HASSAN & HASSAN LLP
BARRISTERS & SOLICITORS

Dear Client,

Thank you for retaining **Hassan & Hassan LLP** to represent you in your upcoming commercial asset sale. Selling 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.

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
- Coordinating tax clearance certificates (CRA, retail sales tax, WSIB) where applicable
- Discharging existing PPSA registrations and security interests
- Communicating with the buyer's counsel as applicable
- Preparing the bill of sale, assignments, consents, and corporate authorizations
- Calculating your final closing balance and net proceeds

- 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 discharges and corporate filings
- Corporate profile reports and certificates of status
- Tax clearance application fees (where applicable)
- Workplace Safety and Insurance Board clearance (where applicable)
- Government registration fees
- Trust account and bank fees
- 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
- Wind-up, dissolution, or post-closing reorganization

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

Employee transition

Coordinate with the buyer on which employees will be offered continued employment, plan for any required notice periods and severance for non-transferred employees, and arrange WSIB clearance. Final payroll, vacation pay, and accrued benefits all need to be reconciled by closing.

Customer, supplier, and vendor notifications

Plan the timing and content of customer, supplier, and vendor notifications — especially where contracts contain change-of-control or assignment provisions. Coordinate with the buyer to protect goodwill and continuity.

Regulatory licenses and permits

Identify which business licenses, permits, and registrations need to be cancelled, transferred, or notified post-closing. Plan timing carefully so the buyer can continue operating without interruption.

Banking and merchant accounts

Plan the closing of operating accounts, merchant accounts, and credit-card processing. Coordinate the timing of deposits and final reconciliations so funds are received and accounted for properly.

Tax and compliance documentation

We will request tax clearance certificates and WSIB clearance where applicable. Please provide your most recent CRA balances, retail sales tax statements, payroll filings, and WSIB statements early — these directly affect timing of closing and proceeds release.

Business insurance

Coordinate cancellation or adjustment of your commercial insurance policies (general liability, property, professional liability, cyber, key person) effective on closing. Talk with your broker about run-off coverage where appropriate.

IT, software, and digital assets

Plan for transfer of software licenses, cloud subscriptions, domain names, social media handles, and customer databases. Where access cannot be transferred, plan for proper deactivation.

Real property and leases

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

Records and historical materials

Plan for delivery of business records to the buyer in line with the agreement, while retaining what you need for tax, legal, and historical purposes.

What Happens on the Closing Date

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

- Closing documents fully signed and corporate authorizations finalized
- The buyer’s closing funds received in our trust account
- Discharge instructions in place for existing PPSA security
- Tax/clearance certificate process in motion (if applicable)

Once everything above is checked off, we complete the bill of sale and assignments, distribute net proceeds in accordance with the agreement, and discharge existing PPSA security. Post-closing, we follow up on any tax/clearance certificates and any wind-up steps for the corporation if required.

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