacation in the next following fiscal year at a time approved in advance by the Chairman of the Board of Directors of the Company.

- 1.11 **Benefits.** The Company shall provide to Agius the option to purchase, at his own expense, a benefits package comparable to those provided by the Company from time to time to senior employees of the Company and shall permit Agius to participate in any share option plan, share purchase plan, retirement plan or similar plan offered by the Company from time to time to its senior employees in the manner and to the extent authorized by the board of directors of the Company.
- 1.12 **Company Vehicle.** The Company shall provide the Consultant with a company owned vehicle and shall reimburse the Consultant for all reasonable out of pocket expenses incurred in relation thereto.

ARTICLE TWO COVENANTS

- 2.1 **No Delegation of Services.** The Consultant and Agius covenant and agree with the Company that they shall not delegate performance of the Services to anyone without the prior written consent of the Company.
- 2.2 **Provision of Amenities.** The Company covenants and agrees with the Consultant and Agius to provide, for the use of the Consultant, a reasonably furnished office, and administrative and reception services at the offices of the Company.

ARTICLE THREE CONFIDENTIALITY AND NON-SOLICITATION AND NON-COMPETITION

- 3.1 **Confidential Information.** The Consultant and Agius acknowledge that they are in a position of trust and in the course of carrying out, performing and fulfilling their duties under this Agreement they will have access to and will be entrusted with confidential information concerning the business of the Company, including but not limited to assay results, technology, trade secrets, customers, products, systems, client lists and all other information of every kind or nature pertaining to the business of the Company ("Confidential Information"). The Consultant and Agius covenants and agrees that they shall not disclose to anyone the Confidential Information with respect to the business or affairs of the Company except as may be necessary or desirable to further the business interests of the Company. This obligation shall survive the expiry or termination of this Agreement.
- 3.2 **Return of Property.** All letters, notes, data, photographs, sketches, drawings, lists of customers, or users, publications, manuals, books, tools, instruments, equipment, supplies, keys and any other property pertaining to the business of the Company, its operations and processes are, and shall remain, the sole and exclusive property of the Company. Upon expiry or termination of this Agreement the Consultant and Agius shall return to the Company all such property which may be under their control or in their possession if requested at any time during the term hereof or upon termination of this Agreement for any reason whatsoever.
- 3.3 **Promotion of Company's Interests.** The Consultant and Agius shall and will faithfully serve and use their best efforts to promote the interests of the Company, shall not use any information they may acquire with respect to the business and affairs of the Company or its affiliates for their own purposes or for any purposes other than those of the Company or its affiliates.

- 3.4 **Non-Competition.** The Consultant and Agius covenant and agree that they will not, during the term of this Agreement, or at any time within a period of two (2) years following the date of termination of this Agreement with the geographical region of Southern Ontario, without the prior written consent of the Company, either individually or in partnership or jointly or in conjunction with any other person or persons, firm, partnership, company, or other legal entity, whether as principal, agent, shareholder or in any other capacity whatsoever, carry on, be engaged in, employed by, or have any interest in any business similar to the business now or at any time during the retention of the Consultant hereunder was carried on by the Company.
- 3.5 **Non-Solicitation.** The Consultant and Agius covenant and agree that they will not, during the term of this Agreement, or at any time within a period of two (2) years following the date of termination of this Agreement, without the prior written consent of the Company, either individually or in partnership or jointly or in conjunction with any other person, firm, partnership, company or other legal entity, whether as principal, agent, shareholder or in any other capacity whatsoever:
- (a) attempt to solicit any customers from the Company; or
 - (b) offer employment to or endeavour in any way to entice away from the Company any person who is employed by the Company, or interfere in any way with employer/employee relations between such employee and the Company; or
 - (c) otherwise take any action that may impair the relations between the Company and its respective suppliers, customers, employees or others or that may otherwise be detrimental to the business of the Company.

ARTICLE FOUR TERMINATION

- 4.1 For the purpose of this section, the following terms shall have the following meanings, respectively:
- (a) “Control Change” shall mean the occurrence, without the consent of the Consultant and Agius, at any date hereafter of any of the following events:
 - (i) a bona fide offer by, or the actual acquisition or continuing ownership of, securities (“Convertible Securities”) convertible into, exchangeable for or representing the right to acquire shares of the Company and/or shares of the Company as a result of which a person, group of persons or persons acting jointly or in concert, or persons associated or affiliated within the meaning of the *Business Corporations Act* (Ontario) with any such person, group of persons or any of such persons acting jointly or in concert (collectively, “Acquirors”), may or do beneficially own shares of the Company and/or Convertible Securities such that, assuming only the conversion, exchange or exercise of Convertible Securities beneficially owned by the Acquirors, the Acquirors would beneficially own shares that would entitle the holders thereof to cast more than 20% of the votes attaching to all shares in the capital of the Company that may be cast to elect directors of the Company; or

- (ii) the exercise of the voting power of all or any such shares so as to cause or result in the election of a number of directors greater than 50% of the total number of directors of the Company who were not incumbent directors; or
 - (iii) the shareholders of the Company approving a resolution authorizing the Company to enter into a transaction involving, directly or indirectly, (a) the merger, amalgamation or other combination of the Company or its principal business with one or more other entities; or (b) the sale of all or substantially all the assets of the Company; or
 - (iv) any transaction or series of transactions, the effect of which would cause the Employee and/or the directors of the Company, or any Company, partnership, limited partnership, or any other legal entity of which they exercise control, to own less than ten percent (10%) of the issued and outstanding voting shares of the Company.
- (b) “Disability” shall mean Agius’ failure to substantially perform his duties on a full-time basis for a period of six (6) months out of any 12-month period, where such inability is a result of physical or mental illness.
- (c) “Fair Market Value” shall be the average closing price of the Company’s common shares for the previous 30 days as reported by the TSX, TSX Venture Exchange or by any other recognized stock exchange. In the event that the Company’s common shares are not listed on any recognized stock exchange, the fair market value shall be determined within 90 days of the delivery of such notice at the Company’s expense by a valuator satisfactory to both the Company and the Employee and such determination shall be final and binding]
- (d) “Good Reason” shall include, without limitation, the occurrence of any of the following without the Consultant’s and Agius’ written consent (except in connection with the termination of the employment of the Consultant and Agius for Just Cause or Disability):
- (i) a change (other than those that are clearly consistent with a promotion) in the Consultant’s and Agius’ position or duties (including any position or duties as a director of the Company), responsibilities (including, without limitation, to whom Agius reports and who reports to Agius), title or office in effect immediately prior to a Control Change, which includes any removal of the Employee from or any failure to reelect or reappoint Agius to any such positions or offices;
 - (ii) a reduction by the Company of the Consultant’s compensation, benefits or any other form of remuneration or any change in the basis upon which the Compensation’s compensation, benefits or any other form of remuneration payable by the Company is determined or any failure by the Company to increase the Consultant’s compensation, benefits or any other forms of remuneration payable by the Company in a manner consistent (both as to frequency and percentage increase) with practices in effect immediately prior to the Control Change or with practices implemented subsequent to the Control Change with respect to the senior employees of the Company, whichever is more favourable to the Consultant; or

- (iii) any failure by the Company to continue in effect any benefit, bonus, profit sharing, incentive, remuneration or compensation plan, stock ownership or purchase plan, pension plan or retirement plan in which the Consultant is participating or entitled to participate immediately prior to the Control Change, or the Company taking any action or failing to take any action that would adversely affect the Consultant's participation in or reduce its rights or benefits under or pursuant to any such plan, or the Company failing to increase or improve such rights or benefits on a basis consistent with practices in effect immediately prior to the Control Change or with practices implemented subsequent to the Control Change with respect to the senior employees of the Company, whichever is more favourable to the Consultant; or
 - (iv) the Company relocating Agius to any place other than the location at which he reported for work on a regular basis immediately prior to the Control Change or a place within 50 kilometers of that location; or
 - (v) any failure by the Company to provide Agius with the number of paid vacation days to which he was entitled immediately prior to the Control Change or the Company failing to increase such paid vacation on a basis consistent with practices in effect immediately prior to the Control Change or with practices implemented subsequent to the Control Change with respect to the senior employees of the Company, whichever is more favourable to Agius; or
 - (vi) the Company taking any action to deprive the Consultant and Agius of any material fringe benefit not hereinbefore mentioned and enjoyed by them immediately prior to the Control Change, or the Company failing to increase or improve such material fringe benefits on a basis consistent with practices in effect immediately prior to the Control Change or with practices implemented subsequent to the Control Change with respect to the senior employees of the Company, whichever is more favourable to the Consultant and Agius; or
 - (vii) any breach by the Company of any provision of this Agreement: or
 - (viii) the good faith determination by the Consultant and Agius that, as a result of the Control Change or any action or event thereafter, the Consultant's and Agius' status or responsibility in the Company have been diminished or Agius is being effectively prevented from carrying out his duties responsibilities as they existed immediately prior to the Control Change; or
 - (ix) the failure by the Company to obtain, in a form satisfactory to the Consultant and Agius, an effective assumption of its obligations hereunder by any successor to the Company, including a successor to a material portion of its business.
- (e) "Just Cause" shall mean:
- (i) the continued failure by the Consultant and Agius to substantially perform their duties according to the terms of this Agreement (other than those: (1) that follow a change (other than those clearly consistent with a promotion) in his position or duties; or (2) resulting from Agius' Disability) after the Company has given the

Consultant and Agius reasonable notice of such failure and a reasonable opportunity to correct it;

- (ii) the engaging by the Consultant and Agius in any act that is materially injurious to the Company, momentarily or otherwise, but not including, following a Control Change, the expression of opinions contrary to those of directors and/of officers of the Company who are not incumbent directors and/or officers or those of the new shareholders of the Company subsequent to the Control Change; or
 - (iii) the engaging by the Consultant and Agius in any criminal acts of dishonesty resulting or intended to result directly or indirectly in personal gain of the Consultant and Agius at the Company's expense.
- (f) "Retirement" shall mean the retirement of Agius as prescribed by any applicable legislation or when Agius turns 75 years of age, whichever date occurs first.

4.2 The Company shall have the following obligations in the event that the Consultant and Agius' retainer is terminated:

- (a) *Death.* If Agius' retainer is terminated by reason of Agius' death, Agius' family shall be entitled to receive benefits in a manner consistent with and at least equal in amount to those provided by the Company to surviving families of the senior employees of the Company under such plans, programs and policies relating to family death benefits, if any, as are in effect at the date of Agius' death. In the event that no such plans, programs and policies are in effect at the date of Agius' death, Agius' family shall be entitled to receive an amount equal to one (1) times the annual compensation for the remaining years under the Agreement and any such extensions and an amount equal to one (1) times the average annual bonus paid to the Consultant in the previous two (2) years.
- (b) *Disability.* Unless otherwise determined by the Chairman of the Board of Directors of the Company, the retainer of Agius shall automatically terminate in the event of disability. If Agius' retainer is terminated by reason of disability, Agius and/or Agius' family shall be entitled thereafter to receive reasonable termination and severance payments and allowances and disability and other benefits in a manner consistent with and at least equal in amount to those provided by the Company to disabled senior employees of the Company and/or their families in accordance with such plans, programs and policies relating to disability, if any, as are in effect at the date of termination. In the event that no such plans, programs and policies are in effect at the date of Agius' disability, Agius and/or Agius' family shall be entitled to receive an amount equal to one (1) times the annual compensation at the time of Agius' Disability and an amount equal to one (1) times the average annual bonus paid to the Consultant in the previous two (2) years.
- (c) *Retirement.* If Agius' retainer is terminated by reason of Retirement, Agius shall be entitled thereafter to receive reasonable retirement benefits at least equal to those provided by the Company to senior employees in accordance with such plans, programs and policies relating to retirement, if any, as are in effect at the date of termination. In the event that no such plans, programs and policies are in effect at the date of Agius' Retirement, Agius shall be entitled to receive an amount equal to one (1) times the annual salary at the time of

Retirement and an amount equal to one (1) times the average annual bonus paid to the Consultant in the previous two (2) years.

- (d) *Termination by the Company for Just Cause and Termination by the Consultant Other Than for Good Reason.* If the Consultant's retainer is terminated by the Company for Just Cause, or is terminated by the Consultant other than for Good Reason, the Company shall pay to the Consultant, if not theretofore paid, the fraction of the annual salary earned by or payable to the Consultant by the Company during the then current fiscal year of the Company for the period to and including the date of termination, and the Company shall have no further obligations to the Consultant under this Agreement.
- (e) *Termination by the Company Other Than for Just Cause, Disability or Death and Termination by the Consultant for Good Reason.* If the Consultant's retainer is terminated by the Company other than for Just Cause, Disability or death or is terminated by the Consultant for Good Reason:
- (i) the Company shall pay to or to the order of the Consultant by no more than two (2) lump sum payments in cash or certified cheque within 45 days after the date of termination, the aggregate of the following amounts (less any deductions required by law):
- (A) if not theretofore paid, the Consultant's annual compensation for the then current fiscal year of the Company for the period to and including the date of termination; and
- (B) an amount equal to the lesser of: (i) two (2) times the annual compensation; and (ii) an amount equal to the result obtained when the annual compensation is multiplied by a fraction, the numerator of which is the number of days between the date of termination and Agius' retirement date and the denominator of which is 365;
- (ii) if the Consultant holds any options, rights, warrants or other entitlements for the purchase or acquisition of shares in the capital of the Company or any affiliate thereof (collectively, the "Rights"), regardless of whether such Rights may then be exercised or if Rights would have been issued to the Consultant had its retainer not been terminated until the earlier of Agius' retirement date and three (3) years following the date of termination, and had the Consultant been granted such Rights on a basis consistent with those extended to other senior employees of the Company, all such Rights shall then be deemed to be granted to the Consultant and available for exercise and, if the Consultant so elects by notice in writing to the Company, such Rights shall be deemed to have been exercised at the price provided for in such Rights and the Consultant shall be deemed to have immediately sold the securities arising from such exercise to the Company for the Fair Market Value. The Company shall pay to the Consultant, in the manner and at the time contemplated by clause 4.2(e)(i), the difference between the aggregate exercise price for such securities and the deemed acquisition price to the Company;

- (iii) the Company shall pay, in the manner and at the time contemplated by clause 4.1(e)(i) above, an amount equal to the present value (as determined at the Company's expense by an actuary acceptable to the Company and the Consultant, which determination shall be final and binding) of all pension benefits as they existed at the date of the Control Change or the date of termination, whichever is more favorable to the Consultant, and any pension benefits to which the Consultant and Agius would have been entitled had the retainer continued until the earlier of Agius' retirement date and three (3) years following the date of termination and had Agius' pension benefits been increased in a manner consistent with that for senior employees of the Company generally;
 - (iv) the Company shall not seek in any way to amend the terms of any loans from the Company to the Consultant and Agius;
 - (v) the Company shall provide Agius with the job relocation counseling services of a firm chosen from time to time, at a cost to the Company not to exceed \$16,000; and
 - (vi) the Company shall pay to the Consultant and Agius all outstanding and accrued regular and special vacation pay to the date of termination.
- (f) *Non-Renewal of Agreement.* If the Company delivers to the Consultant the Non-Renewal Notice, the Company shall pay to the Consultant, as partial compensation for the Consultant's loss of revenue, an amount equal to the sum of: (i) two (2) times the annual compensation; and (ii) an amount equal to the average annual bonus paid to the Consultant in the previous two (2) years.
- 4.3 The benefits payable under this Article 4 shall not be reduced in any respect in the event that the Consultant shall secure or shall not reasonably pursue alternative retainer following the termination of the Consultant's retainer.

ARTICLE FIVE CAPACITY

- 5.1 ***Capacity of Consultant.*** It is acknowledged by the parties hereto that the Company is retaining the Consultant in the capacity of independent contractor and not as an employee of the Company. The Consultant and the Company acknowledge and agree that this Agreement does not create a partnership or joint venture between them.
- 5.2 ***Responsibilities of Consultant.*** The Consultant hereby acknowledges that it will be responsible for remitting any provincial, state or federal tax payable, on account of income or otherwise, and any contribution, premium or assessment owing under any applicable taxation, unemployment insurance, pension, social security or workers' compensation legislation or any other similar legislation as a result of payments under this Agreement. The Consultant agrees to indemnify the Company in respect of any failure by it to withhold any such provincial, state or federal tax, contribution, premium or assessment which may be found to be required to be withheld by the Company under any applicable taxation, unemployment insurance, pension, social security or workers' compensation legislation or any other similar legislation and such indemnity extends to any interest or penalties that may be payable by the Company as a result of such failure to withhold.

ARTICLE SIX GENERAL CONTRACT PROVISIONS

6.1 **Notices.** All notices, requests, demands or other communications (collectively, Notices”) by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, or by facsimile transmission to such other party as follows:

(a) to the Company at:

77 Belfield Road, Unit 102
Toronto, Ontario M9W 1G6

(b) to the Consultant at:

2938 Coulson Court
Mississauga, Ontario L5M 5S8

or at such other address as may be given by such person to the other parties hereto in writing from time to time.

All such Notices shall be deemed to have been received when delivered or transmitted, or, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery or by facsimile transmission.

6.2 **Additional Conditions.** The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

6.3 **Counterparts.** This Agreement may be executed in several counter parts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

6.4 **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.

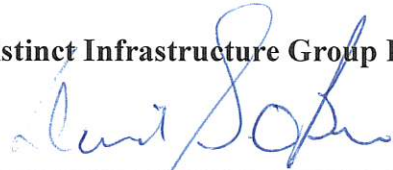
6.5 **Entire Agreement.** This Agreement constitutes the entire Agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto. Any schedules referred to herein are incorporated herein by reference and form part of the Agreement.

- 6.6 **Enurement.** This Agreement shall enure to the benefit of and be binding upon the parties and their respective legal personal representatives, heirs, executors, administrators or successors.
- 6.7 **Assignment.** This Agreement is personal to the Consultant and may not be assigned by the Consultant.
- 6.8 **Currency.** Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.
- 6.9 **Headings for Convenience Only.** The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.
- 6.10 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the nonexclusive jurisdiction of the Courts of such Province.
- 6.11 **Gender.** In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neuter genders and the word “person” shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.
- 6.12 **Calculation of time.** When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, then the time period in question shall end on the first business day following such non-business day.
- 6.13 **Legislation References.** Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.
- 6.14 **Severability.** If any Article, Section or any portion of any Section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid Article, Section or portion thereof shall be severed from the remainder of this Agreement.

IN WITNESS WHEREOF the parties hereto as of the date first above written have executed this agreement.

SIGNED, SEALED & DELIVERED
in the presence of:

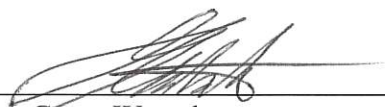
Distinct Infrastructure Group Inc.



)
)
)
) per:

Name: David O'Brien
Title: Chairman of the Board
(I have the authority to bind the company)

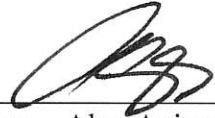
)
)
)
) per:



Name: Garry Wetsch
Title: Chairman of the Compensation and Corporate
Governance Committee
(I have the authority to bind the company)

2460485 ONTARIO LTD.

)
)
)
) per:



Name: Alex Agius
Title: President
(I have the authority to bind the company)

Schedule "A"
Description of Services

Co-Chief Executive Officer

Reports To

Chairman Board of Directors of Distinct Infrastructure Group Inc.

Summary

As a visionary, the Co-Chief Executive Officer ("CEO") is directly responsible for the health and performance of the organization, the success of its operations, and strategic planning. Internally, the CEO will focus on the ongoing improvement of the organizations business model to ensure maximum productivity and revenue. Externally, the CEO will establish key long-term relationships with business partners that enhance the organizations profitability and market position. This individual will also provide financial leadership by managing budgets and monitoring long-term strategic fiscal plans.

Core Competencies

- Customer Focus
- Communication
- Energy & Stress
- Team Work
- Quality Orientation
- Time Management
- Adaptability/ Flexibility
- Creative and Innovative Thinking
- Decision Making and Judgement
- Planning and Organizing
- Problem Solving
- Result Focus
- Accountability and Dependability
- Ethics and Integrity
- Mediating and Negotiating
- Providing Consultation
- Leadership
- Coaching and Mentoring
- Staff Management
- Enforcing Laws, Rules and Regulations
- Mathematical Reasoning
- Development and Continual Learning

Job Duties

- Develop and implement both short and long-term tactical and strategic plans in accordance with business goals and objectives.
- Collaborate with the executive team to develop strategic plans for all aspects of the organization.
- Provide leadership for strategic business development and key corporate planning issues on major business decisions.

- Assist the Chief Financial Officer in managing project budgets, forecasts, and long-term financial plans; ensure corporate adherence to annual budgets.
- Regularly report to the Board of Directors on the company's status against, and ability to meet, its strategic and operational objectives.
- Communicate and collaborate with departmental leaders to control spending, budgeting, reporting, and operational excellence.
- Develop and maintain effective relationships with municipal, state/provincial, and federal government agencies, as well as professional organizations such as consultancy firms and auditors.
- Facilitate and oversee any auditing conducted by third parties to ensure effective resolution and swift closure of auditing activities.
- Establish and maintain key relationships with strategic business partners, such as suppliers, wholesalers, retailers, and so on.
- Help determine resource allocation among business units and/or departments.
- Ensure proper reporting structure within and between all business units and/or departments.
- Keep the Board of Directors informed about business activities, potential threats, opportunities, and recommended actions.
- Monitor departmental performance against goals to ensure that progress is being made, and that corrective action is taken if necessary.
- Monitor legislation, regulations, policies, and procedures applicable to company operations.
- Meet regularly with department heads/business unit leaders; facilitate resolution of issues/problems between business units and/or departments.

Senior Vice President Sales and Marketing

Reports To

Co-Chief Executive Officer and Board of Directors

Summary

The SVP of Sales and Marketing is directly responsible for driving divisional, regional, and international sales and marketing, as well as overseeing all functions of the sales and marketing operations. This individual achieves quarterly/annual sales goals, developing distribution channels, building strategic business relationships, and providing vision for all sales and marketing strategies and their execution. The SVP of Sales and Marketing is also responsible for containing the costs of selling in order to achieve predetermined profit yields. She/he supervises all marketing efforts made by the marketing department to promote all Distinct Tech products, services, image and mission statements. This individual will serve as the subject matter expert in all marketing and sales related activities through various channels with the objective of motivating, driving and assisting in the attainment of sales. The SVP of Sales and Marketing also launches and manages new products, services, and associated brands to meet profitability goals through effective marketing programs. She/he will be responsible for providing executive leadership and management of the company's marketing organization and in-bound and out-bound marketing activities worldwide, which include: corporate marketing, partner/channel marketing, product marketing, and product management. The SVP- Sales and Marketing will drive the company's efforts to position itself as a visionary leader in its emerging market and to achieve its revenue goals.

Core Competencies

- Customer Focus
- Communication
- Energy and Stress
- Team Work
- Quality Orientation
- Time Management
- Adaptability/ Flexibility
- Creative and Innovative Thinking
- Decision Making and Judgement
- Planning and Organizing
- Problem Solving
- Result Focus
- Accountability and Dependability
- Ethics and Integrity
- Mediating and Negotiating
- Providing Consultation
- Leadership
- Coaching and Mentoring
- Staff Management
- Enforcing Laws, Rules and Regulations
- Mathematical Reasoning

- Development and Continual Learning

Job Duties

- Develop, administer and maintain a comprehensive sales and marketing program that ensures continued growth and industry leadership.
- Provide vision and leadership that encourages growth and viability of the company.
- Demonstrate and encourage teamwork and cooperation with all members of the BIN group and with other divisions within Distinct Tech.
- Uphold the Statement of Values as established by the Board.
- Work with senior management and accounting staff to establish annual sales and expense budgets.
- Provide written and verbal reports on sales and marketing activities in all locations on an ongoing basis and other written reports as requested from time to time.
- Establish, with the assistance of the President, certain performance goals such as sales, profit margins and expense ratios.
- Be a role model for the company culture.
- Implement strategic planning including corporate positioning market and competitive analysis, customer segment selection and penetration plans, and related product positioning.
- Oversee marketing communications including branding, public relations, advertising, white papers, trade shows, seminars and events collateral materials, analyst and market research management, and website design and content either directly or on an outsourced basis.
- Define and direct marketing programs for demand creation, lead generation.
- Oversee product management including market and customer research for market and product requirements, interface with engineering for product development, product pricing and product lifecycle management.
- Oversee product marketing including product launch management, sales training, presentations, sales tools, competitive analysis and general sales support.
- Work with the CEO and the other executive team members to identify and develop strategic alliances, raise venture/public financing, communicate with members, and close/grow major customer accounts.
- Develop and manage the company's marketing and sales budget.
- Develop and track metrics and success criteria for all marketing programs and activities.
- Act as spokesperson for the company with press and analysts and at industry events.
- Devise and deploy all sales goals and objectives across the organization, including the preparation of sales quotas and budgets.
- Integrate and align sales strategies with available talent, processes, IT systems, and other areas to increase sales force capability and success.
- Develop and implement quarterly and/or annual sales plans, policies, and programs for all sales managers.
- Manage the activities and performance of all sales and marketing units, including regional managers, account managers, and staff.
- Create training and development plans for sales and marketing managers.
- Conduct analysis to manage sales and marketing performance against corporate objectives and market developments.
- Develop and implement distribution strategies, reselling agreements, and other growth opportunities.

- Create product segmentation strategies where needed to maximize business opportunities across various sales channels.
- Develop, manage, and nurture new business accounts and partnerships to accomplish profit and volume goals.
- Maximize relationships with key retail and wholesale partners.
- Communicate brand identity internally to pertinent business units, key business partners, and the customer base.
- Conduct regular analysis on pricing effectiveness and recurring trends; create actionable item lists based on findings.
- Other duties as required.

APPENDIX “B”

CONSULTING AGREEMENT
made as of the 1st day of October, 2015

B E T W E E N :

DISTINCT INFRASTRUCTURE GROUP INC.
a company incorporated under the laws of
the Province of Alberta

(the "Company")

OF THE FIRST PART

2460481 ONTARIO LTD.
a company incorporated under the laws of
the Province of Ontario

(the "Consultant")

OF THE SECOND PART.

WHEREAS the Company is desirous of retaining the Consultant to provide services in connection with the business of the Company;

AND WHEREAS the Consultant is desirous of providing such services to the Company, on the terms and subject to the conditions herein set out;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the respective covenants and agreements of the parties contained herein, the sum of one dollar paid by each party hereto to each of the other parties hereto and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto) it is agreed as follows:

ARTICLE ONE
CONSULTING SERVICES

- 1.1 **Retainer.** The Company hereby agrees to retain the Consultant to provide the Company with consulting services (the "Services") and the Company hereby agrees that Joe (Giuseppe) Lanni ("Lanni"), the president of the Consultant, shall serve in the capacity of Co-Chief Executive Officer of the Company and to serve in such capacity as the Company's needs may from time to time require and as are made known to him by the Company or its authorized representatives.
- 1.2 **Term of Agreement.** Subject to the automatic extension provided for below, the terms of this Agreement shall be for five (5) years commencing on October 1, 2015 (the "Initial Term"). At the expiration of the Initial Term, this Agreement shall automatically be extended by an additional year unless, not less than 90 days prior to the expiration of the Initial Term, the Company shall have given written notice to the Consultant that it does not wish to further extend this Agreement (the "Non-Renewal Notice"). Notwithstanding the expiration of this Agreement, the obligations of the Company shall survive such expiration if there is a change in control prior to the expiration of this Agreement.

- 1.3 **Provision of Services.** The Services to be provided hereunder to the Company by the Consultant shall be provided by Lanni. Lanni shall devote a minimum of forty (40) hours per week in the provision of the Services to the Company. It is agreed and acknowledged that the Consultant and Lanni may from time to time provide services to other persons, firms and corporations, provided that the Consultant and Lanni shall at no time while this Agreement remains in force provide ongoing services to any competitor of the Company that is not an affiliate (for the purposes of this Agreement “affiliate” shall mean any person, firm or corporation that is affiliated with the Company within the meaning of the *Business Corporations Act* (Ontario)).
- 1.4 **Board Policy and Instructions.** The Consultant and Lanni covenants with the Company that they will act in accordance with any policy of and carry out all reasonable instructions of the board of directors of the Company. The Consultant and Lanni acknowledge that such policies and instructions may limit, restrict or remove any power or discretion that might otherwise have been exercised by the Consultant and Lanni.
- 1.5 **Remuneration.** In consideration for the services rendered by the Consultant and Lanni hereunder, the Company shall pay to the Consultant an annual fee of \$365,000 or a bi-weekly fee of \$15,208.33 exclusive of bonuses, benefits and other compensation. The monthly fee payable to the Consultant pursuant to the provisions of this section 1.5 shall be payable in arrears on a bi-weekly basis or in such other manner as may be mutually agreed upon, less, in any case, any deductions or withholdings required by law.
- 1.6 **Expenses.** The Consultant and Lanni shall be reimbursed for all out of pocket expenses, including travel costs, actually and properly incurred by the Consultant and Lanni in connection with providing the Services hereunder. The Consultant and Lanni shall furnish statements and vouchers to the Company for all such expenses. Such reimbursement shall be paid within fifteen (15) days of submission of the invoice. In any event, the Consultant and Lanni shall obtain written approval from the Chairman of the Board of Directors for all expenses over \$25,000.
- 1.8 **Bonus.** The Consultant shall be entitled to an annual performance bonus, the amount to be agreed to in consultation with the board of directors. No performance bonus shall apply in the first year of this agreement. The board, in consultation with Lanni, shall determine an appropriate bonus structure for the remaining years of the agreement.
- 1.9 **Options.** In addition to any other compensation and/or bonus provided hereunder, the Consultant shall be entitled to receive options pursuant to the terms and conditions of the Company’s stock option plan as and when granted by the board of directors.
- 1.10 **Vacation.** Lanni shall be entitled to the greater of six (6) weeks paid vacation or such minimum number of weeks as may be otherwise required by law, per fiscal year of the Company at a time approved in advance by the Chairman of the Board of Directors of the Company, which approval shall not be unreasonably withheld but shall take into account the staffing requirements of the Company and the need for the timely performance of Lanni’s responsibilities. In the event that Lanni decides not to take all the vacation to which he is entitled in any fiscal year, Lanni shall be entitled to take up to a maximum of two (2) week of such vacation in the next following fiscal year at a time approved in advance by the Chairman of the Board of Directors of the Company.

- 1.11 **Benefits.** The Company shall provide to Lanni the option to purchase, at his own expense, a benefits package comparable to those provided by the Company from time to time to senior employees of the Company and shall permit Lanni to participate in any share option plan, share purchase plan, retirement plan or similar plan offered by the Company from time to time to its senior employees in the manner and to the extent authorized by the board of directors of the Company.
- 1.12 **Company Vehicle.** The Company shall provide the Consultant with a company owned vehicle and shall reimburse the Consultant for all reasonable out of pocket expenses incurred in relation thereto.

ARTICLE TWO COVENANTS

- 2.1 **No Delegation of Services.** The Consultant and Lanni covenant and agree with the Company that they shall not delegate performance of the Services to anyone without the prior written consent of the Company.
- 2.2 **Provision of Amenities.** The Company covenants and agrees with the Consultant and Lanni to provide, for the use of the Consultant, a reasonably furnished office, and administrative and reception services at the offices of the Company.

ARTICLE THREE CONFIDENTIALITY AND NON-SOLICITATION AND NON-COMPETITION

- 3.1 **Confidential Information.** The Consultant and Lanni acknowledge that they are in a position of trust and in the course of carrying out, performing and fulfilling their duties under this Agreement they will have access to and will be entrusted with confidential information concerning the business of the Company, including but not limited to assay results, technology, trade secrets, customers, products, systems, client lists and all other information of every kind or nature pertaining to the business of the Company (“Confidential Information”). The Consultant and Lanni covenants and agrees that they shall not disclose to anyone the Confidential Information with respect to the business or affairs of the Company except as may be necessary or desirable to further the business interests of the Company. This obligation shall survive the expiry or termination of this Agreement.
- 3.2 **Return of Property.** All letters, notes, data, photographs, sketches, drawings, lists of customers, or users, publications, manuals, books, tools, instruments, equipment, supplies, keys and any other property pertaining to the business of the Company, its operations and processes are, and shall remain, the sole and exclusive property of the Company. Upon expiry or termination of this Agreement the Consultant and Lanni shall return to the Company all such property which may be under their control or in their possession if requested at any time during the term hereof or upon termination of this Agreement for any reason whatsoever.
- 3.3 **Promotion of Company's Interests.** The Consultant and Lanni shall and will faithfully serve and use their best efforts to promote the interests of the Company, shall not use any information they may acquire with respect to the business and affairs of the Company or its affiliates for their own purposes or for any purposes other than those of the Company or its affiliates.

- 3.4 **Non-Competition.** The Consultant and Lanni covenant and agree that they will not, during the term of this Agreement, or at any time within a period of two (2) years following the date of termination of this Agreement with the geographical region of Southern Ontario, without the prior written consent of the Company, either individually or in partnership or jointly or in conjunction with any other person or persons, firm, partnership, company, or other legal entity, whether as principal, agent, shareholder or in any other capacity whatsoever, carry on, be engaged in, employed by, or have any interest in any business similar to the business now or at any time during the retention of the Consultant hereunder was carried on by the Company.
- 3.5 **Non-Solicitation.** The Consultant and Lanni covenant and agree that they will not, during the term of this Agreement, or at any time within a period of two (2) years following the date of termination of this Agreement, without the prior written consent of the Company, either individually or in partnership or jointly or in conjunction with any other person, firm, partnership, company or other legal entity, whether as principal, agent, shareholder or in any other capacity whatsoever:
- (a) attempt to solicit any customers from the Company; or
 - (b) offer employment to or endeavour in any way to entice away from the Company any person who is employed by the Company, or interfere in any way with employer/employee relations between such employee and the Company; or
 - (c) otherwise take any action that may impair the relations between the Company and its respective suppliers, customers, employees or others or that may otherwise be detrimental to the business of the Company.

ARTICLE FOUR TERMINATION

- 4.1 For the purpose of this section, the following terms shall have the following meanings, respectively:
- (a) “Control Change” shall mean the occurrence, without the consent of the Consultant and Lanni, at any date hereafter of any of the following events:
 - (i) a bona fide offer by, or the actual acquisition or continuing ownership of, securities (“Convertible Securities”) convertible into, exchangeable for or representing the right to acquire shares of the Company and/or shares of the Company as a result of which a person, group of persons or persons acting jointly or in concert, or persons associated or affiliated within the meaning of the *Business Corporations Act* (Ontario) with any such person, group of persons or any of such persons acting jointly or in concert (collectively, “Acquirors”), may or do beneficially own shares of the Company and/or Convertible Securities such that, assuming only the conversion, exchange or exercise of Convertible Securities beneficially owned by the Acquirors, the Acquirors would beneficially own shares that would entitle the holders thereof to cast more than 20% of the votes attaching to all shares in the capital of the Company that may be cast to elect directors of the Company; or

- (ii) the exercise of the voting power of all or any such shares so as to cause or result in the election of a number of directors greater than 50% of the total number of directors of the Company who were not incumbent directors; or
 - (iii) the shareholders of the Company approving a resolution authorizing the Company to enter into a transaction involving, directly or indirectly, (a) the merger, amalgamation or other combination of the Company or its principal business with one or more other entities; or (b) the sale of all or substantially all the assets of the Company; or
 - (iv) any transaction or series of transactions, the effect of which would cause the Employee and/or the directors of the Company, or any Company, partnership, limited partnership, or any other legal entity of which they exercise control, to own less than ten percent (10%) of the issued and outstanding voting shares of the Company.
- (b) “Disability” shall mean Lanni’s failure to substantially perform his duties on a full-time basis for a period of six (6) months out of any 12-month period, where such inability is a result of physical or mental illness.
- (c) “Fair Market Value” shall be the average closing price of the Company’s common shares for the previous 30 days as reported by the TSX, TSX Venture Exchange or by any other recognized stock exchange. In the event that the Company’s common shares are not listed on any recognized stock exchange, the fair market value shall be determined within 90 days of the delivery of such notice at the Company’s expense by a valuator satisfactory to both the Company and the Employee and such determination shall be final and binding]
- (d) “Good Reason” shall include, without limitation, the occurrence of any of the following without the Consultant’s and Lanni’s written consent (except in connection with the termination of the employment of the Consultant and Lanni for Just Cause or Disability):
 - (i) a change (other than those that are clearly consistent with a promotion) in the Consultant’s and Lanni’s position or duties (including any position or duties as a director of the Company), responsibilities (including, without limitation, to whom Lanni reports and who reports to Lanni), title or office in effect immediately prior to a Control Change, which includes any removal of the Employee from or any failure to reelect or reappoint Lanni to any such positions or offices;
 - (ii) a reduction by the Company of the Consultant’s compensation, benefits or any other form of remuneration or any change in the basis upon which the Compensation’s compensation, benefits or any other form of remuneration payable by the Company is determined or any failure by the Company to increase the Consultant’s compensation, benefits or any other forms of remuneration payable by the Company in a manner consistent (both as to frequency and percentage increase) with practices in effect immediately prior to the Control Change or with practices implemented subsequent to the Control Change with respect to the senior employees of the Company, whichever is more favourable to the Consultant; or

- (iii) any failure by the Company to continue in effect any benefit, bonus, profit sharing, incentive, remuneration or compensation plan, stock ownership or purchase plan, pension plan or retirement plan in which the Consultant is participating or entitled to participate immediately prior to the Control Change, or the Company taking any action or failing to take any action that would adversely affect the Consultant's participation in or reduce its rights or benefits under or pursuant to any such plan, or the Company failing to increase or improve such rights or benefits on a basis consistent with practices in effect immediately prior to the Control Change or with practices implemented subsequent to the Control Change with respect to the senior employees of the Company, whichever is more favourable to the Consultant; or
 - (iv) the Company relocating Lanni to any place other than the location at which he reported for work on a regular basis immediately prior to the Control Change or a place within 50 kilometers of that location; or
 - (v) any failure by the Company to provide Lanni with the number of paid vacation days to which he was entitled immediately prior to the Control Change or the Company failing to increase such paid vacation on a basis consistent with practices in effect immediately prior to the Control Change or with practices implemented subsequent to the Control Change with respect to the senior employees of the Company, whichever is more favourable to Lanni; or
 - (vi) the Company taking any action to deprive the Consultant and Lanni of any material fringe benefit not hereinbefore mentioned and enjoyed by them immediately prior to the Control Change, or the Company failing to increase or improve such material fringe benefits on a basis consistent with practices in effect immediately prior to the Control Change or with practices implemented subsequent to the Control Change with respect to the senior employees of the Company, whichever is more favourable to the Consultant and Lanni; or
 - (vii) any breach by the Company of any provision of this Agreement: or
 - (viii) the good faith determination by the Consultant and Lanni that, as a result of the Control Change or any action or event thereafter, the Consultant's and Lanni's status or responsibility in the Company have been diminished or Lanni is being effectively prevented from carrying out his duties responsibilities as they existed immediately prior to the Control Change; or
 - (ix) the failure by the Company to obtain, in a form satisfactory to the Consultant and Lanni, an effective assumption of its obligations hereunder by any successor to the Company, including a successor to a material portion of its business.
- (e) "Just Cause" shall mean:
- (i) the continued failure by the Consultant and Lanni to substantially perform their duties according to the terms of this Agreement (other than those: (1) that follow a change (other than those clearly consistent with a promotion) in his position or duties; or (2) resulting from Lanni's Disability) after the Company has given the

Consultant and Lanni reasonable notice of such failure and a reasonable opportunity to correct it;

- (ii) the engaging by the Consultant and Lanni in any act that is materially injurious to the Company, momentarily or otherwise, but not including, following a Control Change, the expression of opinions contrary to those of directors and/of officers of the Company who are not incumbent directors and/or officers or those of the new shareholders of the Company subsequent to the Control Change; or
 - (iii) the engaging by the Consultant and Lanni in any criminal acts of dishonesty resulting or intended to result directly or indirectly in personal gain of the Consultant and Lanni at the Company's expense.
- (f) "Retirement" shall mean the retirement of Lanni as prescribed by any applicable legislation or when Lanni turns 75 years of age, whichever date occurs first.

4.2 The Company shall have the following obligations in the event that the Consultant and Lanni's retainer is terminated:

- (a) *Death.* If Lanni's retainer is terminated by reason of Lanni's death, Lanni's family shall be entitled to receive benefits in a manner consistent with and at least equal in amount to those provided by the Company to surviving families of the senior employees of the Company under such plans, programs and policies relating to family death benefits, if any, as are in effect at the date of Lanni's death. In the event that no such plans, programs and policies are in effect at the date of Lanni's death, Lanni's family shall be entitled to receive an amount equal to one (1) times the annual compensation for the remaining years under the Agreement and any such extensions and an amount equal to one (1) times the average annual bonus paid to the Consultant in the previous two (2) years.
- (b) *Disability.* Unless otherwise determined by the Chairman of the Board of Directors of the Company, the retainer of Lanni shall automatically terminate in the event of disability. If Lanni's retainer is terminated by reason of disability, Lanni and/or Lanni's family shall be entitled thereafter to receive reasonable termination and severance payments and allowances and disability and other benefits in a manner consistent with and at least equal in amount to those provided by the Company to disabled senior employees of the Company and/or their families in accordance with such plans, programs and policies relating to disability, if any, as are in effect at the date of termination. In the event that no such plans, programs and policies are in effect at the date of Lanni's disability, Lanni and/or Lanni's family shall be entitled to receive an amount equal to one (1) times the annual compensation at the time of Lanni's Disability and an amount equal to one (1) times the average annual bonus paid to the Consultant in the previous two (2) years.
- (c) *Retirement.* If Lanni's retainer is terminated by reason of Retirement, Lanni shall be entitled thereafter to receive reasonable retirement benefits at least equal to those provided by the Company to senior employees in accordance with such plans, programs and policies relating to retirement, if any, as are in effect at the date of termination. In the event that no such plans, programs and policies are in effect at the date of Lanni's Retirement, Lanni shall be entitled to receive an amount equal to one (1) times the annual salary at the time

of Retirement and an amount equal to one (1) times the average annual bonus paid to the Consultant in the previous two (2) years.

- (d) *Termination by the Company for Just Cause and Termination by the Consultant Other Than for Good Reason.* If the Consultant's retainer is terminated by the Company for Just Cause, or is terminated by the Consultant other than for Good Reason, the Company shall pay to the Consultant, if not theretofore paid, the fraction of the annual salary earned by or payable to the Consultant by the Company during the then current fiscal year of the Company for the period to and including the date of termination, and the Company shall have no further obligations to the Consultant under this Agreement.

- (e) *Termination by the Company Other Than for Just Cause, Disability or Death and Termination by the Consultant for Good Reason.* If the Consultant's retainer is terminated by the Company other than for Just Cause, Disability or death or is terminated by the Consultant for Good Reason:
 - (i) the Company shall pay to or to the order of the Consultant by no more than two (2) lump sum payments in cash or certified cheque within 45 days after the date of termination, the aggregate of the following amounts (less any deductions required by law):
 - (A) if not theretofore paid, the Consultant's annual compensation for the then current fiscal year of the Company for the period to and including the date of termination; and
 - (B) an amount equal to the lesser of: (i) two (2) times the annual compensation; and (ii) an amount equal to the result obtained when the annual compensation is multiplied by a fraction, the numerator of which is the number of days between the date of termination and Lanni's retirement date and the denominator of which is 365;
 - (ii) if the Consultant holds any options, rights, warrants or other entitlements for the purchase or acquisition of shares in the capital of the Company or any affiliate thereof (collectively, the "Rights"), regardless of whether such Rights may then be exercised or if Rights would have been issued to the Consultant had its retainer not been terminated until the earlier of Lanni's retirement date and three (3) years following the date of termination, and had the Consultant been granted such Rights on a basis consistent with those extended to other senior employees of the Company, all such Rights shall then be deemed to be granted to the Consultant and available for exercise and, if the Consultant so elects by notice in writing to the Company, such Rights shall be deemed to have been exercised at the price provided for in such Rights and the Consultant shall be deemed to have immediately sold the securities arising from such exercise to the Company for the Fair Market Value. The Company shall pay to the Consultant, in the manner and at the time contemplated by clause 4.2(e)(i), the difference between the aggregate exercise price for such securities and the deemed acquisition price to the Company;

- (iii) the Company shall pay, in the manner and at the time contemplated by clause 4.1(e)(i) above, an amount equal to the present value (as determined at the Company's expense by an actuary acceptable to the Company and the Consultant, which determination shall be final and binding) of all pension benefits as they existed at the date of the Control Change or the date of termination, whichever is more favorable to the Consultant, and any pension benefits to which the Consultant and Lanni would have been entitled had the retainer continued until the earlier of Lanni's retirement date and three (3) years following the date of termination and had Lanni's pension benefits been increased in a manner consistent with that for senior employees of the Company generally;
 - (iv) the Company shall not seek in any way to amend the terms of any loans from the Company to the Consultant and Lanni;
 - (v) the Company shall provide Lanni with the job relocation counseling services of a firm chosen from time to time, at a cost to the Company not to exceed \$16,000; and
 - (vi) the Company shall pay to the Consultant and Lanni all outstanding and accrued regular and special vacation pay to the date of termination.
- (f) *Non-Renewal of Agreement.* If the Company delivers to the Consultant the Non-Renewal Notice, the Company shall pay to the Consultant, as partial compensation for the Consultant's loss of revenue, an amount equal to the sum of: (i) two (2) times the annual compensation; and (ii) an amount equal to the average annual bonus paid to the Consultant in the previous two (2) years.
- 4.3 The benefits payable under this Article 4 shall not be reduced in any respect in the event that the Consultant shall secure or shall not reasonably pursue alternative retainer following the termination of the Consultant's retainer.

ARTICLE FIVE CAPACITY

- 5.1 ***Capacity of Consultant.*** It is acknowledged by the parties hereto that the Company is retaining the Consultant in the capacity of independent contractor and not as an employee of the Company. The Consultant and the Company acknowledge and agree that this Agreement does not create a partnership or joint venture between them.
- 5.2 ***Responsibilities of Consultant.*** The Consultant hereby acknowledges that it will be responsible for remitting any provincial, state or federal tax payable, on account of income or otherwise, and any contribution, premium or assessment owing under any applicable taxation, unemployment insurance, pension, social security or workers' compensation legislation or any other similar legislation as a result of payments under this Agreement. The Consultant agrees to indemnify the Company in respect of any failure by it to withhold any such provincial, state or federal tax, contribution, premium or assessment which may be found to be required to be withheld by the Company under any applicable taxation, unemployment insurance, pension, social security or workers' compensation legislation or any other similar legislation and such indemnity extends to any interest or penalties that may be payable by the Company as a result of such failure to withhold.

**ARTICLE SIX
GENERAL CONTRACT PROVISIONS**

6.1 **Notices.** All notices, requests, demands or other communications (collectively, Notices”) by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, or by facsimile transmission to such other party as follows:

(a) to the Company at:

77 Belfield Road, Unit 102
Toronto, Ontario M9W 1G6

(b) to the Consultant at:

9 Warwood Road
Etobicoke, Ontario M9B 5B2

or at such other address as may be given by such person to the other parties hereto in writing from time to time.

All such Notices shall be deemed to have been received when delivered or transmitted, or, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery or by facsimile transmission.

6.2 **Additional Conditions.** The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

6.3 **Counterparts.** This Agreement may be executed in several counter parts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

6.4 **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.

6.5 **Entire Agreement.** This Agreement constitutes the entire Agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto. Any schedules referred to herein are incorporated herein by reference and form part of the Agreement.

- 6.6 **Enurement.** This Agreement shall enure to the benefit of and be binding upon the parties and their respective legal personal representatives, heirs, executors, administrators or successors.
- 6.7 **Assignment.** This Agreement is personal to the Consultant and may not be assigned by the Consultant.
- 6.8 **Currency.** Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.
- 6.9 **Headings for Convenience Only.** The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.
- 6.10 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the nonexclusive jurisdiction of the Courts of such Province.
- 6.11 **Gender.** In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neuter genders and the word “person” shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.
- 6.12 **Calculation of time.** When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, then the time period in question shall end on the first business day following such non-business day.
- 6.13 **Legislation References.** Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.
- 6.14 **Severability.** If any Article, Section or any portion of any Section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid Article, Section or portion thereof shall be severed from the remainder of this Agreement.

IN WITNESS WHEREOF the parties hereto as of the date first above written have executed this agreement.

SIGNED, SEALED & DELIVERED
in the presence of:

) **Distinct Infrastructure Group Inc.**

)

)

) per: _____

) Name: David O'Brien

) Title: Chairman of the Board

) *(I have the authority to bind the company)*

)

)

)

) per: _____

) Name: Garry Wetsch

) Title: Chairman of the Compensation and Corporate
Governance Committee

) *(I have the authority to bind the company)*

)

)

) **2460481 ONTARIO LTD.**

)

)

) per: _____

) Name: Joe Lanni

) Title: President

) *(I have the authority to bind the company)*

Schedule “A” Description of Services

Co-Chief Executive Officer

Reports To

Chairman Board of Directors of Distinct Infrastructure Group Inc.

Summary

As a visionary, the Co-Chief Executive Officer (“CEO”) is directly responsible for the health and performance of the organization, the success of its operations, and strategic planning. Internally, the CEO will focus on the ongoing improvement of the organizations business model to ensure maximum productivity and revenue. Externally, the CEO will establish key long-term relationships with business partners that enhance the organizations profitability and market position. This individual will also provide financial leadership by managing budgets and monitoring long-term strategic fiscal plans.

Core Competencies

- Customer Focus
- Communication
- Energy & Stress
- Team Work
- Quality Orientation
- Time Management
- Adaptability/ Flexibility
- Creative and Innovative Thinking
- Decision Making and Judgement
- Planning and Organizing
- Problem Solving
- Result Focus
- Accountability and Dependability
- Ethics and Integrity
- Mediating and Negotiating
- Providing Consultation
- Leadership
- Coaching and Mentoring
- Staff Management
- Enforcing Laws, Rules and Regulations
- Mathematical Reasoning
- Development and Continual Learning

Job Duties

- Develop and implement both short and long-term tactical and strategic plans in accordance with business goals and objectives.
- Collaborate with the executive team to develop strategic plans for all aspects of the organization.
- Provide leadership for strategic business development and key corporate planning issues on major business decisions.

- Assist the Chief Financial Officer in managing project budgets, forecasts, and long-term financial plans; ensure corporate adherence to annual budgets.
- Regularly report to the Board of Directors on the company's status against, and ability to meet, its strategic and operational objectives.
- Communicate and collaborate with departmental leaders to control spending, budgeting, reporting, and operational excellence.
- Develop and maintain effective relationships with municipal, state/provincial, and federal government agencies, as well as professional organizations such as consultancy firms and auditors.
- Facilitate and oversee any auditing conducted by third parties to ensure effective resolution and swift closure of auditing activities.
- Establish and maintain key relationships with strategic business partners, such as suppliers, wholesalers, retailers, and so on.
- Help determine resource allocation among business units and/or departments.
- Ensure proper reporting structure within and between all business units and/or departments.
- Keep the Board of Directors informed about business activities, potential threats, opportunities, and recommended actions.
- Monitor departmental performance against goals to ensure that progress is being made, and that corrective action is taken if necessary.
- Monitor legislation, regulations, policies, and procedures applicable to company operations.
- Meet regularly with department heads/business unit leaders; facilitate resolution of issues/problems between business units and/or departments.

ROYAL BANK OF CANADA

and

DISTINCT INFRASTRUCTURE GROUP INC. et al.

Applicant

Respondents

Court File No. CV-19-00615270-00CL

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

**FIRST SUPPLEMENT TO THE SPECIAL REPORT OF
THE RECEIVER**

THORNTON GROUT FINNIGAN LLP
100 Wellington Street West
Suite 3200, TD West Tower
Toronto ON M5K 1K7

D.J. Miller (LSO# 34393P)
Email: djmiller@tgf.ca
Tel: (416) 304-0559

Rachel Bengino (LSO# 68348V)
Email: rbengino@tgf.ca
Tel: (416) 304-1153

James P. E. Hardy (LSO# 73856R)
Email: jhardy@tgf.ca
Tel: (416) 304-7976

Fax: (416) 304-1313

Lawyers for the Receiver,
Deloitte Restructuring Inc