Dear Client,

Thank you for retaining **Hassan & Hassan LLP** to represent you in your upcoming commercial asset purchase. Acquiring a business can feel stressful and there are many moving pieces, so we have put this guide together to walk you through what to expect and how we will work together toward a smooth closing.

Information We Require from You

To prepare your file, we will ask for some information from you. We will let you know what is needed at each stage — the items below cover the essentials.

Identity Verification

As of January 1, 2024, the Law Society of Ontario requires additional measures to prevent identity fraud. During our closing process, you will be asked to complete ID verification through our Treefort. Additional details will be provided to you separately.

You will be asked to:

- Upload two pieces of original government-issued ID (originals — no photos of photos)
- Take a selfie for biometric matching

Corporate / Entity Documentation

If you are signing on behalf of a corporation, partnership, trust, or other entity, we will need documentation confirming your authority to bind the entity. This typically includes:

- Articles of incorporation and corporate profile report
- Directors' and shareholders' resolutions authorizing the transaction
- Certificate of incumbency or officer's certificate
- Beneficial ownership confirmation (in line with current Ontario corporate transparency rules)

> **Note:** Any additional details we need will be sent to you by email closer to your closing date.

Have Your Financing Ready

If your purchase involves acquisition financing, please work closely with your lender and broker so the commitment letter is signed and lender instructions are issued well before closing. Acquisition financing typically requires lender's counsel review, a coordinated security package (general security agreements, guarantees, pledges), and corporate authorizations — building in time matters.

We typically ask that lender documents reach us at least one week before the closing date. Please keep us updated on your progress, and let us know immediately if any delays surface so we can plan ahead.

What We Will Complete for You Before Signing

As your legal representatives, we will work behind the scenes before signing to ensure your closing is smooth. This includes:

- Reviewing the asset purchase agreement and related schedules
- Conducting PPSA, corporate, bankruptcy, litigation, and execution searches
- Reviewing the seller's representations, warranties, and disclosures
- Communicating with the seller's counsel and your lender's counsel as applicable
- Preparing the bill of sale, assignments, consents, and corporate authorizations
- Coordinating tax/clearance certificate matters
- Calculating your final closing balance
- Preparing all signing documents for your review and signature

Fees Associated with Your Transaction

Our firm does not charge hidden fees. You will receive a full statement of account showing every charge before closing. Typical items include, but are not limited to:

- PPSA searches (Ontario and other applicable jurisdictions)
- Corporate profile reports and certificates of status
- Bankruptcy, litigation, and execution searches
- Government registration fees (PPSA, corporate filings)
- Tax clearance application fees (where applicable)
- Workplace Safety and Insurance Board clearance (where applicable)
- Courier and registry agent fees
- Law Society of Ontario levy
- File administration

All items above are subject to applicable taxes.

Please note that our quoted fee in the retainer does not cover extraordinary services that may arise from the specific circumstances of your transaction, including but not limited to:

- Drafting or material negotiation of the asset purchase agreement
- Employment matters, severance, or transfer of employees
- Intellectual property assignments or licensing arrangements
- Real property or leasehold transfers (handled under separate retainer)
- Regulatory consents and licensing transfers
- Escrow, holdback, or earn-out arrangements
- Cross-border or multi-jurisdictional searches and registrations

If extraordinary services are required, we will tell you in advance and discuss them with you at that time. Once your final figure is ready, we will confirm the closing balance and acceptable payment methods.

Extensions and Delays

If circumstances arise that prevent you from closing on the originally scheduled date, please contact us as soon as possible. We will work with you and the other party's counsel to negotiate any extension terms and do our best to keep your transaction on track.

What You Need to Do Prior to Closing

Closing is approaching — acquiring a business involves more than just signing the legal documents. Operationally, here are the items to plan for:

Employee transition

Plan for offers of employment to transferred employees, severance handling for any non-transferred staff, payroll cutover, and WSIB account setup. Notice periods and statutory entitlements should be reviewed in advance with your HR or employment counsel.

Customer, supplier, and vendor notifications

Identify key customers, suppliers, and vendors that need to be notified of the change of ownership — especially where contracts contain change-of-control or assignment clauses. Plan the timing of notification to protect goodwill and continuity.

Regulatory licenses and permits

Many business licenses do not transfer automatically (for example, liquor, cannabis, food-handling, financial services, or transportation licenses). Identify which licenses need transfer applications, new applications, or post-closing notifications.

Banking and merchant accounts

Open new operating accounts for the acquired business, set up merchant and credit-card processing, and coordinate the cutover so deposits and disbursements continue without interruption on and after closing.

Business insurance

Arrange your own commercial general liability, professional liability or errors & omissions, cyber, and (where relevant) key person coverage effective on closing. Your lender may require to be named as loss payee.

IT, software, and digital assets

Plan for transfer or new licensing of software, cloud subscriptions, domain names, social media handles, customer databases, and email systems. Coordinate access transitions so the team can operate from day one.

Real property and leases

If the business operates from leased premises, lease assignment or assumption is typically handled under a separate retainer — let us know and we will scope this work alongside the asset closing.

Branding, signage, and public-facing transition

Plan for any change of branding, signage, or website transitions if the acquisition involves a name change or rebrand.

What Happens on the Closing Date

On closing day, we should have the following in place:

- Closing documents fully signed and corporate authorizations finalized
- Your closing funds in our trust account
- Your acquisition financing funds in our trust account (if applicable)
- Tax/clearance certificate matters in motion (if applicable)

Once everything above is checked off, we deliver funds to the seller's counsel and complete the bill of sale and assignments. Post-closing, we register PPSA financing statements for any new security, follow up on any tax/clearance certificates, and report to you. The business is yours — the operational handover plan you have prepared takes over from there.

Thank you again for choosing **Hassan & Hassan LLP** for your upcoming transaction. We look forward to a smooth closing! If you have questions at any point along the way, please reach out to our team — we are here to help.

Cheers,
Hassan & Hassan LLP