

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

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c.c-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
UNIQUE BROADBAND SYSTEMS, INC.

**APPLICATION RECORD
(RETURNABLE JULY 5, 2011)**

DATE: July 4, 2011

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Tab 1

AMENDED THIS MODIFIÉ CE	<u>July 4/11</u>	PURSUANT TO CONFORMÉMENT À
<input checked="" type="checkbox"/> RULE/LA RÉGLE 26.02	<u>(4)</u>	
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DATED/FAIT LE	<u>[Signature]</u>	
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ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

AND IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
UNIQUE BROADBAND SYSTEMS INC.



AMENDED NOTICE OF APPLICATION

TO THE RESPONDENT

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the applicants. The claim made by the applicants is set out on the following pages.

THIS APPLICATION will come on for scheduling at 10:00 a.m. on 5 July 2011 at 330 University Avenue, Toronto.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38C prescribed by the *Rules of Civil Procedure*, serve it on the applicants' lawyer or, where the applicants do not have a lawyer, serve it on the applicants, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicants' lawyer or, where the applicants do not have a lawyer, serve it on the applicants, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2:00 p.m. on the day before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: 30 June 2011

Patricia
Registrar, Superior Court of Justice

Issued by [Signature]
Local Registrar

Address of Court Office:
330 University Avenue
Toronto ON M5G 1R7

APPLICATION

1. Unique Broadband Systems Inc. and its wholly owned subsidiary, UBS Wireless Services Inc., (together, the "Applicant") makes an application for:
 - (a) An Order substantially in the form of the draft order attached as **Schedule "A"**;
 - (b) Such further relief as may be required in the circumstances and this Honourable Court deems just and equitable.
2. The grounds for the Application are:
 - (a) The Applicant is a an affiliated group of companies with its head office in Milton, Ontario.
 - (b) The Applicant is insolvent within the meaning of the CCAA.
 - (c) The claims against the Applicant determined in accordance with s. 20 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "CCAA") exceed \$5 million.
 - (d) The Applicant wishes to prepare a plan of compromise or arrangement to be put before its creditors for their consideration and requires a stay of proceedings to develop such a plan.
 - (e) RSM Richter Inc. has agreed to and as monitor of the Applicant.
 - (f) The grounds set forth in the Affidavit of Robert Ulicki sworn on or about July 2011.
 - (g) The CCAA and the *Companies' Creditors Arrangement Act Regulations*, SOR/2009-219.
 - (h) Section 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43.
 - (i) The *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194.

- (j) Such further and other grounds as counsel may advise and this Honourable Court may accept.
3. The following documentary evidence will be used at the hearing of the application:
- (a) The Affidavit of Robert Ulicki sworn on or about 4 July 2011.
- (b) Such material as counsel may advise and this Honourable Court permit.

30 Jun 2011
Date: 4 July 2011

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Solicitors for the Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR

JUSTICE WILTON SIEGEL

TUESDAY, THE 5TH DAY

OF JULY, 2011

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
UNIQUE BROADBAND SYSTEMS, INC.**

INITIAL ORDER

THIS APPLICATION, made by the Unique Broadband Systems, Inc. ("UBS"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Robert Ulicki sworn 4 July 2011 and the Exhibits thereto, and on being advised that there or no secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicant, and on reading the consent of RSM Richter Inc. ("Richter" or, in its capacity as monitor, the "Monitor") to act as the monitor,

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SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that UBS and its wholly owned subsidiary UBS Wireless Services Inc. (together, the "**Applicant**") are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicant shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

6. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicant following the date of this Order.

7. **THIS COURT ORDERS** that the Applicant shall remit in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

8. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

10. **THIS COURT ORDERS** that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

11. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicant of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

12. **THIS COURT ORDERS** that until and including 4 August 2011, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

13. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

14. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

15. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

16. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

17. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

APPOINTMENT OF MONITOR

18. **THIS COURT ORDERS** that Richter is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.
19. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
- (a) monitor the Applicant's receipts and disbursements;
 - (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business and such other matters as may be relevant to the proceedings herein;

- (c) advise the Applicant in its preparation of the Applicant's cash flow statements;
- (d) advise the Applicant in its development of the Plan and any amendments to the Plan;
- (e) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (f) have full and complete access to the Property, including the premises, books, records, data including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
- (g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (h) perform such other duties as are required by this Order or by this Court from time to time.
20. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.
21. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary

to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

22. **THIS COURT ORDERS** that that the Monitor shall provide any creditor [or shareholder] of the Applicant with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.
23. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
24. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each

case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a bi-weekly basis.

25. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.
26. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, if any, and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$750,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 28.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

27. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.
28. **THIS COURT ORDERS** that the Administration Charge shall constitute a charge on the Property and the Administration Charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

29. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant or cause to be granted any Encumbrances that rank in priority to, or *pari passu* with, the Administration Charge unless the Applicant also obtains the prior written consent of the Monitor, and the beneficiaries of the Administration Charge (the "Chargees"), or further Order of this Court.

30. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees entitled to the benefit of the Administration Charge shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Administration Charge shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
- (c) the payments made by the Applicant pursuant to this Order and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive

conduct, or other challengeable or voidable transactions under any applicable law.

31. **THIS COURT ORDERS** that any Administration Charge created by this Order over leases of real property in Canada shall only be a Administration Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

32. **THIS COURT ORDERS** that the Monitor shall (a) without delay, publish in *The Globe & Mail* a notice containing the information prescribed under the CCAA, (b) within five days after the date of this Order, (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1,000, and (c) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.
33. **THIS COURT ORDERS** that the Applicant and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.
34. **THIS COURT ORDERS** that the Applicant, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email

addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at www.rsmrichter.com.

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GENERAL

35. **THIS COURT ORDERS** that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
36. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.
37. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.
38. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
39. **THIS COURT ORDERS** that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than

seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

40. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

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Court File No.:

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED

AND IN THE MATTER OF THE A PLAN OF COMPROMISE OR ARRANGEMENT OF UNIQUE BROADBAND SYSTEMS, INC.

ONTARIO

SUPERIOR COURT OF JUSTICE
(Commercial List)

(PROCEEDING COMMENCED AT TORONTO)

AMENDED NOTICE OF APPLICATION

GOWLING LAFLEUR HENDERSON LLP

Barristers and Solicitors
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E. Patrick Shea

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Telephone: (416) 369-7399
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SOLICITORS FOR THE APPLICANT

Tab 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
UNIQUE BROADBAND SYSTEMS, INC.

**AFFIDAVIT OF ROBERT ULICKI
(Sworn 4 July 2011)**

I, ROBERT ULICKI of the City of Toronto in the Province of Ontario **MAKE
OATH AND SAY:**

1. I am a director of Unique Broadband Systems, Inc. ("**UBS**") and its wholly-owned subsidiary UBS Wireless Services Inc. ("**UBS Wireless**"). I have been a director of both of these companies since 2010 when, as described further below, I was appointed at a special meeting of UBS's shareholders to replace the existing directors of the company. I am also the portfolio manager and owner of Clareste Wealth Management Inc. ("**CWM**"). CWM manages Clareste LP, which owns approximately 1% of the issued and outstanding shares of UBS – 1.233 million shares¹.
2. I have personal knowledge of the matters herein deposed, save and except where I refer to matters based on information and belief, in which cases I identify the source(s) of that information and believe it to be true. I have also reviewed relevant records, press releases and public filings as necessary, and rely on the information contained in those records, press releases, etc. and believe that information to be true.

¹ The other members of UBS's Board of Directors, together, own or control a further approximately 200,000 UBS shares.

3. This affidavit is being sworn in support of a motion being brought by UBS seeking an Initial Order under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36 (the "CCAA"). UBS will be seeking an Initial Order under the CCAA that is substantially in the form of the draft Order attached as Schedule "C" to the Factum dated 4 July 2011.
4. UBS and UBS Wireless are both insolvent and are seeking to commence proceedings under the CCAA to, *inter alia*:
 - (a) facilitate the determination and compromise or arrangement of creditor claims against UBS to permit the company to propose a plan to realize value from the company's assets, including its shareholdings in LOOK Communications Inc. ("LOOK"), and its accumulated tax losses and public listing;
 - (b) avert an imminent liquidity crisis being caused by litigation-related expenses that will prevent UBS from: (i) continuing to carry on business for the benefit of its stakeholders; (ii) defending certain proceedings brought against the company; and (iii) prosecuting claims commenced by UBS; and
 - (c) provide a process to determine certain claims being asserted against UBS asserted by certain former directors and officers on their merits.
5. But for the commencement of proceeding under the CCAA, UBS will not be able to continue and will likely be forced into a liquidating proceeding. This will not be in the best interests of UBS's stakeholders.

I. UBS and UBS Wireless

6. UBS is a company incorporated pursuant to the *Business Corporation Act*, R.S.O. 1990, c. B.16 ("OBCA") and its registered head office is located in Milton,

Ontario. UBS's shares are listed on the TSX Venture Exchange under the symbol "UBS". A Company Profile from SEDAR and a Corporate Profile Report for UBS are attached and marked as **Exhibit "A"**.

7. UBS owns all of the issued and outstanding shares of UBS Wireless. UBS Wireless is a company incorporated pursuant to the OBCA and its registered office is in Milton, Ontario. A Corporate Profile Report for UBS Wireless is attached and marked as **Exhibit "B"**.
8. UBS was, until October of 2003, a designer, developer and manufacturer of high-speed mobile and fixed wireless solutions.
9. In October of 2003, UBS sold all of its engineering and manufacturing business and transformed itself into a holding company when, through UBS Wireless, it acquired a controlling interest in LOOK. UBS acquired its interest in LOOK through share transactions pursuant to which UBS purchased shares of LOOK and the acquisition by UBS Wireless of 7% secured convertible debentures issued by LOOK (the "**LOOK Debentures**") that gave UBS, through UBS Wireless, a 51.8% interest in LOOK.
10. UBS Wireless did not convert its outstanding LOOK Debentures by the final date for conversion following the announcement by LOOK that it intended to redeem all outstanding debentures. Accordingly, in May of 2010, the LOOK Debentures held by UBS Wireless were redeemed by LOOK. As a result of this conversion, from 25 May 2010, UBS Wireless has had a non-controlling 37.6% voting interest and a 39.2% economic interest in LOOK.
11. UBS Wireless is a single purpose entity that holds shares in LOOK.
12. In addition to me, the Board of Directors of UBS and UBS Wireless consists of Mr. Henry Eaton and Mr. Grant McCutcheon.

13. The offices of UBS and UBS Wireless are located at 8250 Lawson Road in Milton, Ontario ("**8250 Lawson**"). Until recently, LOOK owned 8250 Lawson. The property has, however, been sold. UBS and UBS Wireless will be vacating the 8250 Lawson in the near future.
14. UBS has two (2) full-time employees and retains two (2) people on a contract basis. UBS does not have any pension plans for its employees.
15. UBS is current with respect to all required employee source deductions and other remittances.
16. UBS Wireless has no employees and does not carry on any business that would require that it collect and remit taxes.

II. Change of UBS Management and Directors

17. On 5 July 2010, at a special meeting of shareholders requisitioned by a group of shareholders of UBS, including Clareste LP, Mr. Grant McCutcheon and Mr. Henry Eaton and I were elected to the Board of Directors of UBS to replace the existing directors of the company. True copies of the Management Information Circular and the Information Circular from the concerned shareholders in respect of the 5 July 2010 meeting are attached as **Exhibit "C"**.
18. The concerned shareholders sought to replace the UBS Board of Directors based on concerns with respect to the actions and conduct of the Board of Directors. The concerned shareholders sought to have a slate of directors appointed that would, *inter alia*, review non-arm's length transactions, recover improper compensation paid by UBS and maximize the value of UBS's remaining assets and property.

19. The replacement of the previous directors on 5 July 2010 has resulted in claims being commenced against UBS, Mr. McCutcheon, Mr. Eaton and I. This litigation, which is the reason underlying UBS's current financial difficulties, is described further below.
20. The current Board of Directors was re-elected at a meeting of UBS's shareholder held on 25 February 2011.

III. LOOK

21. LOOK is a company incorporated pursuant to the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 and its shares trade on the TSX Venture Exchange. Mr. McCutcheon and Mr. Eaton are directors of LOOK².
22. Until 2009, LOOK was a provider of information, communications and entertainment services, including high-speed and dial-up internet access, digital television distribution and customer services through its wireless spectrum.
23. On 5 May 2009, LOOK announced the sale of its key wireless spectrum asset for \$80 million to Inukshuk, a partnership of Bell Canada ("Bell") and Rogers Communications. As a condition of the sale transaction, LOOK paid Bell \$16 million of the \$80 million to settle outstanding litigation. LOOK also incurred professional fees of approximately \$8 million. Accordingly, the net proceeds to LOOK from the sale of its key asset were \$56 million. Of this amount, LOOK paid approximately \$17.4 million – approximately 31% – to LOOK's senior management and directors as "restructuring awards". These "restructuring awards" are in addition to the "restructuring awards" awarded by UBS and described further below.

²

I was a director of LOOK, but resigned on 29 October 2010.

24. Since May of 2009 LOOK has been seeking to: (a) preserve its capital; (b) maximize value on its remaining assets; and (c) assess available options for maximizing returns to shareholders. LOOK has also undertaken an investigation into the facts and circumstances surrounding the restructuring awards paid from the net amounts realized on the transaction with Inukshuk. LOOK anticipates that proceedings will be commenced to recover these restructuring awards in or about the first week of July 2011.
25. Since 2009, LOOK has continued to pursue opportunities to realize the value of its remaining material non-cash assets. On 17 March 2011, LOOK announced that it had entered into an agreement to sell 8250 Lawson for aggregate consideration of \$3.050 million. That transaction has closed. LOOK is continuing to explore how it can realize value from LOOK's accumulated tax losses and the company's public listing.
26. UBS plays a key role in the management of LOOK. Pursuant to an Agreement between UBS and LOOK dated 19 May 2004 and amended pursuant to an Amending Agreement dated 3 December 2010 (the "MSA"), UBS provides certain services to LOOK. Those services include providing a person to perform the duties typically performed by, and assume the responsibilities typically assumed by, a chief executive officer (the "CEO Services") – essentially LOOK's management is provided to the company by UBS. A true copy of the MSA is attached as **Exhibit "D"**.
27. In 2007 UBS received a payment of \$2.4 million from LOOK as an advance. UBS applied its monthly fees under the MSA against this advance and LOOK "replenished" the prepayment until 2010. LOOK stopped replenishing the prepayment in December of 2010 because the MSA was amended and the \$2.4 million prepayment is sufficient to satisfy the amounts that will be owing by LOOK to UBS for the remaining term of the MSA. As a result, UBS has not received any cash payments from LOOK since January of 2011. UBS will "draw

down" on the \$2.4 million advance it received from LOOK and record this as income for accounting purposes.

28. The MSA currently expires on 19 May 2012.
29. During the course of the CCAA proceedings, UBS intends to continue to perform its obligations under the MSA. The services provided by UBS to LOOK are important to LOOK's going-forward strategy and, given UBS Wireless's interest in LOOK, maximizing the value of LOOK's remaining assets is also vitally important to UBS and its stakeholders.

IV. UBS Wireless's Creditors

30. UBS Wireless has no secured creditors. UBS Wireless owes UBS approximately \$13 million. An analysis of this inter-company account is attached as **Exhibit "E"**.

V. UBS's Creditors

A. Secured Creditors -- \$0

31. UBS has a corporate credit card with a \$50,000 limit. This credit card is secured with a \$50,000 cash deposit. The amount owing on the credit card fluctuates, but UBS typically pays the outstanding balance owing each month.
32. Aside from the issuer of the corporate credit card, UBS does not have any creditors with security over the company's assets and property, although a Personal Property Security Registry search conducted in respect of UBS indicates that a number of registrations have been made against UBS. Attached as **Exhibit "F"** is a PPSA Search report in respect of UBS.

33. The Toronto-Dominion Bank (“**TD**”) registered a security interest against UBS on 12 January 2006. TD registered a second security interest against UBS on 20 May 2008. I am not aware of UBS owing any money or obligations to TD.
34. Business Development Bank of Canada (“**BDC**”) also registered a security interest against UBS on 12 January 2006. I am not aware of UBS owing any money or other obligations to BDC.
35. On 28 May 2007, Lease-Win Limited (“**Lease-Win**”) registered a security interest against UBS asserting a security interest in a 2004 GMC Savana 3500 van. That registration was renewed on 17 June 2011. UBS does not have possession of any vehicles and I am not aware of the company making any lease or other payments to Lease-Win or any other person in respect of a vehicle.

B. Unsecured Claims

36. The unsecured claims being asserted against UBS exceed \$5.0 million. UBS’s consolidated financial statements for the periods ending 28 February 2011 reflect liabilities of approximately \$6.5 million.
37. There are also other claims against UBS that are not reflected in the consolidated financial statements. There are disputes with respect to the validity of some of these claims as detailed further below.

i. Former Landlord Claim – \$150,000

38. In 2005, UBS agreed to settle an action initiated by its former landlord with respect to certain repairs to premises under a lease entered into between the parties in 1999. Under the terms of the settlement, in exchange for a full and final release, UBS agreed to pay the plaintiff damages of \$600,000 in two installments with \$450,000 payable immediately and \$150,000 payable on 15 January 2012. A third party, against whom UBS had filed a third party claim for indemnification

of certain damages, is also a party to the settlement arrangements and paid \$85,000 to UBS.

ii. UBS Restructuring Awards – \$3.9 million³

39. Effective 31 May 2009, UBS awarded “restructuring awards” (the “**UBS Restructuring Awards**”) totaling \$5.71 million to all of the directors and the senior management of the company. The UBS Restructuring Awards are independent of the “restructuring awards” paid by LOOK and described above.
40. The UBS Restructuring Awards are reflected on UBS’s financial statements as obligations owing by the company. They are, however, payable by UBS only when the company has sufficient liquidity and UBS has never had cash available to pay the UBS Restructuring Awards.
41. UBS has reached agreements with certain officers and directors to “reverse” certain of the UBS Restructuring Awards “awarded” in their favour. In August of 2010, a former director waived his claim to any UBS Restructuring Award. In January of 2011, UBS reached a settlement with the former CFO of UBS pursuant to which he agreed to the substantial reversal of his UBS Restructuring Award. And in February of 2011 UBS reached a settlement with a former director of UBS that included the reversal of the UBS Restructuring Award granted to him.
42. As set forth further below, UBS is taking proceedings to reverse the remaining UBS Restructuring Awards.
43. Approximately \$3.9 million of UBS Restructuring Awards remain on UBS’s balance sheet.

³ The UBS Restructuring Awards are more fully described in the companies’ consolidated financial statements. See, for example, page 15 of the consolidated financial statements for the periods ending 28 February 2011.

iii. **Litigation – \$16.1 million⁴**

44. UBS is currently involved in litigation commenced by former directors and senior management of UBS, and companies related to those persons (the “**Litigation**”). The total amount claimed against UBS in the Litigation is \$16.1 million. UBS is defending the Litigation and believes it has a good defence on the merits.
45. As mentioned above, at a special meeting of shareholders requisitioned by a group of UBS shareholders on 5 July 2010, Mr. McCutcheon, Mr. Eaton and I were elected to the Board of Directors of UBS to replace the slate of three directors put forward by UBS.
46. Following the 5 July 2010 meeting, counsel to Jolian Investments Limited (“**Jolian**”), a company controlled by Mr. Gerald McGoey, the former CEO and one of the former directors of UBS that was not elected at the meeting, wrote UBS on or about 5 July 2010 enclosing notice from Mr. McGoey and Jolian that, in their view, a “company default” and “termination without cause” of an agreement with Jolian had occurred thereby requiring payment of \$8.6 million from UBS and payment of the UBS Restructuring Award.
47. Pursuant to a Statement of Claim dated 12 July 2010, Jolian commenced an action (the “**Jolian Action**”) against UBS seeking \$8.6 million and payment of the UBS Restructuring Award. UBS has defended the Jolian Action.
48. After the conclusion of the special meeting of shareholders held on 5 July 2010, DOL Technologies Inc. (“**DOL**”), a company controlled by Mr. Alex Dolgonos, gave written notice to UBS that it was terminating an agreement with UBS for “good reason” as a result of an alleged change in control of UBS. The letter demanded payment of \$7.6 million from UBS and payment of the UBS

⁴ The Litigation is more fully described in the audited consolidated financial statements for the period ending 31 August 2010.

Restructuring Award. Mr. Dolgonos is the former head of technology for UBS and indirectly holds 19.9% of the issued and outstanding common shares of UBS.

49. Pursuant to a Statement of Claim issued 12 July 2010, DOL commenced an action (the "**DOL Action**" and, together with the Jolian Action, the "**Litigation**") against UBS seeking to recover approximately \$7.6 million from UBS and payment of the UBS Restructuring Award. UBS has defended the DOL Action.
50. As detailed further below, Mr. Dolgonos has indicated his intention to make a partial take-over bid for the shares of UBS and a company controlled by him has commenced the Oppression Action against UBS and the directors of UBS.
51. As part of the Litigation, UBS has initiated claims to reverse the UBS Restructuring Awards payable to former directors and senior management of UBS.
52. Now produced and shown to me are two bound volumes each entitled "Pleadings Brief" containing the pleadings from the Litigation. Pleadings in the Litigation have closed, but the parties have not yet delivered affidavits of documents.
53. The cost of the Litigation is, as set forth below, causing a serious strain on UBS's cash flow. The costs of the Litigation are such that UBS believes that it will not be able to fund the Litigation through to a determination on the merits. If UBS is not able to continue to fund the defence of the Litigation (and the prosecution of the counterclaims), the matter will not be determined on its merits and this will result in prejudice to UBS's other stakeholders. The amount being claimed against UBS in the Litigation is more than the total value of UBS's assets and will "swamp" the claims of UBS's other creditors.

iv. Oppression Action – > \$900,000

54. Pursuant to a Statement of Claim issued on 22 December 2010, 2064818 Ontario Inc. (“**2064 Ontario**”), a company controlled by Mr. Dolgonos, commenced an action against UBS, Mr. McCutcheon, Mr. Eaton and me (the “**Oppression Action**”). The Oppression Action seeks, *inter alia*, at least \$900,000 in damages against UBS and UBS’s current directors.
55. A Statement of Defence in the Oppression Action was delivered on or about 8 February 2011.
56. Now produced and shown to me is a bound volume entitled “Oppression Remedy Pleadings” containing the pleadings in the Oppression Action.

v. Indemnification Claims – Unknown

57. On 27 April 2011, a motion was heard with respect to the obligation of UBS to pay the legal and other costs being incurred by the plaintiffs in the Litigation (the “**Plaintiffs**”). The Plaintiffs asserted rights to be indemnified by UBS arising under certain agreements with UBS and UBS’s corporate by-laws.
58. Pursuant to a decision dated 30 May 2011, Mr. Justice Marrocco ordered that UBS had an obligation to pay the past and future legal costs of the Plaintiffs as well as the legal expenses in the Litigation on an ongoing basis. Based on information provided by counsel UBS estimates that, as of 27 April 2011, the legal expenses payable are not less than \$750,000, and are likely considerably more.
59. A true copy of Mr. Justice Marrocco’s decision from 30 May 2011 as well as a true copy of His Honour’s Order dated 27 April 2011 are attached as **Exhibit “G”**.

60. On 30 June 2011, UBS served a Notice of Appeal seeking to appeal the 27 April 2011 Order. A true copy of this Notice of Appeal is attached as **Exhibit "H"**.
61. UBS has, subject to certain conditions and limitations, certain contractual and bylaw-related obligations to indemnify other current and former directors, including Mr. Peter Minaki. Mr. Minaki has requested indemnification in respect of approximately \$92,000 in professional fees and expenses. The current directors may have a claim against UBS for the costs incurred in defending claims that have been commenced against them, as described further below.
62. Based on the company's current cash situation, UBS is not able to pay these indemnification obligations without causing UBS Wireless to sell shares of LOOK and pay the proceeds up to UBS.

vi. Other Claims – Unknown

63. In the event that UBS is forced to file for bankruptcy, certain claims will arise in favour of UBS's employees. For example, the employment agreement between Mr. McCutcheon and UBS provides that Mr. McCutcheon is entitled to receive a lump sum payment of \$150,000 in the event that he is terminated other than for cause.
64. Mr. Fraser Elliot, the chief financial officer of UBS, has an employment contract pursuant to which he is entitled to six (6) months' pay in the event that his employment is terminated without cause. UBS engages the services of two (2) consultants whose agreement with UBS provides that they are entitled to receive, respectively, six (6) months' and three (3) months' pay in that event that their agreements are terminated without cause.

VI. UBS Wireless's Assets

65. UBS Wireless's only significant assets are shares of LOOK⁵. The LOOK shares were reflected at \$11.757 on UBS's consolidated financial statements for the periods ending 28 February 2011. The realizable value of the UBS Wireless's interest in LOOK depends on various factors including the price at which LOOK shares are trading and the value of LOOK's assets and property⁶.
66. Until May of 2010, UBS Wireless also owned LOOK Debentures.
67. On 22 April 2010 LOOK announced that it would redeem all of the outstanding LOOK Debentures for cash on 25 May 2010. UBS Wireless did not elect to convert its LOOK Debentures and the LOOK Debentures held by UBS Wireless, were redeemed by LOOK. The redemption of the LOOK Debentures has meant that UBS Wireless has had no source of revenue to pay its obligations since May of 2010.

VII. UBS's Assets

68. UBS's assets consist of:
 - (a) cash on hand of approximately C\$265,758 and US\$15,942 (as at 30 June 2011);
 - (b) a short-term investment (cash equivalent) of \$800,000;
 - (c) inter-company receivable owing by UBS Wireless;

⁵ UBS Wireless has a small amount of accumulated tax losses, small shareholdings worth approximately \$11,000 and about \$11,000 in cash.

⁶ LOOK shares are thinly traded. As set forth above, UBS manages LOOK and is working to maximize the value of LOOK's remaining assets.

- (d) all of the issued and outstanding shares of UBS Wireless;
 - (e) accumulated tax losses; and
 - (f) the company's public listing.
69. UBS Wireless owes UBS approximately \$13 million. A summary of the intercompany account between UBS and UBS Wireless is attached as Exhibit E. As set forth above, UBS Wireless's only assets are shares of LOOK.
70. There is no market value for the shares of UBS Wireless, but UBS Wireless owns shares of LOOK.
71. UBS has approximately \$11.4 million in non-capital income tax losses and approximately \$22.55 million in capital tax losses⁷.
72. UBS is, with its legal advisors, at the initial stages of exploring options to realize value from the accumulated tax losses and the company's public listing. To realize value from the accumulated tax losses and the public listing, however, UBS will have to complete a transaction that will involve the shares of UBS. I am advised by Mr. Patrick Shea of Gowling Lafleur Henderson LLP ("Gowlings") that a party acquiring an interest in UBS for the purpose of realizing value from the company's tax losses and/or the public listing will likely require that UBS make a plan to its creditors or otherwise provide assurances with respect to the claims against UBS. A bankruptcy, receivership or winding-up in respect of UBS will make it more difficult for UBS to realize value from the tax losses and the company's public listing.

⁷ These "tax assets" are described more fully in the companies' consolidated financial statements.

VIII. UBS Wireless Cannot Satisfy Inter-Company Debt

73. UBS Wireless is insolvent. The realizable value of its only major assets – the LOOK shares – is not sufficient to pay the inter-company obligation owing to UBS.
74. UBS Wireless is required to pay a \$20,000 monthly management fee to UBS, but UBS Wireless has, since LOOK redeemed UBS Wireless's LOOK Debentures in May of 2010, had no source of revenue and has stopped paying management fees to UBS.

IX. UBS's Liquidity

75. UBS's only notional revenue is derived from the MSA, but, as set forth above, UBS receives no cash from LOOK as a result of the fact that LOOK pre-paid UBS for the services now being provided pursuant to the MSA.
76. UBS's consolidated financial statements include the following caution:

UBS has incurred operating losses and negative cash flows from operations in recent years and, as at February 28, 2011, had a working capital deficiency of \$3.1 million. There is significant doubt about UBS' use of the going concern assumption because UBS has a working capital deficiency of \$3,986 as at August 31, 2010. Furthermore, there is uncertainty regarding the timing and the quantum of cash distributions by Look to its shareholders, including UBS, and the outcomes of certain recent litigation (note 18). UBS will need to raise cash and/or monetize assets, and/or receive cash distributions from Look and/or reduce its outstanding commitments in order to meet the needs of its existing operations and commitments giving rise to doubt about UBS' use of the going concern assumption....

77. UBS has developed a cash flow projection for the period to May of 2012. A true copy of that cash flow projection is attached as **Exhibit "I"**⁸.
78. Based on the attached cash flow projection, it is apparent that the litigation-related costs incurred and to be incurred by UBS are causing (and will continue to cause) a significant drain on UBS's cash resources – UBS does not, for example, have the cash resources to pay the indemnification-related obligations as per Mr. Justice Marrocco's Order of 27 April 2011 or its own professionals.
79. If a proceeding under the CCAA in respect of UBS and UBS Wireless is not commenced now: (a) UBS will rapidly run out of cash resources and the companies will be forced into an insolvency proceeding in a few months and, in the absence of cash, this is likely to be a liquidation; or (b) UBS Wireless will have to begin to sell large volumes of LOOK shares to fund the defence of the Litigation and the Oppression Action and the prosecution of UBS's counterclaims⁹.
80. UBS also believes that a CCAA claims process will facilitate the determination of the claims asserted against UBS in the Litigation and the Oppression Action in a more cost-effective and expedient manner for the benefit of UBS's stakeholders.
81. The cost of the CCAA proceedings will not be insignificant, but commencing the proceedings at this stage, while UBS still has cash resources to fund the process without having to immediately sell large volumes of LOOK shares, is in the best interests of UBS stakeholders. The fact that UBS still has cash on hand will reduce the need to sell LOOK shares to finance the process and the determination of the Litigation and the Oppression Action on their merits in a claims process adopted pursuant to the CCAA.

⁸ UBS and UBS Wireless have also prepared a cash flow for the purposes of the CCAA proceedings. That cash flow is being filed separately along with the report required by the CCAA.

⁹ UBS Wireless may still be required to sell LOOK shares to fund the CCAA process, but any such sale(s) will take place under the supervision of the Monitor and the Court – there will be transparency. A urgent sale of large volumes of LOOK shares will likely result in a adverse impact on price and, as a result, the value of UBS Wireless's holdings.

82. I note that:

- (a) if the Litigation and/or the Oppression Action results in a judgment against UBS in the amount being claimed, either because UBS's defence on the merits is not successful or UBS is forced to abandon its defence of the proceedings for financial reasons, UBS will be forced into an insolvency proceeding – the amounts being claimed against UBS, without regard to the other claims against UBS, are more than the realizable value of UBS's assets; and
- (b) if UBS's defence of the Litigation and the Oppression Action is successful, a proceeding under the CCAA will still likely be required in order for UBS to realize any value from the company's tax losses and/or public listing.

X. Plan of Compromise or Arrangement

- 83. The structure of the plan ultimately filed by UBS and UBS Wireless will depend, to a large degree, on the proven claims against the company.
- 84. If, for example, the Litigation is determined in UBS's favour, the plan filed by UBS and UBS Wireless will likely provide for an arrangement of the claims against the company – payment of the claim in full through a transaction or transactions involving the sale of UBS Wireless's interest in LOOK and/or the proceeds from a transaction to realize the value of the accumulated tax losses or the company's public listing.
- 85. Any CCAA plan of compromise or arrangement proposed by UBS will likely have to involve an arrangement or reorganization under the OBCA.

XI. Claims Against Directors

86. In the Oppression Action, 2064 Ontario alleges, *inter alia*, that: (a) Mr. McCutcheon, Mr. Eaton and I have exercised our powers as directors of UBS in a manner that is oppressive, unfairly prejudicial and unfairly disregards the interests of UBS shareholders; and (b) we have failed to act honestly and in good faith with a view to the best interests of UBS. As a remedy, 2064 Ontario seeks, *inter alia*, to have the current directors of UBS removed from office.
87. UBS is requesting that claims against the directors, including those made in the Oppression Action, be stayed while UBS develops a plan of compromise or arrangement under the CCAA. This will enable Mr. McCutcheon, Mr. Eaton and I to focus on the restructuring of UBS.

XII. Partial Take-Over Bid

88. On 3 June 2011, UBS received a letter from Wildeboer Dellelce LLP indicating that Mr. Dolgonos, or a corporation or corporations controlled by him, intended to make a partial take-over bid for the shares of UBS¹⁰. A true copy of this letter is attached as **Exhibit "J"**.
89. If this partial take-over bid is made, it may result in a change of control of UBS. This could result in Mr. Dolgonos, or a company or companies controlled by him, determining whether UBS continues to defend the Litigation and the Oppression Action.

¹⁰ Mr. McCutcheon's employment agreement with UBS provides that he is entitled to a lump sum payment of \$200,000 in the event of a change of control.

XIII. Monitor

90. RSM Richter Inc. (the "**Monitor**") has agreed to act as the monitor of UBS in these proceedings.

XIV. Administration Charge

91. UBS is seeking a first-ranking charge on the assets and property of UBS and UBS Wireless to secure the fees and expenses for its own counsel, the Monitor and the Monitor's counsel (the "**Administration Charge**"). The Administration Charge will rank ahead of any and all existing security interest, charges, trusts, etc. over UBS's and UBS Wireless's assets and property. As set forth above: (a) the companies do not have any secured creditors whose interests will be impacted by the Administration Charge; (b) there are no outstanding source deductions or tax remittances owing by the companies; and (c) neither of the companies UBS has any pensions plans for its employees.
92. The Administration Charge will provide UBS with some liquidity to fund these proceedings and will reduce the need to immediately sell LOOK shares. The Administration Charge allows the professionals to provide services on a secured basis without requiring immediate cash payments, which will assist UBS to address its litigation and restructuring efforts.
93. UBS has paid a \$50,000 retainer to Richter, a \$50,000 retainer to Richter's counsel and a \$100,000 retainer to UBS's counsel Gowlings.

XV. Claims Procedure

94. Assuming the Initial Order is made, UBS will be returning to Court to implement a claim procedure to identify and/or resolve claims against UBS. I believe that a claims process under the CCAA will allow the parties to more expediently and efficiently resolve the Litigation and the Oppression Action on their merits so as to permit UBS to file a plan of compromise or arrangement that will be in the best interest of all stakeholders.
95. UBS anticipates that this claims procedure, which will be developed in consultation with the Monitor, will facilitate the determination of the claims against UBS on their merits in more expeditious and less costly fashion. This will be for the benefit of all of UBS's stakeholders.

XVI. Financial Statements

96. Now produced and shown to me is a bound volume entitled "UBS Financial Statements" containing the following consolidated financial statements for UBS and UBS Wireless:
- (a) Interim Unaudited Financial Statements for the three and six months ended 28 February 2011 and 2010 and related Management Discussion and Analysis;
 - (b) Consolidated Financial Statements for the three months ended 30 November 2010 and 2009 and related Management Discussion and Analysis; and
 - (c) Consolidated Financial Statements for the years ending 31 August 2010 and 2009 and related Management Discussion and Analysis.

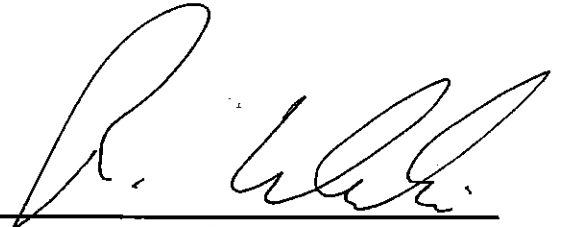
97. The financial statements in the UBS Financial Statements volume are the financial statements prepared by UBS for during the 12 month period prior to this Application.

SWORN before me at the City of Toronto
in the Province of Ontario,
this 4th day of July 2011

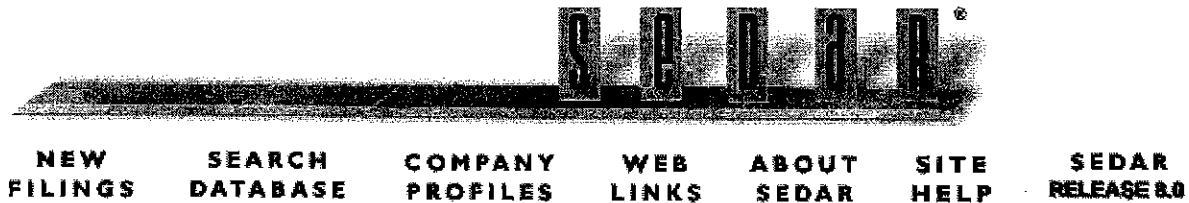
Commissioner for Taking Affidavits or Notary

P. SHEA

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ROBERT ULICKI

TAB A



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XBRL Voluntary Filing Program

Visit the [CSA's XBRL website](#) for information about XBRL and the voluntary program.
[Click here](#) for information about XBRL software and viewing XBRL financial statements.

Unique Broadband Systems, Inc.

P R O F I L E

Mailing Address: 8250 Lawson Road Milton, Ontario L9T 5C8	Head Office Address: 8250 Lawson Road Milton, Ontario L9T 5C8
Contact Name: Grant McCutcheon, C.E.O.	Principal Regulator: Ontario
Business e-mail address: irinfo@uniquebroadband.com	Short Form Prospectus Issuer: Yes
Telephone Number: 905 660-8100	Reporting Jurisdictions: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland
Fax Number: 905 669-0785	Stock Exchange: TSX Venture
Date of Formation: May 22 1998	Stock Symbol: UBS
Jurisdiction Where Formed: Ontario	Auditor: Grant Thornton LLP
Industry Classification: other	General Partner: 0
CUSIP Number: 908911	Transfer Agent: Equity Transfer and Trust Company
Financial Year-End: Aug 31	Size of Issuer (Assets): \$5,000,001 to \$25,000,000

VIEW THIS PUBLIC COMPANY'S DOCUMENTS

HOME SITE MAP

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CORPORATION DOCUMENT LIST

Ontario Corporation Number

1297448

Corporation Name

UNIQUE BROADBAND SYSTEMS, INC.

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
CIA	CHANGE NOTICE PAF: KRAEKER, BRYCE	1	2011/03/25 (ELECTRONIC FILING)
CIA	ANNUAL RETURN 2010 PAF: BUXTON-FORMAN, MALCOLM	1C	2010/12/26
CIA	CHANGE NOTICE PAF: ULICKI, ROBERT	1	2010/07/21 (ELECTRONIC FILING)
CIA	ANNUAL RETURN 2009 PAF: BUXTON-FORMAN, MALCOLM	1C	2010/01/02
CIA	CHANGE NOTICE PAF: BUXTON-FORMAN, MALCOLM	1	2009/09/24 (ELECTRONIC FILING)
CIA	ANNUAL RETURN 2008 PAF: BUXTON-FORMAN, MALCOLM	1C	2008/12/13 (ELECTRONIC FILING)
CIA	ANNUAL RETURN 2007 PAF: BUXTON-FORMAN, MALCOLM	1C	2007/12/22 (ELECTRONIC FILING)
CIA	ANNUAL RETURN 2006 PAF: BUXTON-FORMAN, MALCOLM	1C	2007/02/10 (ELECTRONIC FILING)
CIA	CHANGE NOTICE PAF: DAECHSEL, W. KIP	1	2006/02/09 (ELECTRONIC FILING)
CIA	ANNUAL RETURN 2005 PAF: BUXTON-FORMAN, MALCOLM	1C	2005/12/17 (ELECTRONIC FILING)
CIA	ANNUAL RETURN PAF: BUXTON-FORMAN, MALCOLM	1C	2004/12/18 (ELECTRONIC FILING)
CIA	ANNUAL RETURN PAF: KENNEDY, JOHN	1C	2003/12/13 (ELECTRONIC FILING)
CIA	ANNUAL RETURN PAF: KENNEDY, JOHN	1C	2003/12/13 (ELECTRONIC FILING)
BCA	ARTICLES OF AMENDMENT	3	2003/11/20
CIA	CHANGE NOTICE PAF: KENNEDY, JOHN	1	2003/02/27 (ELECTRONIC FILING)
CIA	CHANGE NOTICE PAF: MCGOEY, GERALD T	1	2002/05/08 (ELECTRONIC FILING)

Request ID: 013293265
Transaction ID: 44722772
Category ID: UNE

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/06/28
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CORPORATION DOCUMENT LIST

Ontario Corporation Number
1297448

Corporation Name
UNIQUE BROADBAND SYSTEMS, INC.

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
CIA	ANNUAL RETURN PAF: SMITH, CAMERON	1C	2002/02/03
CIA	ANNUAL RETURN PAF: SMITH, CAMERON	1C	2002/01/03 (ELECTRONIC FILING)
CIA	CHANGE NOTICE PAF: GOODMAN, ALLAN	1	2001/09/04 (ELECTRONIC FILING)
CIA	CHANGE NOTICE PAF: FRIEDMAN, JEFF	1	2000/03/14 (ELECTRONIC FILING)
CIA	INITIAL RETURN PAF: DOLGONOS, ALEX	1	1998/07/30
BCA	ARTICLES OF AMALGAMATION	4	1998/06/01

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Request ID: 013293264
Transaction ID: 44722770
Category ID: UNE

Province of Ontario
Ministry of Government Services

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Time Report Produced: 09:56:36
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Amalgamation Date
1297448	UNIQUE BROADBAND SYSTEMS, INC.	1998/06/01
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
8250 LAWSON ROAD	NOT APPLICABLE	A
	New Amal. Number	Notice Date
MILTON ONTARIO CANADA L9T 5C6	NOT APPLICABLE	NOT APPLICABLE
		Letter Date
Mailing Address		NOT APPLICABLE
8250 LAWSON ROAD	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
MILTON ONTARIO CANADA L9T 5C6	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors	Date Commenced
	Minimum Maximum	in Ontario
	00003 00015	Date Ceased
Activity Classification		in Ontario
NOT AVAILABLE		NOT APPLICABLE

Request ID: 013293264
Transaction ID: 44722770
Category ID: UNE

Province of Ontario
Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number

1297448

Corporation Name

UNIQUE BROADBAND SYSTEMS, INC.

Corporate Name History

UNIQUE BROADBAND SYSTEMS, INC.

Effective Date

1998/06/01

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

YES - SEARCH REQUIRED FOR DETAILS

Amalgamating Corporations

Corporation Name

UNIQUE BROADBAND SYSTEMS, INC.

UNIQUE SYSTEMS INC.

Corporate Number

1280325

899957

Request ID: 013293264
Transaction ID: 44722770
Category ID: UN/E

Province of Ontario
Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number

1297448

Corporation Name

UNIQUE BROADBAND SYSTEMS, INC.

Administrator:
Name (Individual / Corporation)

HENRY

EATON

Address

8250 LAWSON ROAD

MILTON
ONTARIO
CANADA L9T 5C6

Date Began

2010/07/05

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:
Name (Individual / Corporation)

C.
FRASER
ELLIOTT

Address

8250 LAWSON ROAD

MILTON
ONTARIO
CANADA L9T 5C6

Date Began

2011/01/07

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

CHIEF FINANCIAL OFFICER

Resident Canadian

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1297448

UNIQUE BROADBAND SYSTEMS, INC.

Administrator:

Name (Individual / Corporation)

Address

C.
FRASER
ELLIOTT

8250 LAWSON ROAD

MILTON
ONTARIO
CANADA L9T 5C6

Date Began

First Director

2011/01/07

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

SECRETARY

Administrator:

Name (Individual / Corporation)

Address

C.
FRASER
ELLIOTT

8250 LAWSON ROAD

MILTON
ONTARIO
CANADA L9T 5C6

Date Began

First Director

2011/01/07

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

TREASURER

Request ID: 013293264
Transaction ID: 44722770
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/06/28
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CORPORATION PROFILE REPORT

Ontario Corp Number

1297448

Corporation Name

UNIQUE BROADBAND SYSTEMS, INC.

Administrator:

Name (Individual / Corporation)

GRANT

MCCUTCHEON

Address

8250 LAWSON ROD

MILTON
ONTARIO
CANADA L9T 5C6

Date Began

2010/07/05

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

GRANT

MCCUTCHEON

Address

8250 LAWSON ROD

MILTON
ONTARIO
CANADA L9T 5C6

Date Began

2010/07/06

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

Resident Canadian

CHIEF EXECUTIVE OFFICER

CORPORATION PROFILE REPORT

Ontario Corp Number

1297448

Corporation Name

UNIQUE BROADBAND SYSTEMS, INC.

Administrator:

Name (Individual / Corporation)

ROBERT

ULICKI

Address

8250 LAWSON ROAD

MILTON
ONTARIO
CANADA L9T 5C6

Date Began

2010/07/05

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

ROBERT

ULICKI

Address

8250 LAWSON ROAD

MILTON
ONTARIO
CANADA L9T 5C6

Date Began

2010/07/05

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

OTHER

Resident Canadian

Request ID: 013293264
Transaction ID: 44722770
Category ID: UNE

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/06/28
Time Report Produced: 09:56:36
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CORPORATION PROFILE REPORT

Ontario Corp Number

1297448

Corporation Name

UNIQUE BROADBAND SYSTEMS, INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2011/03/25 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

PLEASE NOTE THAT WHEN THE SAME INDIVIDUAL HOLDS MULTIPLE 'OTHER UNTITLED' OFFICER POSITIONS, AS INDICATED ON A FORM 1 UNDER THE *CORPORATIONS INFORMATION ACT*, ONLY ONE OF THESE 'OTHER UNTITLED' POSITIONS HELD BY THAT INDIVIDUAL WILL BE REFLECTED ON THIS REPORT.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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TAB B

Request ID: 013293275
Transaction ID: 44722791
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/06/28
Time Report Produced: 09:57:27
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CORPORATION DOCUMENT LIST

Ontario Corporation Number
1536222

Corporation Name
UBS WIRELESS SERVICES INC.

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
CIA	ANNUAL RETURN 2010 PAF: BUXTON-FORMAN, MALCOLM	1C	2010/12/26
CIA	CHANGE NOTICE PAF: ULICKI, ROBERT	1	2010/07/21 (ELECTRONIC FILING)
CIA	ANNUAL RETURN 2009 PAF: BUXTON-FORMAN, MALCOLM	1C	2009/12/22
CIA	ANNUAL RETURN 2008 PAF: BUXTON-FORMAN, MALCOLM	1C	2009/06/17 (ELECTRONIC FILING)
CIA	ANNUAL RETURN 2007 PAF: BUXTON-FORMAN, MALCOLM	1C	2008/01/02 (ELECTRONIC FILING)
CIA	ANNUAL RETURN 2006 PAF: BUXTON-FORMAN, MALCOLM	1C	2007/02/19 (ELECTRONIC FILING)
CIA	ANNUAL RETURN 2005 PAF: BUXTON-FORMAN, MALCOLM	1C	2005/12/28 (ELECTRONIC FILING)
CIA	ANNUAL RETURN PAF: BUXTON-FORMAN, MALCOLM	1C	2004/12/22 (ELECTRONIC FILING)
CIA	INITIAL RETURN PAF: KIGHTLEY, KRISTIN	1	2003/01/31 (ELECTRONIC FILING)
BCA	ARTICLES OF INCORPORATION	1	2002/07/26

Request ID: 013293275
Transaction ID: 44722791
Category ID: UNE

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/06/28
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CORPORATION DOCUMENT LIST

Ontario Corporation Number
1536222

Corporation Name
UBS WIRELESS SERVICES INC.

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
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Request ID: 013293274
Transaction ID: 44722790
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/06/28
Time Report Produced: 09:57:27
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1536222	UBS WIRELESS SERVICES INC.	2002/07/26
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
8250 LAWSON ROAD	NOT APPLICABLE	NOT APPLICABLE
MILTON ONTARIO CANADA L9T 5C6	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Mailing Address		Letter Date
8250 LAWSON ROAD		NOT APPLICABLE
MILTON ONTARIO CANADA L9T 5C6	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Date Commenced in Ontario	Date Ceased in Ontario
	NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Number of Directors	
NOT AVAILABLE	Minimum 00001 Maximum 00010	

Request ID: 013293274
Transaction ID: 44722790
Category ID: UNE

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/06/28
Time Report Produced: 09:57:27
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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1536222

UBS WIRELESS SERVICES INC.

Corporate Name History

Effective Date

UBS WIRELESS SERVICES INC.

2002/07/26

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:
Name (Individual / Corporation)

Address

HENRY

8250 LAWSON ROAD

EATON

MILTON
ONTARIO
CANADA L9T 5C6

Date Began

First Director

2010/07/05

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Request ID: 013293274
Transaction ID: 44722790
Category ID: UNE

Province of Ontario
Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1536222

UBS WIRELESS SERVICES INC.

Administrator:

Name (Individual / Corporation)

Address

GRANT

8250 LAWSON ROAD

MCCUTCHEON

MILTON
ONTARIO
CANADA L9T 5C6

Date Began

First Director

2010/07/05

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Administrator:

Name (Individual / Corporation)

Address

GRANT

8250 LAWSON ROAD

MCCUTCHEON

MILTON
ONTARIO
CANADA L9T 5C6

Date Began

First Director

2010/07/06

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

CHIEF EXECUTIVE OFFICER

CORPORATION PROFILE REPORT

Ontario Corp Number

1536222

Corporation Name

UBS WIRELESS SERVICES INC.

Administrator:

Name (Individual / Corporation)

GRANT

MCCUTCHEON

Address

8250 LAWSON ROAD

MILTON
ONTARIO
CANADA L9T 5C6

Date Began

2010/07/06

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Administrator:

Name (Individual / Corporation)

ROBERT

ULICKI

Address

8250 LAWSON ROAD

MILTON
ONTARIO
CANADA L9T 5C6

Date Began

2010/07/05

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 013293274
Transaction ID: 44722790
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/06/28
Time Report Produced: 09:57:27
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CORPORATION PROFILE REPORT

Ontario Corp Number

1536222

Corporation Name

UBS WIRELESS SERVICES INC.

Administrator:

Name (Individual / Corporation)

ROBERT

ULICKI

Address

8250 LAWSON ROAD

MILTON
ONTARIO
CANADA L9T 5C6

Date Began

2010/07/05

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

OTHER

Resident Canadian

Request ID: 013293274
Transaction ID: 44722790
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/06/28
Time Report Produced: 09:57:27
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CORPORATION PROFILE REPORT

Ontario Corp Number

1536222

Corporation Name

UBS WIRELESS SERVICES INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2010	1C	2010/12/26

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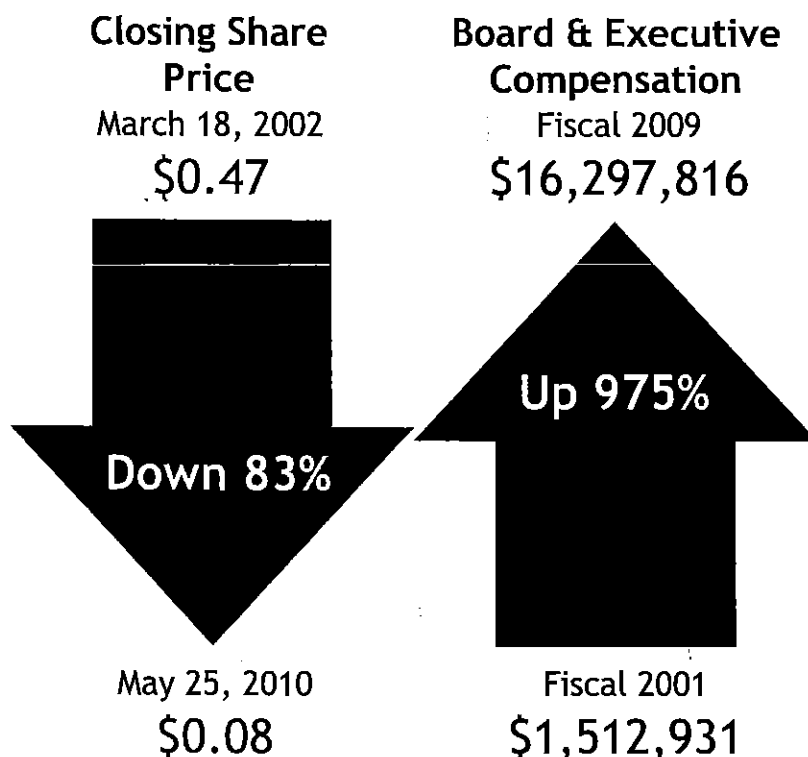
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TAB C

ATTENTION SHAREHOLDERS OF UNIQUE BROADBAND SYSTEMS, INC.

Ever had a sneaking suspicion that others are benefitting more from your investment than you are? Your suspicion is correct.



The value of your company has been destroyed while the UBS Board and Management have been richly rewarded.

Gerald T. McGoey, Chairman & CEO of UBS was awarded more compensation in 2009 than the total compensation received by each of the CEOs of BCE, BMO, CIBC, Encana and Telus!

Shareholders of UBS: There is an alternative.

IMPORTANT INFORMATION ENCLOSED. PLEASE TAKE THE TIME TO READ AND VOTE YOUR YELLOW PROXY TO PRESERVE THE VALUE OF YOUR COMPANY. SEND A MESSAGE TO THE BOARD THAT YOU ARE NOT GOING TO TAKE IT ANY LONGER.

HOW TO CAST YOUR VOTE IN SUPPORT OF THE CONCERNED SHAREHOLDERS

PROTECT YOUR INVESTMENT BY VOTING YOUR YELLOW PROXY VOTING INSTRUCTIONS

BENEFICIAL SHAREHOLDERS

If your UBS common shares are held in a brokerage account or otherwise through an intermediary you are a "beneficial shareholder" and a Voting Instruction Form was mailed to you with this package. Only vote your YELLOW Voting Instruction Form as follows:

Canadian Shareholders:

Visit www.proxyvote.com and enter your 12 digit control number or call 1-800-474-7493 or fax your Voting Instruction Form to 905-507-7793 or toll free at 1-866-623-5305 in order to ensure that it is received before the deadline.

U.S. Shareholders:

Visit www.proxyvote.com and enter your 12 digit control number or call 1-800-454-8683.

REGISTERED SHAREHOLDERS

If your UBS common shares are held in your own name, you are a "registered shareholder" and must submit your proxy in the postage paid envelope in sufficient time to ensure your votes are received by the offices of **KINGSDALE SHAREHOLDER SERVICES INC. Attention: Proxy Department, at 130 King Street West, Suite 2950, P.O. Box 361, Toronto, Ontario, Canada M5X 1E2** or by fax to 416-867-2271 or toll-free 1-866-545-5580 no later than 5:00 p.m. (Toronto Time) on Tuesday, June 29, 2010.

**TIME IS OF THE ESSENCE — PLEASE DISCARD ANY PROXY YOU MAY HAVE RECEIVED FROM
THE MANAGEMENT OF UBS**

**VOTE YOUR YELLOW PROXY BY TELEPHONE OR VIA THE
INTERNET, FAX OR MAIL YOUR PROXY IN ORDER FOR IT TO BE
RECEIVED BY THE DEADLINE**

**PROXIES MUST BE RECEIVED NO LATER THAN TUESDAY, JUNE 29, 2010 AT
5:00 P.M. (TORONTO TIME)**

**PLEASE ENSURE THAT YOU SIGN AND DATE THE PROXY
QUESTIONS ON VOTING YOUR PROXY PLEASE CALL:**



Telephone Toll Free: 1-866-879-7650
Toll Free Fax: 1-866-545-5580
Outside North America Call Collect: 1-416-867-2272

June 3, 2010

Dear Fellow UBS Shareholders:

How much did **YOU** earn last year?

- In fiscal 2009, Unique Broadband Systems, Inc.'s ("UBS"), Chief Executive Officer, Gerald T. McGoey, was awarded \$8.3 million in total compensation – **more than the total compensation received by each of the CEOs of CIBC, BMO, TELUS and BCE!**
- Your current board of directors (the "**Current Board**") and top three executives at UBS were awarded total compensation in 2009 **in excess of two times (2x) UBS' current market capitalization.**
- Your remaining two "independent" members of the Current Board, alone, were awarded an aggregate of \$1,071,116 in total compensation in 2009.

UBS is no longer an active business and its shares have plummeted over the past 3 years. Despite this, UBS and Look Communications Inc. ("**Look**"), UBS' *de facto* subsidiary, recently authorized the payment of "**restructuring awards**" to their executive officers and directors in the amount of **\$22.7 million.**

THE NUMBERS TELL THE SORRY STORY

The Current Board and UBS management have:

- enriched themselves through payment of awards funded with shareholders' cash; and
- approved non-arm's length arrangements, privileges and benefits to ensure multi-year, multi-million dollar payments.

The Current Board took power on March 18, 2002. The chart below shows what dismal performance has been achieved for UBS shareholders while executive compensation rose at a staggering pace:

UBS'	2001/2	2009/10	Value +/-
Closing share price	\$0.47 March 18, 2002	\$0.08 May 25, 2010	Minus 83%
Cash per share ¹	\$0.56 August 31, 2001	\$0.175 February 28, 2010	Minus 69%
Market Cap	\$48.3 million March 18, 2002	\$8.2 million May 25, 2010	Minus 83%
Cash compensation ² (UBS Executives and Directors)	\$1,512,931 2001 fiscal year	\$16,267,816 2009 fiscal year	Plus 975%

THIS IS NOT RIGHT. LONG-SUFFERING SHAREHOLDERS OF UBS DEMAND AND DESERVE BETTER

*If you have any questions and/or need assistance in voting your shares, please call Kingsdale Shareholder Services Inc.
Toll Free: 1-866-879-7650 or e-mail contactus@kingsdaleshareholder.com*

TIME IS EXTREMELY SHORT- VOTE YOUR YELLOW PROXY TODAY

We are the UBS Concerned Shareholders (the “**Concerned Shareholders**”) who have taken the drastic but necessary step of requisitioning a Special Meeting of UBS Shareholders. With your help, we will vote out the Current Board and replace it with a Board comprised of individuals who will act in the best interests of UBS shareholders and stop the Current Board and management of UBS from enriching themselves at the expense of shareholders.

INDEPENDENT THIRD PARTY HAS HIGHLIGHTED UBS GOVERNANCE ISSUES

RiskMetrics is a leading independent proxy advisory firm whose recommendations are relied on by leading institutional investor clients. In their advisory report to institutional subscribers of UBS, issued February 5, 2010, RiskMetrics recommended that:

“Withholding votes from the entire slate is warranted because McGoeys is standing as an insider on the Audit Committee and the non-majority independent Compensation Committee.”

While Mr. McGoeys benefits from sitting on the committees responsible for overseeing UBS’ performance and his own compensation, this activity is in stark contrast to governance best practices. It is particularly appalling given the high profile governance lapses of major companies over the last few years and the dire position that UBS and its shareholders have been put into by McGoeys and his team.

There is more to the long, sad tale of value destruction and corporate governance issues, but as a shareholder, you’re likely aware of some of what has transpired. You’re surely aware of how these issues have manifested themselves in the devastating value destruction of your investment in UBS.

WE CAN’T CHANGE THE PAST, BUT WE CAN CREATE A BETTER FUTURE FOR UBS SHAREHOLDERS

The Concerned Shareholders’ director nominees are committed to PRESERVING and RECOVERING where possible, shareholder value. With your support, once elected, your new directors will move swiftly to:

- Review all non-arm’s length contracts, arrangements and transactions,
- Recover any improper compensation paid by UBS,
- Maximize the value of remaining assets,
- Preserve and protect cash and return it to shareholders as quickly and effectively as can be accomplished, and
- Be transparent and above all else, listen to you, the shareholders.

More information regarding the qualifications of the Concerned Shareholders’ nominees is contained in the information circular.

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EVER WONDERED HOW TO JUSTIFY PAYMENTS LIKE THIS?

When asked at the most recent UBS shareholders' meeting to justify UBS' 2009 executive compensation, Gerald McGoey confirmed the following³:

Q: Mr. McGoey you were paid over \$8.0 million in 2009. Do you think your services were worth that?

A: *Absolutely I do!*

Q: Look is all but wound-up and UBS has only three employees and no operations; will your \$570,000 salary and the \$475,000 paid to the Chief Technology Consultant be reduced?

A: *No they will not!*

Q: Will the cash from Look's asset sales or a sale of Look's shares be distributed to UBS shareholders? .

A: *No. We will seek new opportunities for UBS!*

\$15 MILLION GOLDEN PARACHUTES

In their Management Circular, your Current Board suggests that their removal from the Corporation will result in a breach of an existing services agreement entered into by UBS and give rise to termination rights under the agreement. This assertion is followed by a summary of a web of purported agreements with various parties. After adding up the numerous additional payments the reader is supposed to conclude that if the Concerned Shareholders are successful, UBS will be on the hook for an approximate total of \$15.8 million in golden parachute payments to executives. There are a number of problems with this assertion:

1. The recently filed Management Circular is the first time that shareholders have been informed of many material elements and the quantum of these purported termination rights. This is material information and if this risk existed prior to its recent disclosure, your Current Board has even more questions to answer.
2. The current market capitalization of UBS is approximately \$8.2 million, as of market close June 2, 2010. The purported termination rights of \$15.8 million are outlandish, albeit consistent with the Current Board's actions since seizing control of your company in 2002.
3. The timing of this disclosure seems highly coincidental, given the current threat to your Current Board's survival. It's almost like shareholders are meant to be intimidated by this. You should not be!

The UBS Concerned Shareholders are not intimidated by these high-handed tactics and intend to pursue all means, including legal avenues to rectify this situation. If shareholders weren't sure where your Current Board's interests laid before, it should be crystal clear now.

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DON'T TAKE THIS LYING DOWN. THERE IS AN ALTERNATIVE, BUT WE NEED YOUR HELP

Your Current Board and UBS management believe (or would have you believe) that an \$8.3 million compensation package is acceptable for a CEO who had presided over an 83% drop in share value. *The time for change is now or never.*

Please take the time to read the accompanying UBS Concerned Shareholders Information Circular dated June 3, 2010. The Concerned Shareholders are proposing a new slate of directors with experience and integrity. Your New Board will do what is needed to take stock of your company and make all changes necessary to return to the shareholders what value can be recovered; to maximize the remaining value in the company and to return value to the shareholders as quickly and effectively as can be done.

We know there are many of you who feel the same way that we do. What we need now is for this support to manifest itself in proxy votes for the Concerned Shareholders' nominees. Vote your **YELLOW** proxy **FOR** the removal of the incumbent directors and **FOR** the election of the Concerned Shareholders' nominees. Time is short, so don't delay. Please don't hesitate to contact Kingsdale Shareholder Services Inc., toll free at 1-866-879-7950 if you have any questions or require assistance in voting your shares.

Sincerely,

CLARESTE WEALTH MANAGEMENT INC.

"Robert Ulicki"

Robert Ulicki, CFA
President

On behalf of the other Concerned Shareholders named in the accompanying Information Circular.

-
1. Calculated by dividing cash and cash equivalents on the balance sheet at the period end by the shares reported outstanding at period end in the financial statements.
 2. Includes salary, restructuring awards, management fees, service fees, director fees and other cash payments from management information circulars dated February 12, 2002 and January 19, 2010. 2009 fiscal year includes payments by Look and UBS and excludes \$465,000 of restructuring awards not accepted by Peter Minaki, a former UBS director, as reported in the Financial Post.
 3. Based on the Concerned Shareholders' notes from the meeting.

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INFORMATION CIRCULAR

TO BE USED IN CONNECTION WITH THE SPECIAL MEETING
OF SHAREHOLDERS OF

UNIQUE BROADBAND SYSTEMS, INC.

TO BE HELD ON MONDAY, JULY 5, 2010

FOR THE SOLICITATION OF PROXIES
BY AND ON BEHALF OF

CONCERNED UBS SHAREHOLDERS

(REPRESENTED BY CLARESTE WEALTH MANAGEMENT INC.
AND CERTAIN OTHER SHAREHOLDERS NAMED IN THIS CIRCULAR)

The Concerned Shareholders recommend that you vote:

- **FOR the removal of the Incumbent Directors (Gerald McGoey, Douglas Reeson and Louis Mitrovitch) as directors of UBS**
- **FOR the election of the Concerned Shareholders' Nominees (Robert Ulicki, Grant McCutcheon and Henry Eaton) as directors of UBS**

In order to be deposited in time to be used at the Meeting, your proxy must be received by Kingsdale Shareholder Services Inc. Attention: Proxy Department prior to 5:00 p.m. (Toronto time) on June 29, 2010.

If you have any questions, or require any assistance in voting your shares, please call:



KINGSDALE
Shareholder Services Inc.

Kingsdale Shareholder Services Inc.

1-866-879-7650

(toll free)

Or visit:

www.saveUBS.com

June 3, 2010

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SOLICITATION OF PROXIES

This information circular and the accompanying **YELLOW** proxy are being sent to you in connection with the solicitation of proxies by Clareste Wealth Management Inc. and certain other UBS shareholders (the "**Concerned Shareholders**") named in this information circular (the "**Circular**") to be used at the upcoming special meeting (the "**Meeting**") of holders of common shares of Unique Broadband Systems, Inc. ("**UBS**" or the "**Company**") and at any and all adjournments or postponements arising from the Meeting. Information regarding the Concerned Shareholders is contained in this Circular. The Meeting is scheduled for Monday, July 5, 2010, at 9:00 a.m. (Toronto time) at 8250 Lawson Road, Milton, Ontario L9T 5C6, the principal and registered office of UBS.

The Concerned Shareholders are soliciting proxies in favour of (i) the removal of the incumbent directors, Gerald McGoey, Douglas Reeson and Louis Mitrovitch (the "**Incumbent Directors**") as directors of UBS; and (ii) the election at the Meeting of the following nominees as directors of UBS: Robert Ulicki, Grant McCutcheon and Henry Eaton (the "**Concerned Shareholders' Nominees**"). See "*Matters to be Acted On*".

Your vote is critical to the future of your investment in UBS. If you agree that changes to the board of directors of UBS are necessary, please sign, date and return the enclosed YELLOW proxy by fax at the number indicated on your proxy or in the enclosed self-addressed prepaid envelope.

You may sign the enclosed **YELLOW** proxy even if you have previously submitted a management proxy or voted electronically or by phone. In that case, the **YELLOW** proxy will revoke any earlier one. If your shares are registered in your name (as opposed to your broker's name), you may also revoke your management proxy by attending the Meeting and indicating your wish to vote in person. See "*General Proxy Information - Beneficial UBS Shareholders*" for information on how to vote shares registered in your broker's name at the Meeting.

The Company has fixed May 19, 2010 as the record date for shareholders entitled to receive notice of the Meeting. As of the record date, 102,747,854 UBS common shares were outstanding, based on information provided to us by the Company's registrar and transfer agent. Pursuant to By-Law No. 1 of the Company, as filed on SEDAR, shareholders of record are entitled to vote at the Meeting, except to the extent that any such shareholder has (i) transferred any of his shares after the record date, and (ii) a transferee of those shares (A) produces properly endorsed share certificates, or (B) otherwise establishes that he owns the shares, and demands not later than 10 days before the Meeting that the Company recognize the transferee as the person entitled to vote the transferred shares and include his name on the shareholders list, in which case the transferee will be entitled to vote his shares at the Meeting.

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NOTICE REGARDING INFORMATION

Unless otherwise noted, the information concerning UBS, Look Communications Inc. ("Look") and their directors and officers contained in this Circular has been taken from, or is based upon, publicly available documents or records on file with Canadian securities regulatory authorities and other public sources. Although, the Concerned Shareholders have no knowledge that would indicate that any statements contained in such publicly filed documents are untrue or incomplete, the Concerned Shareholders do not assume responsibility for the accuracy or completeness of such information or for any failure by UBS or Look to disclose material information which may affect the significance or accuracy of such information. Information concerning UBS and Look, including their most recently filed financial statements and management's discussion and analysis, is available for review under their respective profiles on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

All currency references in this Circular are to Canadian dollars unless indicated otherwise.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular constitute forward-looking statements. The words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions as they relate to the Concerned Shareholders, the Concerned Shareholders' Nominees, UBS or Look, are intended to identify forward-looking statements. Such statements reflect the Concerned Shareholders' current views with respect to future events and are subject to certain risks, uncertainties and assumptions. The Concerned Shareholders' Nominees assume no responsibility for any such statements. Many factors could cause actual results, performance or achievements that may be expressed or implied by such forward-looking statements to vary from those described herein should one or more of these risks or uncertainties materialize. Such factors include, but are not limited to, the financial condition and cash flow of UBS and Look, binding contractual covenants entered into by UBS and/or Look, pending or future litigation involving UBS and/or Look, general market conditions, the market for and regulations surrounding the purchase and sale of tax losses and other general business, technological, competitive and regulatory factors.

NOTICE TO UNITED STATES SHAREHOLDERS

This solicitation of proxies is not subject to the requirements of Section 14(a) of the *United States Securities Exchange Act of 1934*, as amended (the "U.S. Exchange Act"). Accordingly, such solicitation is made in the United States with respect to securities of a Canadian foreign private issuer in accordance with Canadian corporate and securities laws and this Circular has been prepared in accordance with disclosure requirements applicable in Canada. Shareholders of UBS in the United States should be aware that such requirements are different from those of the United States applicable to proxy statements under the U.S. Exchange Act.

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WHY A NEW BOARD OF DIRECTORS IS NECESSARY

As disclosed in more detail in this Circular, we believe that the Current Board's: (i) excessive compensation awards, (ii) poor track record of creating value for UBS shareholders, (iii) unexpected failure to capitalize on the economic benefits of converting the Look Debentures into Look shares, (iv) poor corporate governance practices, and (v) inadequate public disclosure of material information, are all reasons why UBS shareholders should elect the New Board at the Meeting. See "*How Your Current Board has Failed You*".

The New Board's priorities will be to:

- Pursue Recovery of the "Restructuring Awards" Paid by UBS
- Minimize Expenses Generally at UBS
- Reset Board Compensation
- Carefully Review Existing Service Agreements entered into by UBS
- Distribute Cash and Wind-up of UBS

And at Look:

- Change the Board of Directors of Look
- Actively Pursue Monetization of Look's Tax Losses
- Hold Look's Directors and Officers Accountable
- Pursue Recovery of the "Restructuring Awards" Paid by Look
- Carefully Review the Acts of Look's Board and Management
- Distribute Cash and Complete the Final Wind-up of Look

We believe that only your New Board will be able to pursue the foregoing action plan free from conflicts of interest. See "*The New Board's Action Plan for UBS*".

HOW YOUR CURRENT BOARD TOOK POWER

In October 2001, Gerald McGoe (the current Chief Executive Officer ("CEO")) and Alex Dolgonos (the current Chief Technology Consultant and controlling shareholder of UBS) formed a dissident group to install Gerald McGoe, Louis Mitrovitch and Douglas Reeson (collectively, the "**Current Board**") as their nominees to the UBS Board of Directors. McGoe and Dolgonos filed a dissident information circular to replace the then existing board of directors at the shareholder meeting to be held on November 27, 2001. Interestingly, one of the principal complaints leveled against the then existing board of directors by Gerald McGoe was that the board's interests were not aligned with shareholders' interests because UBS' share price had declined while fees to UBS directors was excessive.

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The November 27, 2001 shareholder meeting was ultimately postponed as a result of the commencement of litigation by Alex Dolgonos against UBS' Special Committee and the resulting counter-claims made by the Special Committee. Pursuant to the minutes of settlement of such litigation, the Special Committee agreed not to oppose McGoeys and Dolgonos' nominees to the board at the 2002 annual meeting and McGoeys, Mitrovitch and Reeson were elected at the shareholder meeting held on March 18, 2002, together with other board members. One of their first acts of business was to appoint Gerald McGoeys as Chairman and CEO of UBS. McGoeys, Reeson and Mitrovitch have held their respective positions with UBS since March 2002.

HOW YOUR CURRENT BOARD HAS FAILED YOU

1. Compensation With No Bounds

The Current Board and senior executives of UBS awarded themselves extraordinary compensation in 2009, comprised of not only excessive annual compensation but also super-added so-called "restructuring awards". These "restructuring awards" were awarded by both UBS and its *de facto* subsidiary Look Communications Inc. ("**Look**") to the directors and senior executives of UBS and Look. These "restructuring awards" were NOT awarded pursuant to any pre-existing UBS compensation plan; they were NOT awarded with shareholder approval; and to our knowledge were NOT even publicly disclosed at the time of the approval of the grant by your Current Board.

So how bad was it?

Current Board and Executive Officers of UBS

- In 2009, the total compensation awarded to your Current Board and top three executives of UBS was an awesome **\$16.9 million**.

This is the equivalent of more than two times (2x) the approximately \$8.2 million of remaining market capitalization of UBS as of June 2, 2010.

- Each "independent" director of UBS was awarded either \$450,000 or \$465,000 in "restructuring awards" in 2009.

Chief Executive Officer's Compensation

- In 2009, Gerald McGoeys' total compensation was a staggering **\$8,299,936**. This amount was comprised of:
 - ⇒ \$5,565,696 in "restructuring awards" paid by Look,
 - ⇒ \$1,800,000 in "restructuring awards" awarded by UBS,
 - ⇒ \$570,000 in management fees paid by UBS,

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- ⇒ \$249,118 in option-based awards granted by UBS,
- ⇒ \$63,500 in director fees paid by UBS, and
- ⇒ \$51,622 in deferred bonuses, club memberships and car allowances paid by UBS.
- With \$8.3 million in total compensation in 2009, Gerald McGoey would have received the **25th highest total compensation for a CEO** of the 100 largest Market Cap TSX issuers as reported by The Globe and Mail, if UBS had been included in the S&P/TSX Composite Index.

Of course, UBS is a TSX Venture Exchange issuer with less than \$10 million in market capitalization which makes Gerald McGoey's comparative ranking so shocking.

- Gerald McGoey's 2009 total compensation surpassed the total compensation awarded to the CEOs of Encana, BMO, CIBC, TELUS and BCE.

Total Compensation Awarded by UBS and Look

- In 2009, UBS and Look collectively awarded \$25.42 million in aggregate total compensation to the directors and executive officers of UBS and Look, of which \$22.7 million were "restructuring awards".

Total Restructuring Awards Granted by UBS and Look

- The \$22.7 million in aggregate "restructuring awards" awarded to the directors and executive officers of UBS and Look were comprised of:
 - ⇒ \$5,245,000 in restructuring awards awarded by UBS to its own directors and executive officers,
 - ⇒ \$9,616,433 in restructuring awards paid by Look to UBS' executive officers, and
 - ⇒ \$7,911,205 in restructuring awards paid by Look to its own directors and executive officers (that are not also executive officers of UBS).

What Have these Individuals Done to Deserve these Payouts?

Has these individuals' performance warranted this extraordinary compensation? You decide!

UBS and Look are micro-cap companies with minimal operations that achieved less than \$30 million in revenue in 2009. Under the leadership of your Current Board and management of UBS, UBS' share price has declined 83% since March 18, 2002 when your Current Board and Gerald McGoey seized control of UBS. The following chart shows the dramatic loss in value at UBS under your Current Board's tenure and the enormous compensation they awarded themselves and management in 2009.

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UBS'	2001/2	2009/10	Value +/-
Closing share price	\$0.47 March 18, 2002	\$0.08 May 25, 2010	Minus 83%
Cash per share ¹	\$0.56 August 31, 2001	\$0.175 February 28, 2010	Minus 69%
Market Cap	\$48.3 million March 18, 2002	\$8.2 million May 25, 2010	Minus 83%
Cash compensation ² (UBS Executives and Directors)	\$1,512,931 2001 fiscal year	\$16,267,816 2009 fiscal year	Plus 975%

Notes:

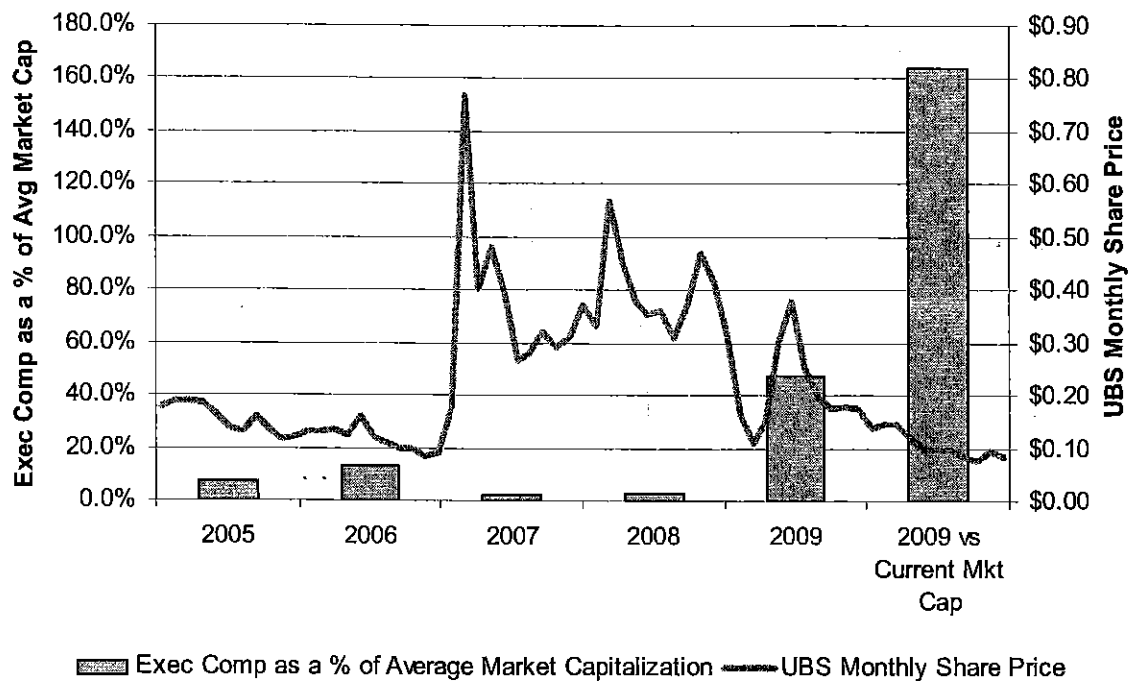
1. Calculated by dividing cash and cash equivalents on the balance sheet at the period end by the shares reported outstanding at period end in the financial statements.
2. Includes salary, restructuring awards, management fees, service fees, director fees and other cash payments from management information circulars dated February 12, 2002 and January 19, 2010. 2009 fiscal year includes payments by Look and UBS and excludes \$465,000 of restructuring awards not accepted by Peter Minaki, a former UBS director, as reported in the Financial Post.

UBS incurred losses in each of the past five years, with steady declines in both revenues and subscribers. The two graphs below show the declines in key performance metrics contrasted against the dramatic increase in compensation awarded to UBS management.

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Share Price and Executive Compensation



Notes:

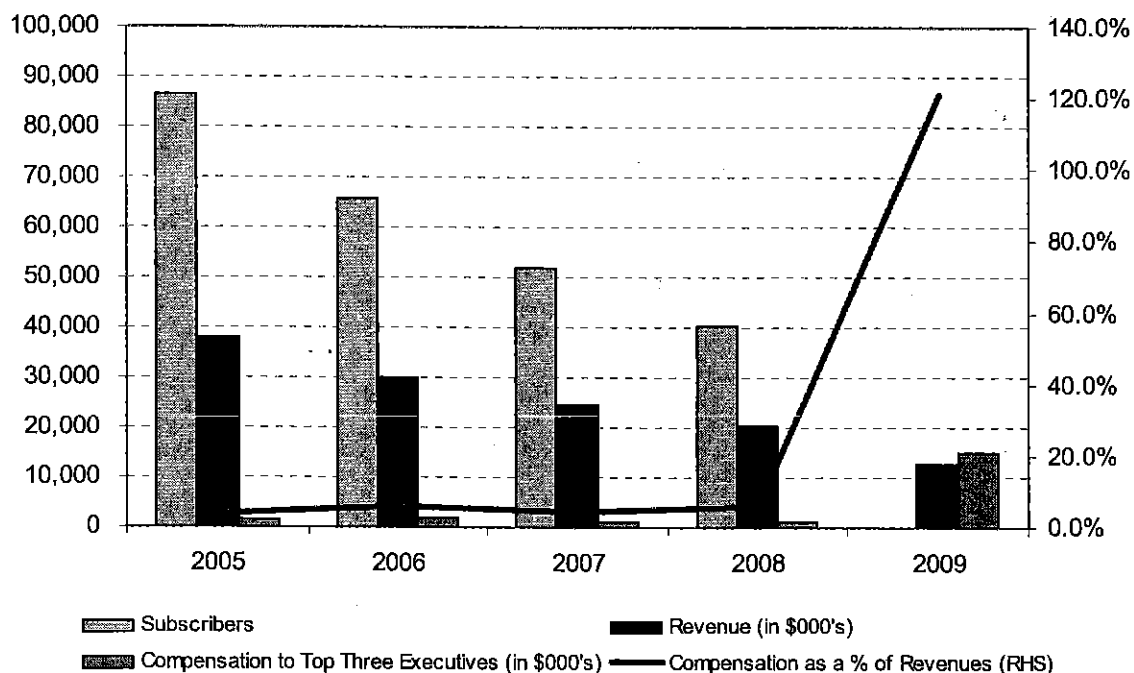
1. Executive compensation includes compensation of the top three executives (not including payments to board members) as disclosed in UBS' management information circulars.
2. Average market capitalization is calculated by the simple average of the high and low closing price for the year multiplied by the weighted average diluted UBS common shares outstanding for the year as reported in UBS' annual audited financial statements.
3. Current market capitalization is calculated using the closing price of UBS common shares of \$0.09 on May 31, 2010.

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Subscribers, Revenue and Compensation

The following shows revenue decline, subscriber decline and compensation as a percentage of revenue for UBS. Remarkably, in 2009, total executive compensation exceeded revenues at UBS.



Notes:

1. Subscribers includes broadcast, internet (dial-up and high speed) and other as reported in UBS' annual MD&A.
2. Revenue is derived from UBS' audited annual financial statements. 2008 revenues are as reported prior to restatement.
3. Compensation is total compensation awarded to the top three executives as reported in UBS' management information circulars.

Outrageous Restructuring Awards and Lofty Service Agreements With Golden Parachutes

In 2009, Gerald McGoey and Alex Dolgonos were awarded aggregate "restructuring awards" of \$7,365,696 and \$5,480,737, respectively, from UBS and Look. The restructuring awards were made as Look was being wound-up after having failed to achieve sustainable, profitable operations and being UBS' only remaining business interest.

In addition, Gerald McGoey and Alex Dolgonos each control a company that is party to a service agreement (each, a "Service Agreement") with UBS. In its management information circular dated May 30, 2010, UBS has for the first time provided disclosure about certain payment provisions under the Service Agreements. Most striking is that each Service Agreement includes a golden parachute (*i.e.*, three times (3x) a prescribed annual payout) triggered by a change-of-control of UBS. Each of Gerald McGoey's and Alex Dolgonos' Service Agreements provides for:

- An annual "base fee" of \$570,000 and \$475,000, respectively, from UBS;

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- Cash bonus payments at the discretion of the UBS Board of Directors; and
- A golden parachute that, if triggered and paid by the UBS Board, would reportedly amount to an aggregate payout of an astonishing \$15.8 million in additional payments to these individuals.

Perhaps the most staggering aspect of Gerald McGoey's Service Agreement is that the golden parachute payments are triggered if he is not elected as a director of UBS! It is an affront to shareholder democracy that shareholders' rights can be undermined in this manner.

We believe that the compensation and "restructuring awards" approved in 2009 are completely out of control, out of line and unacceptable.

It is unconscionable to us that the Service Agreements were not renegotiated as part of the \$12.9 million in "restructuring awards" awarded to Gerald McGoey and Alex Dolgonos in 2009 by UBS and Look. In our view, the Service Agreements demonstrate the complete and total entrenchment of UBS management. We cannot defer to the Current Board's purported business judgement in approving the Service Agreements and awarding such exorbitant amounts in these circumstances.

Further, the "restructuring awards" are evidence to us of a systemic conflict of interest between the Boards and management of UBS and Look. Gerald McGoey, the CEO of UBS and Look, sits as a non-independent member of the UBS' Nomination, HR and Compensation Committee (the "**UBS Compensation Committee**") and Look's Compensation and Human Resources Committee (the "**Look Compensation Committee**"). Both UBS and Look report in their January 19, 2010 management information circulars that Gerald McGoey was extensively involved in making recommendations and providing input regarding the setting of compensation and granting of "restructuring awards". Not surprisingly, neither the UBS nor Look directors hired a compensation consultant when approving the "restructuring awards".

The "restructuring awards" put into question the "independence" of all non-management directors of UBS and Look. The fact that the independent members of your Current Board of UBS awarded themselves either \$450,000 or \$465,000 in "restructuring awards" in 2009, we believe, is determinative of their inability to exercise impartial business judgement with respect to executive compensation.

In our opinion, the awards demonstrate that your Current Board has ceased acting in the best interests of UBS shareholders. We further believe that any member of the Current Board that authorized such payments in light of the Company's current financial condition could only have done so in breach of their fiduciary duty to UBS.

2. Poor Track Record of Performance

Current Directors Seize Control in March 2002

Your Current Board, with Gerald McGoey as CEO, seized control of UBS on March 18, 2002. Their stated objective being to "rebuild the value and capitalize on the promise held out by UBS." Indeed, in fiscal 2002, UBS had over \$25 million in revenue, promising technology and engineering targeting an exciting industry sector. As Gerald McGoey put it:

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"We are excited about the prospects for UBS. This is a company with a very strong platform. It has developed very good relationships with a number of significant clients including the U.S. military and Hughes Electronics Corporation, has demonstrated a very strong engineering capability, boasts an attractive balance sheet and is active in one of the most explosive industries in the world - wireless communications. We intend to harness this platform and take advantage of any other opportunities that will allow us to deliver shareholder value." - *Press Release March 18, 2002*

On July 5, 2002 UBS acquired Point-to-Point Radio assets from SierraCom, for an aggregate purchase price of \$1.9 million and retained key personnel. In October 2002, UBS announced the acquisition of assets from BroadTel Communications, Inc. As Gerald McGoey put it:

"This is a strategic acquisition for UBS. BroadTel has spent the last three years developing a Point-to-Multipoint broadband wireless access system for next generation networks ... precisely the market we are targeting. Coupled with the recent purchase of assets from SierraCom and the pending partnership with Look Communications, UBS is now better positioned to address the needs of wireless ISPs and telcos." - *Press Release October 21, 2002*

UBS Does an About-Face and Sells All Operations by October 2003 for only \$2.0 Million

UBS sold all of its engineering and manufacturing business in October 2003 to a new company "owned by a group of former UBS engineers". UBS received as consideration a three-year secured loan of \$2 million bearing interest at 8%. Under certain circumstances, including in the event of default, UBS could acquire a 66.67% ownership stake in the new company. We cannot find any report by UBS that it ever received any equity interest in the new company. Additionally, UBS stated that it may be entitled to further proceeds upon any re-sale of the new company. The accounting impact of the divestiture was a one-time loss to UBS of approximately \$4.0 million.

In sum, Gerald McGoey achieved \$2.0 million plus 8% interest for UBS' entire operations and assets (other than its Look shares). As this included the recently acquired SierraCom and BroadTel assets which cost approximately \$2.0 million, in our estimation, he and your Current Board ultimately created zero value from the UBS operations and assets that they seized control of in March 2002.

UBS Holds Out Promise of Investment in Look in 2003

On May 29, 2003, UBS acquired a 29.9% equity interest in Look and, on December 31, 2003, UBS exercised an option to acquire a 51% equity interest in Look. At December 31, 2003, Look had \$48.77 million of revenues and 125,000 subscribers.

"The investment in Look provides an opportunity for the Company (UBS) to apply its experience in the wireless industry to the management of Look's operations. It is the Company's intention to focus both financial and human resources on maximizing Look's potential, which is expected to be of significant benefit for shareholders of both companies. Look is a communications company that has a large customer base and a stream of recurring revenues." - *October 17, 2003 MD&A*

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Like UBS before it, under the leadership of Look's current directors and Gerald McGoey, Look is now selling all of its assets and operations after having failed to build a viable business. A Plan of Arrangement and court supervised sale of Look's assets was initiated in January 2009 for this purpose at the urging of Look's Board of Directors and is almost complete, with only a few assets remaining, including Look's tax losses.

Look Fails as a Business and Commences Plan of Arrangement and Sale of Assets in 2009

Despite much promise, Look has turned to asset sales as a means to try to create value. Unfortunately, the asset sales to date have failed to create significant value. Gerald McGoey, as CEO of Look, represented that a Plan of Arrangement and sale of Look's assets was the best way to maximize value for Look shareholders. In the investor presentation made at the special meeting of Look shareholders held on January 14, 2009, Gerald McGoey stated that the:

"Plan of Arrangement is the best way to maximize shareholder value while at the same time offer shareholders the confidence that this would be a fair process...shareholder value will be maximized as a result of this very public, transparent, certain and final sale process."

Moreover, Gerald McGoey set high expectations at the special meeting by highlighting the prices paid for wireless spectrum by Rogers, Bell and TELUS ranging from approximately \$741 to \$999 million. He also reviewed the purchase price paid by new entrants for wireless spectrum, such as Globalive Communications Corp.'s purchase of 10MHz for \$442 million.

Further, at the special meeting, no mention was made of "restructuring awards", "equity cancellation payments" or restructuring costs of any nature nor did Gerald McGoey discuss the existence of circumstances (actual or foreseeable) that could trigger the payment of "restructuring awards" to directors and executive officers of UBS and Look.

We believe that the Plan of Arrangement and subsequent wireless spectrum sale has resulted in shattered shareholder expectations and far lower Look share values. As detailed below, the sale of Look's wireless spectrum was sold for a disappointing price of \$80 million (\$64 million net of a legal settlement) and, to the shock of shareholders, \$22.7 million of the cash generated from the Look wireless spectrum sale has been awarded to executives and directors of UBS and Look as "restructuring awards".

Look's Disappointing Wireless Spectrum Sale

We believe that the sale price received for Look's primary asset, its wireless spectrum, was well below the value received by others for similar wireless spectrum in Canada. We also believe that the sale price fell far short of the expectations set by Gerald McGoey at the January 14, 2009 special meeting of Look shareholders.

On May 5, 2009, Look announced a deal with Inukshuk Wireless Partnership ("Inukshuk") to sell its wireless spectrum (2596 to 2686 MHz and 2689 to 2690 MHz inclusive) in Ontario and Quebec and broadcast license for gross proceeds of \$80 million (\$64 million net of a legal settlement with Bell Canada, one of Inukshuk's owners). We estimate that this sale price equals approximately \$0.07 per MHz/POP (based on the quantum of spectrum sold, population covered by the spectrum and the sale price) and believe that it represents a new low in Canada for the sale of mobile wireless spectrum. Less than a year earlier, Industry Canada achieved an average value of \$1.55 per MHz/POP in its auction of

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wireless spectrum in the AWS band (1.7 and 2.1 GHz), and it should be noted that the highest regional values were achieved in Ontario and Quebec. About a year after the Look deal with Inukshuk, Craig Wireless Systems Ltd. announced a deal to sell its 2.5 GHz wireless spectrum in western Canada to Inukshuk. This wireless spectrum was virtually identical to the wireless spectrum that Look had owned, except that it covered less than a third of the number of people. As a result, we estimate (based on the quantum of the spectrum sold, population covered by this spectrum and sale price), that Craig Wireless achieved an approximate valuation of \$0.24 per MHz/POP. If Look had achieved the same valuation as Craig Wireless, then Look would have received gross proceeds of approximately \$271 million from the sale of its spectrum.

Regardless of the excuses that management might put forward for the disappointing wireless spectrum sale proceeds, the facts remain that:

- The process did not generate superior value for Look or UBS shareholders.
- The current directors and executives have been in control of Look through times when record prices were achieved for the sale of comparable wireless spectrum assets.
- Another small wireless company recently sold comparable wireless spectrum for a much higher relative value subsequent to May 5, 2009.

Look's Failure to Monetize \$367 Million of Tax Losses

UBS has thus far failed to create any value from the significant tax losses within either UBS and Look. The principal tax losses are held by Look and are stated in the unaudited interim financial statements for the period ended February 28, 2010 to be approximately \$367 million of non-capital income tax losses. Approximately, \$184 million of those tax losses are set to expire on December 31, 2010.

The monetization process for these tax losses has been in effect for well over a year with no results. In recent years, we have seen other companies, such as Ballard Power, monetize tax losses at attractive valuations, so we are left wondering if the current regime at UBS and Look is doing all that it can to extract value from this asset before it expires. UBS and Look have not disclosed any significant details of their actions and negotiations with regards to the tax losses, so we can only speculate as to why no transactions have been entered into to date.

We believe that it is possible that a sale of the entire company might be necessary to monetize the tax losses at Look. We are concerned that the change-of-control provisions in the Service Agreements and in the management service agreement ("**Management Service Agreement**") between UBS and Look could be discouraging buyers of Look and/or UBS in the fear that they would be forced to pay millions of dollars in change-of-control payments.

We do not discount the possibility that the tax losses may not have any real commercial value and may be, for all practical purposes, unsaleable. In this scenario, the existing regime might not be at fault in failing to monetize the tax losses, but they would be at fault for leading investors to believe that the tax losses had material value and that a *bona fide* sale process is necessary. In any of these or other possible scenarios, the bottom line remains that the New Board is needed to be elected to investigate the possibility of monetizing Look's tax losses assets before they expire and to report to shareholders on the process.

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3. **Failure to Realize Significant Value by Redeeming \$3.0 Million of Look Debentures for Cash**

On May 11, 2010, your Current Board was presented with an opportunity to create millions of dollars in value by converting an aggregate principal amount of \$3.0 million of Look debentures (the "Debentures") owned by UBS into 40 million Look shares (comprised of 20 million multiple voting shares and 20 million subordinate voting shares) at \$0.075 per principal amount of the Debentures. The closing price for Look multiple voting shares and subordinate voting shares on May 11, 2010 was \$0.17 and \$0.14, respectively. Accordingly, the Debentures were well "in-the-money" and the rational economic response would be to convert them into Look shares.

Your Current Board and management elected to receive cash instead, potentially costing UBS millions of dollars. Your Current Board and UBS management chose not to:

- Convert the Debentures into Look shares and sell them in the market for conceivably up to \$6.2 million based on the closing prices for Look shares on May 11, 2010, representing up to a \$3.2 million premium over the \$3.0 million of redemption proceeds received.
- Sell the Debentures in the market at a premium to the aggregate principal amount of the Debentures given that the \$0.075 conversion price was "in-the-money" when compared to the closing prices for Look shares on May 11, 2010.
- Convert the Debentures into 40 million Look shares and hold them for a final distribution of Look's cash to shareholders which we believe should have provided an ultimate distribution of significantly more than the \$3.0 million of redemption proceeds received.

We cannot understand why a company with a market capitalization of only \$8.2 million would forego such a significant economic opportunity. We are further dumbfounded by the fact that on April 23, 2010 and on May 3, 2010, UBS announced its intention to use all reasonable efforts to convert such portion of its Debentures so as to ensure that it held no more than 49% ownership of Look on a fully-diluted basis. Based on this, UBS would have converted the majority of its Debentures into Look shares. However, only after the conversion deadline passed, UBS announced that it would not convert its Debentures into Look shares.

UBS shareholders must ask why your Current Board changed its mind:

- Was it to offset or fund the egregious \$5,245,000 in "restructuring awards" awarded by UBS to its own directors and executive officers?
- Was it to pay the costs of a looming proxy contest?
- Was it to pay golden parachutes, if triggered?

No business rationale has been provided. In fact, the Financial Post contacted UBS and the response was simply "the circumstances changed". We believe that this action represents deplorable business judgment and suggests serious conflicts of interest at your Current Board.

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4. Poor Corporate Governance Practices

Abandonment of SARs Plan and Stock Option Plan for "Restructuring Awards"

UBS has consistently stated over the years that it has two incentive compensation plans both of which are directly linked to share price, namely the Share Appreciation Rights Plan ("SARs Plan") and Stock Option Plan. Your Current Board of UBS abandoned these Plans which tie performance to objective criteria, such as share price, for a discretionary bonus scheme of \$22.7 million of "restructuring awards" evidently based on highly subjective and arbitrary criteria such as the relinquishment of SARs units, the absence of pension benefits and the limitations on executives to trade their stock.

One of the "rationales" for the "restructuring awards" was that directors and executive officers relinquished all rights to their SARs units in UBS and Look. The SARs are a form of cash incentive compensation with payments linked directly to share price appreciation above a strike price. Using publicly available disclosure, we estimate that the Look and UBS SARs units would have resulted in payments of approximately \$2.85 million at Look and \$480,000 at UBS at the close of business on Friday May 29, 2009 (the "restructuring awards" were granted effective May 31, 2009, in part, to replace the SARs units). This estimated \$3.33 million would have been in addition to annual salaries and is calculated using the difference between the SARs units' various strike prices and the closing share price of Look and UBS on Friday May 29, 2009. Apparently, an estimated \$3.33 million of cash bonus compensation was not enough for the management and the current directors and so the SARs units were fully relinquished and, in their place, "restructuring awards" of \$22.7 million were awarded.

No True Independent Directors on the Boards of UBS and Look

UBS' "independent" directors awarded themselves an astounding bonus in 2009 of either \$450,000 or \$465,000. Similarly, the Look "independent" directors awarded themselves \$195,367 each. Gerald McGoey, the CEO of UBS and Look, sits on the UBS Compensation Committee and Look Compensation Committee. Accordingly, neither committee is fully independent nor is the UBS Compensation Committee majority independent. Both UBS and Look report in their January 19, 2010 management information circulars that Gerald McGoey was extensively involved in making recommendations and providing input regarding the setting of compensation and granting of "restructuring awards". Not surprisingly, neither the UBS nor Look directors hired a compensation consultant when granting the "restructuring awards".

We do not believe that your UBS directors can be considered "independent" under any legal or common sense definition of the term. In accepting these huge awards, these so-called independent Board members have, in our view, completely aligned themselves with the current management of Look and UBS. We believe these Boards are now entrenched and cannot be expected to act independently.

Payments Contrary to the Management Services Agreement?

Why were Alex Dolgonos and Gerald McGoey paid "restructuring awards" directly by Look? In May 2004, UBS and Look entered into the Management Services Agreement pursuant to which UBS provides Look with a wide range of services to maximize Look's full commercial potential, including the services of Gerald McGoey as CEO and Alex Dolgonos as a technology consultant. They were paid good money for what was a dismal result.

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UBS provides these executives and additional services to Look for an annual fee of \$2.4 million. The Management Services Agreement expressly provides that Look may, from time to time, recognize the performance of UBS in the form of additional cash bonus payments.

Nowhere in the Management Services Agreement is there reference to individuals serving under the Management Services Agreement receiving direct compensation payments from Look. In fact, Look's public disclosure has been very explicit in stating that Gerald McGoeys "does not receive direct compensation from Look" and, in fact, we believe that he never did before May 31, 2009 nor did Alex Dolgonos.

Given the existence of the Management Services Agreement, why was \$9.5 million of "restructuring awards" paid directly to Gerald McGoeys and Alex Dolgonos by Look? If this \$9.5 million was fairly and properly owing for duties performed by these executives serving Look pursuant to the terms of the Management Services Agreement, was this payment not properly payable to UBS where it would accrue to shareholders and not to Messrs. McGoeys and Dolgonos? Did UBS' independent directors consider this? Did they seek legal advice on this?

5. Inadequate Public Disclosure

Inadequate Disclosure About 2009 Restructuring Awards

Neither UBS nor Look disclosed the intention to pay the aggregate \$22.7 million in "restructuring awards" to their directors and executive officers prior to their grant. UBS and Look had ample opportunities, as early as January 2009, to disclose its intention to pay such "restructuring awards" to their respective shareholders, including before Look's Plan of Arrangement was approved.

No disclosure was made about the "restructuring awards" in the Plan of Arrangement materials and proxy circular mailed to Look shareholders for the January 14, 2009 special meeting of Look shareholders. These materials specifically state that no informed person (including a director or executive officer) had any material interest in transactions that would occur under the Plan of Arrangement. Yet, the circumstances that UBS and Look claim gave rise to the \$22.7 million payment of "restructuring awards" (as disclosed in their respective management information circulars each dated January 19, 2010) would have clearly been in existence and/or reasonably foreseeable at the time of the January 14, 2009 special meeting when the Look Plan of Arrangement was approved. The so-called circumstances include the fact that there was an absence of pension plans, an inability of executives to exercise options and trade in shares, no salary increases in 2009, the requirement to relinquish SARs and stock options and the fact that the asset sale may not be completed for \$80 million. Accordingly, we fail to understand why your UBS Board and the Look Board did not disclose the "restructuring awards" at this time.

At the February 25, 2009 Look shareholder meeting, no disclosure was made to adjust the liability Look had accrued in respect of the SARs or any other compensation plan. At that time, the liability disclosed was approximately \$2.5 million. Look's CFO, Jason Redman, reviewed in detail the current liabilities of Look at this meeting and made no comment about contingent "restructuring awards".

Further, in our opinion the quantum of the "restructuring awards" was clearly material to both UBS and Look and, at a minimum, should have been disseminated by press release at the time of the approval of the grant. Despite this materiality, the disclosure was at first cryptic and vague. To our knowledge, the first reference to the "restructuring awards" was to the "human resource restructuring charges" of UBS found in UBS' interim financial statements and MD&A filed on July 21, 2009.

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Disclosure of the amount of accrued contingent payments to Gerald McGoey, Alex Dolgonos, your Current Board and other UBS management was reported in the annual financial statements and MD&A filed on December 4, 2009. However, the details of the "restructuring awards" and the rationale for such awards was not fully disclosed finally until the filing of the UBS management information circular dated January 19, 2010. We believe that your Current Board has, at best, failed to be transparent (or, at worst, has tried to delay disclosure), about its decision to award the "restructuring awards". This sort of creeping disclosure of material information is deplorable as well as harmful to investors.

THE CONCERNED SHAREHOLDERS RESPOND TO YOUR CURRENT BOARD'S ALLEGATIONS

In the management information circular dated May 30, 2010 (the "**UBS Management Circular**"), your Current Board makes a number of incredulous claims why your Current Board should be re-elected. We believe that many of these claims are more examples of your Current Board's high-handed approach to shareholders while others, in our opinion, are without merit. So we are using this opportunity to respond to your Current Board's "allegations" against us.

1. *A New Board Could Trigger \$15.8 Million in Golden Parachutes!*

In a shocking revelation, your Current Board decided to disclose in the UBS Management Circular, for the first time, the details and quantum of certain payment provisions in the Service Agreements with Gerald McGoey and Alex Dolgonos. In particular, there are "Company Default Provisions" in Gerald McGoey's Service Agreement that allow him to terminate the Agreement if, among other things, he is not elected to the Board or retained as CEO. Apparently, the Company Default Provisions have been in force at the time of every annual meeting since 2006 despite the absence of disclosure. Only now are we told that if Mr. McGoey is not elected as a director at the Meeting that he will be entitled to a \$8.6 million payment as a result of such a "Company Default". This is in addition to the \$8.0 million of "restructuring awards" already awarded to him by the Current Board! Further, following a change-of-control of UBS (which includes his termination), Alex Dolgonos is entitled to a \$7.2 million payment – in addition to the \$5.9 million in "restructuring awards" already awarded to him by the Current Board – if there is a change in the business relationship. Simply put, we believe that the Service Agreements represent the attempt to entrench management and, in our view, is evidence that your Current Board does not believe in shareholder democracy. The failure to disclose the quantum and details of golden parachutes of this magnitude until now is of great concern to us.

We are not persuaded by your Current Board's claims that electing a New Board will provide a legitimate basis for actually paying any of the change-of-control payments to Gerald McGoey and Alex Dolgonos. Our legal counsel has requested copies of the Service Agreements to review the change-of-control and other termination provisions. As a result of our requests for disclosure, UBS filed the Service Agreements on SEDAR on the date hereof, confirming, what we expected, that these are material contracts that ought to have been previously publicly filed. We continue to review these agreements and invite shareholders to do the same. In the meantime, our legal counsel has put each of the directors of the Current Board on notice as follows:

... the Service Agreements and any termination payments purporting to be made thereunder which are triggered by the results of a vote of the shareholders at a duly called and properly held meeting, would, in our view, be improper payments and the receipt of such payments would be in breach of the fiduciary duties owed by the recipients to UBS. Further,

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any advance arrangements or commitments to pay these funds will give rise to liability on the part of the directors. Moreover, any action taken by others within UBS, including members of the Board, to aid or facilitate in the making of such payments, would be undertaken knowing that such actions were to aid, assist and abet improper payments. Any persons providing such knowing assistance will be pursued for recovery of the payments.

We are strongly of the view that if a member of the Current Board, including an independent director, approves such a payment, such individual would expose himself to significant personal liability at the hands of UBS' Canadian, US and international shareholders, as well as governing regulatory authorities.

These golden parachutes are another reason why you need the New Board to fight for your right to receive value from UBS! The New Board will act with all prudence in reviewing the Service Agreements and searching for a just resolution for all UBS shareholders.

2. *Your Current Board Has Maximized Value for Shareholders!*

We disagree! Your Current Board has presided over an 83% drop in the price of UBS common shares since taking power. We estimate that UBS sold most of its operations and assets in 2003 for nearly zero value. The investment in Look has been a failure, in our opinion, with Look ending up a failed business and entering into a disappointing sale of its principal asset – the wireless spectrum. See *“How Your Current Board Has Failed You – 2. Poor Track Record of Performance”*.

Your Current Board alleges that Look's 2010 Plan of Arrangement (“**2010 POA**”) was abandoned as a result of the actions of certain minority Look shareholders. The Concerned Shareholders believe that the 2010 POA was a transparent attempt to insulate Look's Board and management from the likelihood of shareholder lawsuits resulting from Look's decision to pay approximately \$17.5 million of “restructuring awards”. The 2010 POA contemplated releases that would bar claims against Look's directors for the repayment of the “restructuring awards”. Following the announcement of the 2010 POA, our legal counsel conveyed to Look's Board our concerns, requested disclosure of certain documents and sought repayment of the “restructuring awards” to Look. We had every intention of negotiating the terms of our support for the 2010 POA vote, provided that there was a trade-off or compromise that would accrue a reasonable economic benefit to Look shareholders, including UBS. However, before any negotiation could take place, Look announced, without prior notice or warning, that it had abandoned the 2010 POA.

3. *Your Current Board Has Secured Cash Flow for UBS Through Services Provided to Look!*

Amazingly, your Current Board wants to be congratulated for securing cash flow from the Management Services Agreement with LOOK. The reality is that the Current Board has completely strained UBS' cash flow and financial condition with dubious awards and contractual commitments. Shareholders need to ask themselves, how did your Current Board improve UBS' financial condition when it:

- - agreed to pay \$5.25 million in “restructuring awards” in 2009?

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- chose not to realize on a possible \$3+ million economic benefit by redeeming the Debentures for cash rather than Look shares?
- approved the Service Agreements which they claim might pay out another \$15.8 million in change-of-control/termination payments?

4. *Your Current Board was Recently Elected!*

True. However, your Current Board created a state of facts that has forced us to call a special meeting within only a few months after the February 24, 2010 meeting. In particular, we were left with no alternative as a result of the Current Board's failure to fully and plainly disclose the details of "restructuring awards" until the date it filed the January 19, 2010 management information circular. The February 24, 2010 shareholder meeting was the first opportunity for shareholders to ask management and your Current Board to explain and justify the \$22.7 million of "restructuring awards". It was partly a result of the bombastic responses to the shareholder questions by Gerald McGoeby that the Concerned Shareholders concluded that a shareholder group needed to be formed to requisition a meeting and replace the Current Board. Had your Current Board disclosed the "restructuring awards" at the time when they were approved, as your Current Board was required to do, shareholders such as ourselves may have been in a position to replace your Current Board at the last meeting.

5. *If the "Restructuring Awards" are Challenged, Expensive and Protracted Litigation Will Delay and Reduce the Amount of Look's Available Cash!*

We continue to be amazed at how high-handed your Current Board is towards its shareholders. Your Current Board is warning shareholders that if they challenge the \$22.7 million of "restructuring awards", there will likely be expensive and protracted litigation involving UBS and Look which will delay the payout of cash by Look. This attitude towards shareholders is why we need a New Board at UBS! A New Board will be free from the conflicts of interest that will allow it to investigate, review and assess the validity of the payment of the so-called "restructuring awards".

6. *The Concerned Shareholders Seek Control of UBS for No Consideration or Payment to UBS Shareholders!*

Not true. The Concerned Shareholders are a mostly a grass roots collection of individuals with modest ownership in UBS. There is no current intention to acquire control of UBS by the Concerned Shareholders.

7. *The Concerned Shareholders Have Not Disclosed a Business Plan for UBS!*

The action plan for the New Board is disclosed herein under the heading "*The New Board's Action Plan For UBS*". Unlike your Current Board, the New Board intends to listen to shareholders. To that end, the New Board intends to announce a town hall meeting to explain their action plan and receive feedback from shareholders prior to the Meeting.

8. *Strong and Experienced Board of Directors!*

We are not impressed with the Current Board's "strength and experience" as board members, including their corporate governance practices. We believe that there has been systemic conflicts of

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interest at the Boards of UBS and Look and ongoing and material disclosure omissions by the Current Board.

The New Board has the right mix of industry, finance and legal experience to serve UBS shareholders well and without conflict of interest.

9. *The Concerned Shareholders' Proposal May Result in the Disruption of Look!*

UBS has three remaining employees and Look is being wound-up by its current management. There is no reason to think that any changes initiated by the New Board would have any greater "disruption" on such employees given the state of these companies.

10. *The Concerned Shareholders Have Not Acted in a Transparent Manner!*

We disagree. Details of the Concerned Shareholders and the Concerned Shareholders' Nominees are included in this Circular. The Concerned Shareholders' Nominees want to hear from you! The New Board intends to announce a town hall meeting to explain their action plan and receive feedback from shareholders prior to the Meeting.

THE NEW BOARD'S ACTION PLAN FOR UBS

At the UBS shareholder meeting held on February 24, 2010, Gerald McGoey unequivocally stated that there is no intention by UBS' current management to reduce management salaries or to distribute cash when received from Look to UBS shareholders. *To the contrary, he advised the meeting that the plan is to seek new options for UBS and that he, as CEO, will continue to be paid \$570,000 a year and Alex Dolgonos, as Chief Technology Consultant, will continue to be paid \$475,000 a year.*

We strongly believe that UBS needs to take a new course of action and only the New Board will be in a position to implement the changes needed for the benefit of UBS shareholders.

The UBS Management Circular is critical that the Concerned Shareholders have no business plan. To the contrary, the business plan is simple. UBS has two principal assets, being its 39.2% economic interest (or 37.6% voting interest) in Look and its remaining cash. The New Board's general priorities will be to (1) conserve cash and recover, where possible, expenses and payments made by UBS under the Current Board and management, (2) maximize the value of UBS' investment in Look, and (3) wind-up and distribute UBS' assets to UBS shareholders.

The action plan for the New Board in more details is as follows:

Initiate Fundamental Changes at UBS

The New Board will:

1. Pursue Recovery of the "Restructuring Awards" Paid by UBS

The New Board will take aggressive action in pursuing the repayment of the \$5.25 million of "restructuring awards" awarded by UBS in 2009 to UBS directors and executive officers, **to the extent that these awards have been paid and are not voluntarily returned by such individuals.** The New Board will consider whether these awards were paid by the members of

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the Current Board in breach of their fiduciary duties, not in good faith, without merit, without any legal basis, negligently and, possibly, in whole or in part, unlawfully. The New Board will ask the members of the Current Board to follow the lead of Peter Minaki who resigned as a director of UBS and confirmed to the Financial Post that he will not collect the \$465,000 "restructuring award" awarded to him.

2. Minimize Expenses Generally at UBS

The New Board will review all management expenses and compensation and, if warranted, take any necessary course of action to recover unlawfully paid expenses. In the meantime, the New Board will seek to minimize expenses and conserve cash. We have already taken steps in UBS' best interests, including by putting the Current Board on notice that any payments of "restructuring awards" or any termination or change-of-control payments to Gerald McGoey and Alex Dolgonos are considered to be in breach of the Board's fiduciary duties and contrary to law.

3. Reset Board Compensation

The New Board will ensure that future board compensation will be far more modest and commensurate with a small cap listed company with no potential for cash awards or cash bonuses for Board members.

4. Carefully Review Existing Service Agreements entered into by UBS

The New Board will carefully review the Management Service Agreement with Look and the Service Agreements with Gerald McGoey and Alex Dolgonos. A careful review will be undertaken to assess what, if any, value has been realized by UBS in exchange for the rich payment under these contracts. The New Board will assess whether there has been any breach of performance, acting in bad faith, undisclosed conflicts, and other breaches under these contracts and take all appropriate action that would be in the best interests of UBS shareholders.

5. Distribute Cash and Wind-up of UBS

The New Board seeks to return cash to UBS shareholders and commence UBS' wind-up. The New Board will seek to distribute remaining cash to UBS shareholders on a timely basis, in all likelihood requiring several distributions. It may be that an attractive exit for UBS shareholders is a sale of the entire company. A final wind-up and distribution will take a more detailed assessment and understanding of the facts, including if it is determined to be in the shareholders' best interest to pursue recoveries and possibly other claims for damages prior to UBS' wind-up.

Oversee and Pursue Fundamental Changes at Look

The New Board of UBS will make it a priority to oversee and pursue fundamental changes at Look in order to complete its mandate of maximizing the value of UBS' investment in Look for the benefit of UBS shareholders.

The New Board will:

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6. Change the Board of Directors of Look

The New Board will use UBS' 37.6% voting interest in Look to vote for a change of the Board of Directors of Look. The New Board's preferred approach will be to ask all directors of Look to resign and rotate off the Board in conjunction with the appointment of the New Board's nominees to avoid the otherwise wasteful costs of calling a special meeting to replace them. If such directors are unwilling to resign, or if such approach is determined to be otherwise impractical, the New Board of UBS will call a shareholder meeting of Look to replace Look's Board of Directors. Alternatively, if a meeting is requisitioned by other Look shareholders the New Board will work with them to ensure a strong slate of new Look directors.

7. Actively Pursue Monetization of Look's Tax Losses

It is important that Look aggressively pursue the sale of its \$367 million of tax losses because approximately \$184 million of such tax losses expire at the end of 2010. The New Board of UBS will apply pressure and oversight on Look to pursue the monetization of such tax losses in a transparent manner.

8. Hold Look's Directors and Officers Accountable

The New Board of UBS will apply meaningful oversight on Look's directors and officers to ensure that they act diligently and in a timely manner in realizing on all the remaining assets of Look. The New Board of UBS will act to hold Look's directors and officers accountable for preserving and protecting Look's cash as constructive trustees for Look's shareholders, including UBS.

9. Pursue Recovery of the "Restructuring Awards" Paid by Look

The New Board of UBS will take aggressive action in pursuing the repayment of the \$17.53 million of "restructuring awards" paid by Look in 2009 to Look's directors and executive officers, to the extent that these awards have been paid and are not voluntarily returned by such individuals. The New Board will consider whether such payments should have been properly paid to UBS pursuant to the Management Service Agreement with UBS. The New Board will also consider whether these "restructuring awards" were paid in breach of the directors' fiduciary duties, not in good faith, without merit, without any legal basis, negligently and, possibly, in whole or in part, unlawfully.

10. Carefully Review the Acts of Look's Board and Management

The New Board of UBS will review the implications of what we regard as inadequate, incomplete, materially unreliable and often inconsistent disclosure in respect of the January 2009 Look Plan of Arrangement, the payment of subsequent "restructuring awards" and the since abandoned May 2010 Look Plan of Arrangement.

11. Distribute Cash and Complete the Final Wind-up of Look

The New Board of UBS will actively pursue and provide oversight of Look's final wind-up and distribution of cash to Look shareholders, including UBS, having regard to UBS' best interests as

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a Look shareholder, including the need for UBS and Look to pursue recoveries and possibly other claims for damages prior to the wind-up of Look.

MATTERS TO BE ACTED ON

1. Removal of Incumbent Directors as Directors of UBS

The Current Board of UBS is comprised of the following three Incumbent Directors: Gerald McGoey, Douglas Reeson and Louis Mitrovitch. At the Meeting, shareholders will be asked to consider a resolution to remove the Incumbent Directors (Gerald McGoey, Douglas Reeson and Louis Mitrovitch) as directors of UBS. In order for such resolution to be passed, it must be approved by a simple majority of the votes cast by UBS shareholders in person or by proxy at the Meeting on such resolution.

The Concerned Shareholders recommend that the shareholders of UBS vote FOR the removal of the Incumbent Directors (Gerald McGoey, Douglas Reeson and Louis Mitrovitch), as directors of UBS. Unless otherwise directed, the individuals named in the enclosed YELLOW form of proxy intend to cast the votes represented by such proxy FOR the foregoing resolution.

2. Election of Concerned Shareholders' Nominees as Directors of UBS

The Concerned Shareholders propose to nominate the individuals set out below for election at the Meeting as directors of UBS. Each of these nominees, if elected, will hold office until the close of the next annual meeting of shareholders of UBS or until his successor is elected or appointed, unless his office is earlier vacated. The following table contains certain information concerning the Concerned Shareholders' Nominees, including their location of residence, their principal occupation or employment during the last five years and the number of UBS common shares that each beneficially owns, controls or directs. Unless otherwise noted, the current occupation of each the Concerned Shareholders' Nominees has been their occupation for the past five years.

Name of Nominee and City of Residence	Principal Occupation for Past Five Years	Number of UBS Common Shares Beneficially Owned, Controlled, or Directed ¹
Robert Ulicki ² Toronto, ON	President, Clareste Wealth Management Inc.	1,233,000
Grant McCutcheon ² Toronto, ON	Former Principal, Lawrence & Company Inc.	107,000
Henry Eaton ² Toronto, ON	Principal, NPV Associates	48,000

Notes:

1. The information as to shares beneficially owned or over which control or direction is exercised has been furnished by the respective nominees.
2. Messrs. Ulicki, Eaton and McCutcheon shall each sit on the Company's Audit Committee and Nomination, HR and Compensation Committee.

Further background information with respect to these nominees is set forth below:

Robert Ulicki. Mr. Ulicki has held numerous positions of influence and responsibility in the financial services industry during the past 25 years. In 1986, Mr. Ulicki started his career at Canadian

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Bond Rating Service, where he established a comprehensive understanding of credit analysis. He successfully identified numerous companies prior to them experiencing a significant deterioration in credit metrics. From 1992 to 1999, Mr. Ulicki worked at BMO Nesbitt Burns, where he co-managed a leveraged proprietary investment portfolio. His efforts were primarily focused on identifying securities of highly levered or distressed companies that offered the best risk/reward trade-off. He successfully negotiated the final creditor settlement of Canadian Insurance Group Limited. During 2000-2001, Mr. Ulicki left the financial services industry and co-founded FirstMove, an e-commerce company that utilized web-based architecture to distribute investment research on a real-time basis. Since 2004, Mr. Ulicki has been President of Clareste Wealth Management Inc., a portfolio manager. He currently manages a pooled fund, Clareste L.P., as well as private client portfolios. His investment focus is value situations, capital arbitrage and restructurings. He participated in the debt restructuring of Stelco and Saskatchewan Wheat Pool and was a member of Air Canada's bondholders committee. In addition, he was nominated as a board member of Rural Cellular Corporation to represent the interests of Senior Preferred Shareholders. Mr. Ulicki has a Bachelor of Commerce degree from McGill University and holds a Chartered Financial Analyst designation.

James Grant McCutcheon. Mr. McCutcheon has over twenty years of experience in corporate/securities law and capital markets having trained and worked as a lawyer, as well as having been a founding partner, director and senior executive of Lawrence & Company Inc. a merchant bank and family of investment management companies active in private equity, venture capital, and regulated investment funds from 1995 to 2009. He has more than 14 years of experience and resultant understanding of all aspects of investment management operations in Ontario, including venture capital, private equity and public markets. This has included serving on numerous public and private company boards, audit and compensation committees, working closely with legal advisors and the regulatory framework for public companies. Mr. McCutcheon has a strong and practical working knowledge of corporate governance and securities regulatory regimes gained through direct participation as a director and in the design of public company governance regimes as well as compliance regimes for regulated investment management companies. Mr. McCutcheon practiced corporate and securities law in Toronto with the predecessor of Fasken Martineau DuMoulin LLP, a major Canadian law firm, from 1989 to 1992 and has also worked in the securities and trust industries. Mr. McCutcheon received his Master of Business Administration from the American Graduate School of International Business (Thunderbird), Phoenix, AZ. Mr. McCutcheon is also a Director of the Toronto Police Services Pro Action Cops & Kids Program.

Henry Eaton. Mr. Eaton has been a principal of NPV Associates, a Toronto based private equity and consulting company since 2001. His experience in corporate matters in the technology sector is extensive, including assisting in the restructuring and subsequent sale of MGI Software Corp. He has acted as an advisor to Canadian based technology funds, taking an active role with investee companies in addressing their challenges and need for reorganization. He has sat on the boards of Momentum Advanced Solutions Inc. (TSX) and My Thum Interactive and served on the audit and compensation committees of both organizations. From 1991 to 2001, Mr. Eaton worked for CTV Inc., a large Canadian Media company, including as a senior officer responsible for all new media related businesses and investments, including managing the relationship with Look Communications. He also worked as an Associate at Gordon & Young, the real estate division of Gordon Capital Corporation, a Canadian based Investment Bank, from 1988 to 1994. He received his Master of Business Administration in 1988 from the University of Western Ontario's Ivey Business School.

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None of the Concerned Shareholders' Nominees has been or is currently a director of UBS nor held any other position or office with UBS or any of its affiliates. Each of the Concerned Shareholders' Nominees is a resident Canadian.

Each of the Concerned Shareholders' Nominees has consented to being named as a nominee in this Circular. The Concerned Shareholders do not expect that any of the Concerned Shareholders' Nominees will be unable to stand for election to the Board of Directors of UBS or to serve as a director if elected. In the event that a vacancy in the slate of the Concerned Shareholders' Nominees should occur, the Concerned Shareholders may appoint a substitute candidate selected by them and reserve the right to vote for another nominee(s) at their discretion.

Our representatives named in the enclosed YELLOW form of proxy intend to cast the votes represented by such proxy FOR the election of the above-noted nominees, unless you direct that the shares represented thereby be withheld from voting.

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

To the knowledge of the Concerned Shareholders, none of the Concerned Shareholders' Nominees (or a personal holding company of such person) (a) is or has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; (b) is or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to vote for the proposed director; (c) is or has been in the last ten years, a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity, (i) was subject to a cease trade order or similar order or an order that denied an issuer access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to a cease trade order or similar order or an order that denied an issuer access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; (d) is or has been in the last ten years, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (e) has in the last ten years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

CONTRACTS OR ARRANGEMENTS IN CONNECTION WITH UBS

Each of the Concerned Shareholders and Concerned Shareholder's Nominees intends to vote FOR the removal of the Incumbent Directors and FOR the election of the Concerned Shareholders' Nominees. Other than the foregoing, to the knowledge of the Concerned Shareholders, none of the Concerned Shareholders (including any directors or officers thereof), the Concerned Shareholders' Nominees nor their respective associates or affiliates (a) is or was within the preceding year a party to a

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contract, arrangement or understanding with any person in respect of securities of UBS, including joint ventures, loan or option arrangements, puts or calls, guarantees against loss or guarantees of profit, division of losses or profits or the giving or withholding of proxies; or (b) has any contract, arrangement or understanding with another person with respect to appointment as a director or future employment by UBS or any of its affiliates, or future transactions to which UBS or any of its affiliates will or may be a party.

INTERESTS IN THE MATTERS TO BE ACTED UPON AT THE MEETING

To the knowledge of the Concerned Shareholders, the only matters to be acted upon at the Meeting are removing the Incumbent Directors (Gerald McGoe, Douglas Reeson and Louis Mitrovitch) and electing the Concerned Shareholders' Nominees. None of the Concerned Shareholders (including any directors or officers thereof), the Concerned Shareholders' Nominees nor any of their respective associates or affiliates has any material interest in the matters to be acted upon at the Meeting, other than the removal of the Incumbent Directors and the election of the Concerned Shareholders' Nominees.

INTEREST IN MATERIAL TRANSACTIONS OF UBS

To the knowledge of the Concerned Shareholders, none of the Concerned Shareholders (including any directors or officers thereof) and the Concerned Shareholders' Nominees nor their respective associates or affiliates has had a material interest, direct or indirect, in any transaction since the beginning of UBS' last completed financial year or in any proposed transaction that has materially affected or will materially affect UBS or any of its affiliates.

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GENERAL PROXY INFORMATION

This Circular is furnished by the Concerned Shareholders in connection with the solicitation by them and on their behalf of proxies for use at the Meeting to be held at 8250 Lawson Road, Milton, Ontario L9T 5C6 on July 5, 2010 at 9:00 a.m. (Toronto time), and at any adjournment(s) or postponement(s) thereof.

Proxies may be solicited by mail, telephone, fax, e-mail or other electronic means and in person, as well as by newspaper or other media advertising. Kingsdale Shareholder Services Inc. ("**Kingsdale**") has been engaged to assist the Concerned Shareholders in soliciting proxies. For their proxy solicitation and information agent services, Kingsdale will receive a fee of approximately \$60,000. The costs incurred in the preparation and mailing of this Circular and the solicitation will be borne by the Concerned Shareholders. However, the Concerned Shareholders intend to seek reimbursement from UBS of its out-of-pocket expenses, including proxy solicitation expenses and legal fees, incurred in connection with the Meeting.

No person is authorized to give information or to make any representations other than those contained in this Circular and, if given or made, such information or representations must not be relied upon as having been authorized to be given or made.

Record Date and Voting Shares

The record date for the Meeting is May 19, 2010 (the "**Record Date**"). Each shareholder is entitled to one vote for each UBS common share registered in his, or her or its name as of the close of business on the Record Date. According to the information provided to the Concerned Shareholders by the registrar and transfer agent of UBS, as at the Record Date, 102,747,854 UBS common shares were issued and outstanding.

Appointment and Revocation of Proxies

The Concerned Shareholders' representatives named as proxy holders in the enclosed **YELLOW** form of proxy are Robert Ulicki and Henry Eaton. A later dated form of proxy revokes any and all prior proxies given by you in connection with the Meeting.

Shareholders should carefully complete and sign their **YELLOW** proxies in accordance with the instructions contained in this Circular and on the **YELLOW** proxy in order to ensure that their **YELLOW** proxies can be used at the Meeting. Completed and executed **YELLOW** proxies should be returned in accordance with the instructions on the **YELLOW** form of proxy.

IN ORDER TO BE VOTED AT THE SPECIAL MEETING, YOUR YELLOW PROXY MUST BE RETURNED PRIOR TO 5:00 P.M. (TORONTO TIME) ON JUNE 29, 2010. HOWEVER, IF YOU CANNOT MEET THIS DEADLINE, WE RECOMMEND THAT YOU FAX YOUR YELLOW PROXY TO KINGSDALE AT 1-866-545-5580/416-867-2271 IN ANY EVENT. FOR ASSISTANCE, PLEASE CALL KINGSDALE SHAREHOLDER SERVICES INC. AT 1-866-879-7650.

If you have already given a proxy (including a management form of proxy), you have the right to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by that proxy, in accordance with Section 110(4) of the *Business Corporations Act* (Ontario). You may do

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so: (a) by depositing a properly executed instrument in writing revoking the proxy executed by you (or by an attorney who is authorized by a document that is signed in writing or by electronic signature) or by transmitting, by telephonic or electronic means, a revocation that is properly executed by electronic signature (i) at the registered office of UBS, 8250 Lawson Road, Milton, Ontario L9T 5C6, at any time up to and including the business day immediately preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; or (b) in any other manner permitted by law.

**USE ONLY THE ENCLOSED YELLOW FORM OF PROXY TO VOTE
YOUR SHARES FOR THE REMOVAL OF THE INCUMBENT DIRECTORS AND FOR
THE ELECTION OF THE CONCERNED SHAREHOLDERS' NOMINEES.**

**PLEASE DISCARD ANY PROXY YOU MAY RECEIVE
FROM THE MANAGEMENT OF UBS.**

**FOR ASSISTANCE, PLEASE CALL:
KINGSDALE SHAREHOLDER SERVICES INC.
TOLL-FREE AT 1-866-879-7650**

Exercise of Discretion

The UBS common shares represented by the enclosed YELLOW form of proxy will be voted for, against or withheld from voting, as applicable, with respect to the UBS common shares represented thereby in accordance with your instructions as indicated on the YELLOW form of proxy and, if you specify a choice with respect to any matter to be acted upon, your UBS common shares will be voted accordingly, including on any ballot that may be called for at the Meeting or any adjournment(s) or postponement(s) thereof.

In the absence of such specification, UBS common shares represented by the enclosed YELLOW form of proxy will be voted FOR removing the Incumbent Directors (Gerald McGoe, Douglas Reeson and Louis Mitrovitch), as directors of UBS and FOR the election of the Concerned Shareholders' Nominees as directors of UBS. The person appointed under the YELLOW form of proxy is conferred with discretionary authority (which they will exercise in accordance with their best judgment) with respect to amendments or variations of those matters specified in the YELLOW form of proxy, including any amendments or variations to the foregoing matters by management or other shareholders, and with respect to any other matters which may properly be brought before the Meeting or any adjournment(s) or postponement(s) thereof. The Concerned Shareholders are not currently aware of any such amendment, variation or other matters to be brought before the Meeting.

Registered UBS Shareholders

If you are a registered shareholder of UBS, meaning your UBS common shares are held by you directly and not by your broker or other intermediary, you are a "registered shareholder." You should follow the procedures set out in the enclosed YELLOW form of proxy and as set out below. Any later dated YELLOW form of proxy will automatically revoke the proxy that you have previously submitted.

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In order to vote **"FOR"** the Concerned Shareholders' Nominees, you should do the following:

1. Complete the **YELLOW** form of proxy enclosed by marking **"VOTE FOR"** with respect to removing the Incumbent Directors (Gerald McGoey, Douglas Reeson and Louis Mitrovitch) as directors of UBS and **"VOTE FOR"** with respect to the election of the Concerned Shareholders' Nominees (Robert Ulicki, Grant McCutcheon and Henry Eaton), as outlined on the **YELLOW** form of proxy;
2. Sign and date the **YELLOW** form of proxy and fax it back to the number indicated on the **YELLOW** form of proxy. **In order to ensure that your vote is returned prior to the deadline, we recommend that you return your proxy to the offices of KINGSDALE SHAREHOLDER SERVICES INC. Attention: Proxy Department, at 130 King Street West, Suite 2950, P.O. Box 361, Toronto, Ontario, M5X 1E2 or by fax to 416-867-2271 or toll-free 1-866-545-5580 no later than 5:00 p.m. (Toronto Time) on Tuesday, June 29, 2010.**

A registered shareholder has the right to appoint a person, who need not be a shareholder of UBS, other than the persons named in the **YELLOW** form of proxy accompanying this Circular, as proxyholder to attend and act for and on behalf of such shareholder at the Meeting and may exercise such right by striking out the names of the persons named in the **YELLOW** form of proxy and inserting the name of the person to be appointed as proxyholder in the blank space provided on the **YELLOW** form of proxy.

Beneficial UBS Shareholders

If your UBS common shares are held in a brokerage account or otherwise through an intermediary you are a "beneficial shareholder" and a Voting Instruction Form was mailed to you with this package. Only vote your **YELLOW** Voting Instruction Form as follows:

Canadian Shareholders:

Visit www.proxyvote.com and enter your 12 digit control number or call **1-800-474-7493** or fax your Voting Instruction Form to **905-507-7793** or toll free at **1-866-623-5305** in order to ensure that it is received before the deadline.

U.S. Shareholders:

Visit www.proxyvote.com and enter your 12 digit control number or call **1-800-454-8683**.

VOTING SECURITIES AND PRINCIPAL SHAREHOLDERS OF UBS

To the knowledge of the Concerned Shareholders, UBS only has one class of shares outstanding, common shares, of which 102,747,854 UBS common shares are outstanding as of the Record Date according to information provided to the Concerned Shareholders by the registrar and transfer agent of UBS. The holders of UBS common shares are entitled to receive notice of and attend all meetings of the shareholders of UBS and cast one vote for each share held at all meetings of the shareholders of UBS, except meetings at which only holders of another specified class or series of shares of UBS are entitled to vote separately as a class or series.

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As of the date of this Circular, to the knowledge of the Concerned Shareholders, no person beneficially owns, or exercises control or direction over, more than 10% of the issued and outstanding UBS common shares, except as set out below.

Name of Shareholder	Approximate Number of UBS Common Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised	Percentage of Outstanding UBS Common Shares Represented
Alex Dolgonos	20,432,763 ¹	19.89%

¹ Based exclusively on information provided in the UBS management information circular dated May 30, 2010 without any independent verification by the Concerned Shareholders.

ADDITIONAL INFORMATION

Additional information can be found at the Concerned Shareholders' website at www.saveUBS.com. Information on this website does not form part of this Circular and is not in any way incorporated by reference herein. Information concerning UBS, including UBS' interim financial statements and management's discussion and analysis, is available for review under UBS' profile on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Except as disclosed herein, information regarding executive compensation, management contracts, securities authorized for issuance under equity compensation plans, indebtedness of directors and executive officers and interest of informed persons in material transactions of UBS is not known to the Concerned Shareholders and is not reasonably within the power of the Concerned Shareholders to obtain.

CERTIFICATE

Information contained herein, unless otherwise indicated, is given as of the date hereof. The contents and sending of this Circular has been approved by Clareste Wealth Management Inc. on behalf of, and with the authority of, each of the Concerned Shareholders.

June 3, 2010

CLARESTE WEALTH MANAGEMENT INC.

"Robert Ulicki"

Robert Ulicki
President

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**APPENDIX A -
ADDITIONAL INFORMATION REGARDING THE CONCERNED SHAREHOLDERS**

The Concerned Shareholders organized to propose the election of a new Board of Directors. The only members of the Concerned Shareholders who are contributing more than \$250 or actively participating in the solicitation of proxies are Clareste Wealth Management Inc., Vince Valentini, Grant McCutcheon, Stephen Rosen, George Tazbaz and Arthur Silber. Each of the foregoing persons (including their respective directors or officers, as applicable) has become involved as a Concerned Shareholder as a result of dissatisfaction over actions taken by, and compensation awarded to, your Current Board and management of UBS. Details of such concerns are outlined in the Circular. Certain information required to be disclosed about the Concerned Shareholders pursuant to the *Business Corporations Act* (Ontario) is set forth below.

Name of Concerned Shareholder and City of Residence	Principal Occupation for Past Five Years	Number of Common Shares of UBS Beneficially Owned, Controlled or Directed
Clareste Wealth Management Inc. Toronto, ON	Portfolio Manager	1,233,000 ¹
Vince Valentini Oakville, ON	Financial Analyst, TD Securities Inc.	395,000
Grant McCutcheon Toronto, ON	Former Principal, Lawrence & Company Inc., merchant bank	107,000
Stephen Rosen Thornhill, ON	Principal, Stephen Rosen Consulting, management consulting	4,041,500
George Tazbaz Oakville, ON	President, Tazbaz Holdings Limited, investment company	1,382,500 ²
Arthur Silber Montreal, QC	Investor, CIBC Wood Gundy	1,934,000

¹ Represents UBS common shares owned by Clareste L.P., a limited partnership managed by Clareste Wealth Management Inc.

² Includes UBS common shares owned, controlled or directed by Mr. Tazbaz and his associates and affiliates.

The following table sets out certain information regarding the directors and officers of Clareste Wealth Management Inc.:

Name of Director and Officer	Position with Clareste Wealth Management Inc.	Number of UBS Common Shares of Beneficially Owned, Controlled or Directed by Individual
Robert Ulicki, Toronto, ON	President and Director	nil

None of the Concerned Shareholders nor Mr. Robert Ulicki is or has been a dissident within the meaning of the *Business Corporations Act* (Ontario) within the preceding ten years except with respect to the Meeting.

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Set out below are details of all purchases and sales of UBS common shares that have been made by the Concerned Shareholders and/or their associates and affiliates since June 3, 2008.

Name	Date	Buy/Sell	Quantity of Shares	Price per Share
Clareste Wealth Management Inc.	September 30, 2009	Buy	442,000	\$0.15
Clareste Wealth Management Inc.	December 30, 2009	Buy	289,000	\$0.10
Clareste Wealth Management Inc.	April 9, 2010	Buy	502,000	\$0.08
James Grant McCutcheon	April 14, 2010	Buy	5,515	\$0.095
James Grant McCutcheon	April 14, 2010	Buy	1,890	\$0.09
James Grant McCutcheon	April 16, 2010	Buy	29,000	\$0.09
Arthur Silber	October 9, 2009	Buy	50,000	\$0.14
Arthur Silber	October 30, 2009	Buy	1,500	\$0.12
Arthur Silber	November 2, 2009	Buy	25,500	\$0.12
Arthur Silber	November 3, 2009	Buy	22,500	\$0.12
Arthur Silber	November 4, 2009	Buy	50,500	\$0.12
Arthur Silber	November 16, 2009	Buy	5,000	\$0.11
Arthur Silber	December 2, 2009	Buy	94,500	\$0.108
Arthur Silber	December 4, 2009	Buy	1,000	\$0.105
Arthur Silber	March 5, 2010	Buy	89,000	\$0.098
Arthur Silber	March 8, 2010	Buy	121,000	\$0.10
Arthur Silber	March 9, 2010	Buy	29,000	\$0.10
Arthur Silber	March 15, 2010	Buy	101,000	\$0.10
Arthur Silber	March 16, 2010	Buy	1,000	\$0.09
Arthur Silber	March 17, 2010	Buy	1,000	\$0.09
Arthur Silber	March 18, 2010	Buy	16,000	\$0.09
Arthur Silber	April 13, 2010	Buy	98,000	\$0.09
Arthur Silber	April 14, 2010	Buy	50,000	\$0.09
Arthur Silber	April 15, 2010	Buy	35,000	\$0.09
Arthur Silber	April 16, 2010	Buy	66,000	\$0.09
Arthur Silber	April 19, 2010	Buy	3,000	\$0.09
Arthur Silber	April 19, 2010	Buy	79,000	\$0.094

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Toll Free: 1-866-879-7650 or e-mail contactus@kingsdaleshareholder.com*

TIME IS EXTREMELY SHORT- VOTE YOUR YELLOW PROXY TODAY

Name	Date	Buy/Sell	Quantity of Shares	Price per Share
Arthur Silber	April 20, 2010	Buy	1,000	\$0.09
Arthur Silber	April 28, 2010	Buy	3,500	\$0.09
Arthur Silber	April 29, 2010	Buy	4,500	\$0.095
Arthur Silber	April 30, 2010	Buy	192,000	\$0.095
Arthur Silber	May 6, 2010	Buy	100,000	\$0.095
Arthur Silber	May 12, 2010	Buy	23,000	\$0.10
Arthur Silber	May 12, 2010	Buy	109,000	\$0.104
Arthur Silber	May 13, 2010	Buy	561,500	\$0.10
George Tazbaz	March 16, 2009	Buy	5,000	\$0.21
George Tazbaz	March 17, 2009	Buy	1,000	\$0.19
George Tazbaz	March 18, 2009	Buy	19,000	\$0.19
George Tazbaz	May 8, 2009	Buy	9,000	\$0.16
George Tazbaz	June 23, 2009	Buy	7,500	\$0.175
George Tazbaz	June 23, 2009	Buy	15,000	\$0.175
George Tazbaz	June 23, 2009	Buy	25,000	\$0.175
George Tazbaz	June 24, 2009	Buy	4,500	\$0.175
George Tazbaz	June 24, 2009	Buy	70,000	\$0.19
George Tazbaz	June 25, 2009	Buy	35,000	\$0.18
George Tazbaz	June 25, 2009	Buy	33,000	\$0.175
Vince Valentini	May 11, 2009	Buy	250,000	\$0.14
Vince Valentini	July 18, 2009	Buy	115,000	\$0.175
Vince Valentini	July 27, 2009	Buy	30,000	\$0.157
Stephen Rosen	June 3, 2008	Sell	3,400	\$0.34
Stephen Rosen	June 4, 2008	Sell	5,000	\$0.35
Stephen Rosen	June 5, 2008	Sell	6,000	\$0.37
Stephen Rosen	June 9, 2008	Sell	5,000	\$0.37
Stephen Rosen	June 10, 2008	Sell	18,130	\$0.39
Stephen Rosen	June 11, 2008	Sell	25,500	\$0.53
Stephen Rosen	August 5, 2008	Sell	5,000	\$0.42
Stephen Rosen	August 7, 2008	Sell	6,500	\$0.415
Stephen Rosen	August 8, 2008	Sell	10,000	\$0.40

*If you have any questions and/or need assistance in voting your shares, please call Kingsdale Shareholder Services Inc.
Toll Free: 1-866-879-7650 or e-mail contactus@kingsdaleshareholder.com*

TIME IS EXTREMELY SHORT- VOTE YOUR YELLOW PROXY TODAY

Name	Date	Buy/Sell	Quantity of Shares	Price per Share
Stephen Rosen	August 27, 2008	Sell	9,000	\$0.325
Stephen Rosen	September 9, 2008	Sell	11,000	\$0.32
Stephen Rosen	October 3, 2008	Sell	45,000	\$0.15
Stephen Rosen	October 6, 2008	Sell	10,000	\$0.16
Stephen Rosen	October 8, 2008	Sell	10,000	\$0.17
Stephen Rosen	October 15, 2008	Sell	23,000	\$0.165
Stephen Rosen	November 3, 2008	Sell	2,000	\$0.15
Stephen Rosen	November 6, 2008	Sell	44,500	\$0.18
Stephen Rosen	November 14, 2008	Sell	10,000	\$0.175
Stephen Rosen	November 17, 2008	Sell	10,000	\$0.17
Stephen Rosen	November 18, 2008	Sell	10,000	\$0.165
Stephen Rosen	November 21, 2008	Sell	3,000	\$0.23
Stephen Rosen	December 2, 2008	Sell	6,000	\$0.155
Stephen Rosen	December 5, 2008	Sell	45,000	\$0.21
Stephen Rosen	December 8, 2008	Sell	47,500	\$0.32
Stephen Rosen	January 26, 2009	Sell	10,000	\$0.40
Stephen Rosen	January 27, 2009	Sell	7,500	\$0.40
Stephen Rosen	January 28, 2009	Sell	10,000	\$0.405
Stephen Rosen	January 29, 2009	Sell	10,000	\$0.405
Stephen Rosen	February 2, 2009	Sell	10,000	\$0.41
Stephen Rosen	February 10, 2009	Sell	30,000	\$0.425
Stephen Rosen	February 11, 2009	Sell	10,000	\$0.50
Stephen Rosen	February 12, 2009	Sell	5,000	\$0.525
Stephen Rosen	February 17, 2009	Sell	20,000	\$0.42
Stephen Rosen	February 18, 2009	Sell	10,000	\$0.43
Stephen Rosen	February 19, 2009	Sell	10,000	\$0.40
Stephen Rosen	March 12, 2009	Sell	10,000	\$0.26
Stephen Rosen	March 13, 2009	Sell	10,000	\$0.20
Stephen Rosen	March 16, 2009	Sell	20,000	\$0.20
Stephen Rosen	March 17, 2009	Sell	2,000	\$0.21
Stephen Rosen	March 20, 2009	Sell	10,000	\$0.21

*If you have any questions and/or need assistance in voting your shares, please call Kingsdale Shareholder Services Inc.
Toll Free: 1-866-879-7650 or e-mail contutctus@kingsdaleshareholder.com*

TIME IS EXTREMELY SHORT- VOTE YOUR YELLOW PROXY TODAY

Name	Date	Buy/Sell	Quantity of Shares	Price per Share
Stephen Rosen	March 23, 2009	Sell	10,000	\$0.215
Stephen Rosen	March 24, 2009	Sell	10,000	\$0.21
Stephen Rosen	March 30, 2009	Sell	10,000	\$0.20
Stephen Rosen	March 31, 2009	Sell	9,500	\$0.21
Stephen Rosen	April 2, 2009	Sell	9,000	\$0.21
Stephen Rosen	April 8, 2009	Sell	10,000	\$0.21
Stephen Rosen	April 13, 2009	Sell	10,000	\$0.21
Stephen Rosen	April 20, 2009	Sell	10,000	\$0.215
Stephen Rosen	April 24, 2009	Sell	8,000	\$0.205
Stephen Rosen	July 7, 2009	Sell	20,000	\$0.17
Stephen Rosen	July 10, 2009	Sell	50,000	\$0.165
Stephen Rosen	July 16, 2009	Sell	20,000	\$0.175
Stephen Rosen	September 17, 2009	Sell	30,000	\$0.16
Stephen Rosen	September 22, 2009	Sell	25,000	\$0.16
Stephen Rosen	September 24, 2009	Sell	15,000	\$0.15
Stephen Rosen	September 25, 2009	Sell	20,000	\$0.165
Stephen Rosen	October 1, 2009	Sell	20,000	\$0.15
Stephen Rosen	October 2, 2009	Sell	13,000	\$0.15
Stephen Rosen	October 5, 2009	Sell	14,000	\$0.145
Stephen Rosen	October 8, 2009	Sell	20,000	\$0.14
Stephen Rosen	October 15, 2009	Sell	20,000	\$0.14
Stephen Rosen	October 20, 2009	Sell	10,000	\$0.14
Stephen Rosen	October 28, 2009	Sell	20,000	\$0.13
Stephen Rosen	October 29, 2009	Sell	20,000	\$0.125
Stephen Rosen	November 2, 2009	Sell	40,000	\$0.125
Stephen Rosen	November 5, 2009	Sell	20,000	\$0.12
Stephen Rosen	November 6, 2009	Sell	20,000	\$0.12
Stephen Rosen	November 9, 2009	Sell	20,000	\$0.12
Stephen Rosen	November 10, 2009	Sell	3,000	\$0.13
Stephen Rosen	November 17, 2009	Sell	3,500	\$0.12
Stephen Rosen	November 23, 2009	Sell	20,000	\$0.13

*If you have any questions and/or need assistance in voting your shares, please call Kingsdale Shareholder Services Inc.
Toll Free: 1-866-879-7650 or e-mail contactus@kingsdaleshareholder.com*

TIME IS EXTREMELY SHORT- VOTE YOUR YELLOW PROXY TODAY

Name	Date	Buy/Sell	Quantity of Shares	Price per Share
Stephen Rosen	November 25, 2009	Sell	12,500	\$0.12
Stephen Rosen	December 11, 2009	Sell	20,000	\$0.115
Stephen Rosen	December 17, 2009	Sell	20,000	\$0.105
Stephen Rosen	December 23, 2009	Sell	20,000	\$0.105
Stephen Rosen	December 24, 2009	Sell	40,000	\$0.1025
Stephen Rosen	December 31, 2009	Sell	10,000	\$0.105

No part of the purchase price or market value of any of the UBS common shares purchased by the Concerned Shareholders in the preceding two years is represented by funds borrowed other than by a bank, broker or dealer acting in the ordinary course of business.

*If you have any questions and/or need assistance in voting your shares, please call Kingsdale Shareholder Services Inc.
Toll Free: 1-866-879-7650 or e-mail contactus@kingsdaleshareholder.com*

TIME IS EXTREMELY SHORT- VOTE YOUR YELLOW PROXY TODAY

HOW TO CAST YOUR VOTE IN SUPPORT OF THE CONCERNED SHAREHOLDERS

PROTECT YOUR INVESTMENT BY VOTING YOUR YELLOW PROXY VOTING INSTRUCTIONS

BENEFICIAL SHAREHOLDERS

If your UBS common shares are held in a brokerage account or otherwise through an intermediary you are a "beneficial shareholder" and a Voting Instruction Form was mailed to you with this package. Only vote your YELLOW Voting Instruction Form as follows:

Canadian Shareholders:

Visit www.proxyvote.com and enter your 12 digit control number or call 1-800-474-7493 or fax your Voting Instruction Form to 905-507-7793 or toll free at 1-866-623-5305 in order to ensure that it is received before the deadline.

U.S. Shareholders:

Visit www.proxyvote.com and enter your 12 digit control number or call 1-800-454-8683.

REGISTERED SHAREHOLDERS

If your UBS common shares are held in your own name, you are a "registered shareholder" and must submit your proxy in the postage paid envelope in sufficient time to ensure your votes are received by the offices of **KINGSDALE SHAREHOLDER SERVICES INC. Attention: Proxy Department, at 130 King Street West, Suite 2950, P.O. Box 361, Toronto, Ontario, Canada M5X 1E2** or by fax to 416-867-2271 or toll-free 1-866-545-5580 no later than 5:00 p.m. (Toronto Time) on Tuesday, June 29, 2010.

**TIME IS OF THE ESSENCE — PLEASE DISCARD ANY PROXY YOU MAY HAVE RECEIVED FROM
THE MANAGEMENT OF UBS**

**VOTE YOUR YELLOW PROXY BY TELEPHONE OR VIA THE
INTERNET, FAX OR MAIL YOUR PROXY IN ORDER FOR IT TO BE
RECEIVED BY THE DEADLINE**

**PROXIES MUST BE RECEIVED NO LATER THAN TUESDAY, JUNE 29, 2010 AT
5:00 P.M. (TORONTO TIME)**

PLEASE ENSURE THAT YOU SIGN AND DATE THE PROXY

QUESTIONS ON VOTING YOUR PROXY PLEASE CALL:



Telephone Toll Free: 1-866-879-7650
Toll Free Fax: 1-866-545-5580
Outside North America Call Collect: 1-416-867-2272

*If you have any questions and/or need assistance in voting your shares, please call Kingsdale Shareholder Services Inc.
Toll Free: 1-866-879-7650 or e-mail contactus@kingsdaleshareholder.com*

TIME IS EXTREMELY SHORT- VOTE YOUR YELLOW PROXY TODAY

Any questions and requests for assistance may be directed to the
Proxy Solicitation Agent:



The Exchange Tower
130 King Street West, Suite 2950, P.O. Box 361
Toronto, Ontario
M5X 1E2

North American Toll Free Phone:

1-866-879-7650

Email: contactus@kingsdaleshareholder.com

Facsimile: 416-867-2271

Toll Free Facsimile: 1-866-545-5580

Outside North America, Banks and Brokers Call Collect: 416-867-2272

*If you have any questions and/or need assistance in voting your shares, please call Kingsdale Shareholder Services Inc.
Toll Free: 1-866-879-7650 or e-mail contactus@kingsdaleshareholder.com*

TIME IS EXTREMELY SHORT- VOTE YOUR YELLOW PROXY TODAY

IMPORTANT INFORMATION IS ENCLOSED

PLEASE READ AND VOTE YOUR BLUE PROXY FORM TODAY

These materials are important and require your immediate attention. They require shareholders of Unique Broadband Systems, Inc. to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal or other professional advisors. If you have any questions or require more information with regard to voting your shares of Unique Broadband Systems, Inc., please contact Georgeson Shareholder Communications Canada Inc. toll free at 1-866-676-3029.



UNIQUE BROADBAND SYSTEMS, INC.

**NOTICE OF MEETING AND
MANAGEMENT INFORMATION CIRCULAR**

for a

SPECIAL MEETING OF SHAREHOLDERS

to be held on July 5, 2010

Your Board of Directors unanimously recommends that you VOTE AGAINST the resolution proposed by a shareholder to remove the incumbent directors from office.

This Management Information Circular solicits BLUE Proxies

May 30, 2010

YOUR VOTE IS IMPORTANT. VOTE ONLY THE BLUE PROXY.

For questions or assistance, please call Georgeson, 1-866-676-3029

If you have any questions or need assistance in completing
or returning the enclosed **BLUE** proxy form or **BLUE** voting instruction form, please call:

Georgeson

North American Toll Free Number: 1-866-676-3029

PLEASE READ CAREFULLY:

This Management Information Circular is provided in connection with a special meeting of shareholders that has been called by Unique Broadband Systems, Inc. ("UBS") in response to a requisition received from an unidentified beneficial shareholder.

There are a number of important matters that each shareholder should carefully consider in connection with the special meeting.

The Board of Directors of UBS unanimously recommends that shareholders:

VOTE AGAINST: **the resolution to remove from office the incumbent directors of UBS**

Your vote is extremely important. Please vote your shares.

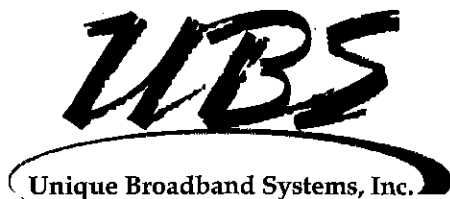
You should use the **BLUE** proxy form or **BLUE** voting instruction form for this special meeting.

**YOU MAY ALSO RECEIVE PROXY FORMS AND OTHER MATERIALS FROM THE REQUISITIONING
SHAREHOLDER.**

**PLEASE DISCARD SUCH MATERIALS AND USE ONLY THE
ACCOMPANYING **BLUE** PROXY FORM OR **BLUE** VOTING INSTRUCTION FORM.**

YOUR VOTE IS IMPORTANT. VOTE ONLY THE BLUE PROXY.

For questions or assistance, please call Georgeson, 1-866-676-3029



8250 Lawson Road, Milton, ON, L9T 5C6
Tel: (905) 660 8100 Fax: (905) 669-0785
Internet: www.uniquebroadband.com

May 30, 2010

Dear Shareholder:

The Board of Directors of Unique Broadband Systems, Inc. ("UBS") invites you to attend a special meeting of shareholders of UBS (the "**Meeting**") to be held at 9 a.m. on July 5, 2010 at UBS' head office, 8250 Lawson Road, Milton, Ontario L9T 5C6. The Meeting has been requisitioned by an unidentified beneficial shareholder of UBS for the purpose of removing the incumbent Board of Directors of UBS and replacing the Board with a slate of proposed directors whose names are to be provided to UBS by the unidentified requisitioning shareholder.

The Board of Directors of UBS unanimously recommends that you **VOTE AGAINST** the resolution to remove the three incumbent directors from office.

The Board of Directors makes this recommendation for the following reasons:

- the Board of Directors has managed UBS so as to maximize value for UBS shareholders
- the Board of Directors has secured cash flow for UBS through services provided to Look Communications Inc. ("**Look**"), of which UBS is the principal shareholder, under a Management Services Agreement
- the Board of Directors was recently re-elected by UBS shareholders, at the annual and special meeting held in February 2010
- the proposal from the requisitioning shareholder may result in expensive and protracted litigation and reduce or delay the distribution of available cash by Look
- the requisitioning shareholder wants control of UBS for no consideration or payment to UBS shareholders
- the requisitioning shareholder has not disclosed any business plan for UBS
- UBS has a strong and experienced Board of Directors
- the proposal from the requisitioning shareholder may result in a disruption of the business of Look
- the proposal from the requisitioning shareholder will trigger substantial payments under an existing services agreement entered into by UBS and may trigger additional substantial payments under other existing services and employment agreements entered into by UBS, thereby significantly reducing UBS' cash position
- UBS deplors the fact that the requisitioning shareholder has not acted in a transparent manner in requisitioning the Meeting, has chosen to remain anonymous, and has failed to provide the names of its nominees for election to the Board of Directors of the Corporation, despite formal written requests from UBS that it do so

We are enclosing a Notice of Special Meeting and Management Information Circular for the Meeting, as well as a **BLUE** proxy form or **BLUE** voting instruction form. We urge you to read the Management Information Circular carefully.

Your vote is important regardless of how many shares you own. We hope that you will be able to attend the Meeting or submit a proxy.

YOUR VOTE IS IMPORTANT. VOTE ONLY THE BLUE PROXY.

For questions or assistance, please call Georgeson, 1-866-676-3029

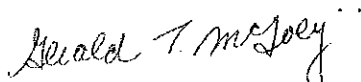
Whether or not you plan to attend the Meeting in person, if you are a registered shareholder, please vote by completing the enclosed **BLUE** proxy form and returning it in the envelope provided for this purpose or by following the procedures for Internet voting provided in the accompanying Management Information Circular. To be used at the Meeting, proxies must be received by our transfer agent, Equity Transfer & Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1 no later than 9:00 a.m. (Toronto time) on Wednesday, June 30, 2010.

If, like most shareholders, you hold shares through a broker, investment dealer, bank, trust company or other intermediary, you should follow the instructions provided by your intermediary and in the accompanying Management Information Circular and return the **BLUE** voting instruction form, to ensure that your vote is counted at the Meeting.

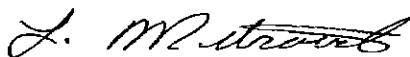
You will be asked to make an important decision at the Meeting. If you have any questions or require more information with regard to the Meeting, please contact Georgeson Shareholder Communications Canada Inc., UBS' proxy solicitation agent, at 1-866-676-3029.

The Board of Directors of UBS thanks you for your support.

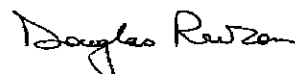
Yours very truly,



Gerald T. McGoey



Louis Mitrovich



Douglas Reeson

YOUR VOTE IS IMPORTANT. VOTE ONLY THE BLUE PROXY.

For questions or assistance, please call Georgeson, 1-866-676-3029

UNIQUE BROADBAND SYSTEMS, INC.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JULY 5, 2010

NOTICE IS HEREBY GIVEN THAT a special meeting of shareholders (the "Meeting") of Unique Broadband Systems, Inc. ("UBS") will be held:

Place: 8250 Lawson Road
Milton, Ontario
L9T 5C6

Date: July 5, 2010

Time: 9:00 a.m.

The purposes of the Meeting are:

1. to consider, and if deemed advisable adopt, with or without variation, an ordinary resolution to remove from office the current directors of UBS; and
2. if the foregoing resolution is adopted, to consider, and if deemed advisable adopt, with or without variation, an ordinary resolution to fill the vacancies created by the foregoing removal of directors of UBS by the election of a slate of proposed directors, whose names are to be provided to the Corporation by a requisitioning shareholder, to hold office until the close of the first annual meeting of shareholders following their election.


Items 1 and 2 are included pursuant to a request dated April 27, 2010 from a requisitioning beneficial shareholder or shareholders, whose identity is not known to the Corporation. The accompanying Management Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice.

If you are a registered shareholder and are unable to attend the Meeting in person, please exercise your right to vote by signing, dating and returning the enclosed **BLUE** proxy form with the UBS logo in the envelope provided or by following the procedures for Internet voting provided in the accompanying Management Information Circular. To be effective, **BLUE** proxy forms must be received no later than 9:00 a.m. (Toronto time) on Wednesday, June 30, 2010 by Equity Transfer & Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1. **Failure to properly complete and deposit a proxy form may result in its being invalid.** The time limit for deposit of proxies may be waived by UBS' Board of Directors at its discretion without notice.

If you are a non-registered shareholder and receive these materials through your broker or other intermediary, please complete and return the **BLUE** voting instruction form in accordance with the instructions provided to you by your broker or such other intermediary and in the accompanying Management Information Circular.

DATED at Toronto, Ontario
May 30, 2010

BY ORDER OF THE BOARD OF DIRECTORS



Malcolm Buxton-Forman
Secretary

YOUR VOTE IS IMPORTANT. VOTE ONLY THE BLUE PROXY.
For questions or assistance, please call Georgeson, 1-866-676-3029

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See Glossary of Terms for certain of the defined terms used in this Management Information Circular.

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

This Management Information Circular has been prepared in accordance with disclosure requirements in effect in Canada, which differ from disclosure requirements in the United States. The enforcement by investors of civil liabilities under United States federal securities laws may be affected adversely by the fact that UBS is incorporated under the laws of Ontario, that all of its officers and directors are residents of Canada, and that substantially all of the assets of UBS are located outside of the United States.

YOUR VOTE IS IMPORTANT. VOTE ONLY THE BLUE PROXY.

For questions or assistance, please call Georgeson, 1-866-676-3029

FORWARD-LOOKING STATEMENTS

The discussion of UBS' business in this Management Information Circular may include forward-looking information with respect to UBS, including its business and operations and strategies, as well as financial performance and conditions. These forward-looking statements and information include, among others, statements with respect to UBS' objectives and strategies to achieve those objectives, as well as statements with respect to UBS' beliefs, plans, expectations, anticipations, estimates, and intentions. When used in this Management Information Circular, the words "believe", "anticipate", "may", "should", "intend", "estimate", "expect", "project" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. These forward-looking statements and information are based on current expectations. UBS cautions that all forward-looking statements and information are inherently uncertain and actual results may differ materially from the assumptions, estimates or expectations reflected or contained in the forward-looking statements and information, and that actual future performance will be affected by a number of factors, including economic conditions and competitive factors, many of which are beyond UBS' control. New risks and uncertainties arise from time to time, and it is impossible for UBS to predict these events or the effect that they may have on UBS.

This may include, without limitation, statements based on current expectations involving a number of risks and uncertainties related to all aspects of the wireless communications, broadcast television and Internet services industries. These risks and uncertainties include, but are not restricted to: (i) the outcome of litigation, (ii) other risk factors related to UBS' business, and (iii) other risk factors related to UBS' industry. A more detailed discussion of factors that may affect actual results or cause actual results to differ materially from any conclusion, forecast or projection in these forward-looking statements and information is set out in UBS' Management's Discussion and Analysis for the fiscal year ended August 31, 2009.

Therefore, future events and results may vary significantly from those which UBS currently foresees. Readers are cautioned that the forward-looking statements and information made by UBS in this Management Information Circular are stated as of the date hereof, are subject to change after that date, are provided for the purposes of this Management Information Circular and may not be appropriate for other purposes. UBS is under no obligation to update or alter the forward-looking statements whether as a result of new information, future events or otherwise, except as required by National Instrument 51-102 *Continuous Disclosure Obligations*, and UBS expressly disclaims any other such obligation.

This Management Information Circular has been reviewed by UBS' Board of Directors and contains information that is current as of May 30, 2010. Events occurring after that date could render the information contained herein inaccurate or misleading in a material respect. Additional information about UBS is available under UBS' profile at www.sedar.com.

YOUR VOTE IS IMPORTANT. VOTE ONLY THE BLUE PROXY.

For questions or assistance, please call Georgeson, 1-866-676-3029

**UNIQUE BROADBAND SYSTEMS, INC.
MANAGEMENT INFORMATION CIRCULAR**

PART 1 - SOLICITATION OF PROXIES BY MANAGEMENT

This Management Information Circular (the "Circular") is furnished in connection with the solicitation by the management of Unique Broadband Systems, Inc. ("UBS" or the "Corporation") of proxies to be used at the special meeting of shareholders (the "Meeting") of the Corporation to be held at the time and place and for the purposes set out in the Notice of Meeting. It is expected that the solicitation will be made primarily by mail. Proxies may also be solicited personally, by telephone, e-mail or facsimile by regular employees of the Corporation, at nominal cost, or by agents of the Corporation hired for that purpose. Georgeson Shareholder Communications Canada Inc. is acting as soliciting agent for the Corporation to solicit proxies for the Meeting, for a base fee of \$50,000. The costs of such solicitation will be borne by the Corporation. This Circular is dated May 30, 2010 and the information contained herein is given as of that date, except where otherwise noted.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed **BLUE** proxy form are directors and/or officers of the Corporation. A shareholder has the right to appoint as his or her proxy a person or company, who need not be a shareholder, other than those whose names are printed on the accompanying **BLUE** proxy form. **A shareholder who wishes to appoint some other person or company to represent him or her at the Meeting may do so either by inserting such other person or company's name in the blank space provided in the **BLUE** proxy form and signing the **BLUE** proxy form or by completing and signing another proper proxy form.**

To be valid, a proxy must be signed by the shareholder or the shareholder's attorney authorized in writing or, if the shareholder is a corporation, by a duly-authorized officer or attorney and must be accompanied by a resolution of the board of directors providing evidence of such authorization. A proxy, to be acted upon, must be deposited with the Corporation's registrar and transfer agent, Equity Transfer & Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1, by 9:00 a.m. (Toronto time) on Wednesday, June 30, 2010 or, in the case of any adjournment or postponement of the meeting, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of such reconvened meeting. **Failure to properly complete and deposit a proxy may result in its being invalid. The time limit for the deposit of proxies may be waived by the Board of Directors at its discretion without notice.**

A shareholder who has given a proxy may revoke it, as to any motion on which a vote has not already been cast pursuant to the authority conferred by it, by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. In accordance with the Corporation's by-laws, the revocation of a proxy, in order to be acted upon, must be deposited at the head office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting or an adjournment thereof.

EXERCISE OF DISCRETION BY PROXIES

Common shares of the Corporation (the "Common Shares") represented by properly-executed **BLUE** proxy forms will be voted for or against or withheld from voting in accordance with the instructions of the shareholder on the **BLUE** proxy form on any ballot that may be called for. **In the absence of any instructions on the **BLUE** proxy form, such Common Shares will be VOTED AGAINST the resolution to remove from office the current directors of the Corporation.**

In the event that the resolution to remove the current Board of Directors from office is adopted at the Meeting, in light of the fact that the beneficial shareholder who requisitioned the Meeting has not provided to the Corporation the names of its nominees for election as directors of the Corporation, and in order to comply with statutory requirements, the **BLUE** proxy forms provide for the election of Gerald T. McGoey, Louis Mitrovich and Douglas Reeson, the incumbent directors of the Corporation, as directors of the Corporation. **In the absence of any instructions on the **BLUE** proxy form, such Common Shares will be voted for the election of Gerald T. McGoey, Louis Mitrovich and Douglas Reeson as directors of the Corporation.**

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The enclosed **BLUE** proxy form confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to any other matter which may properly come before the Meeting.

VOTING PROCEDURES

The procedures by which shareholders may exercise their right to vote with respect to matters at the Meeting will vary depending on whether shareholders are registered shareholders or non-registered shareholders. All shareholders are advised to carefully read the voting instructions below that are applicable to them.

1. Registered Shareholders

To vote with respect to matters being considered at the Meeting, registered shareholders must either:

- attend the Meeting in person;
- sign, date and return the enclosed **BLUE** proxy form, or such other proper form of proxy prepared for use at the Meeting which is acceptable to the Corporation's registrar and transfer agent; or
- otherwise communicate their voting instructions in accordance with the instructions set out in the enclosed **BLUE** proxy form or through the use of another acceptable and proper form of proxy.

Any proxy to be used at the Meeting must be received by the Corporation's registrar and transfer agent, Equity Transfer & Trust Company at 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1, by 9:00 a.m. (Toronto time) on Wednesday, June 30, 2010, or, in the case of any adjournment or postponement of the meeting, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of such reconvened meeting. **Failure to properly complete and deposit a proxy may result in its being invalid. The time limit for the deposit of proxies may be waived by the Board of Directors at its discretion without notice.**

Registered shareholders may provide their voting instructions by any of the following means:

- by mail to Equity Transfer & Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1 (a pre-addressed return envelope is enclosed);
- by hand or by courier to the address set out above; or
- by Internet at www.voteproxyonline.com.

2. Non-Registered (Beneficial) Shareholders

A substantial number of shareholders of the Corporation do not hold Common Shares in their own names ("**Non-Registered Shareholders**"). Common Shares may be beneficially owned by a shareholder but registered either:

- in the name of an intermediary (an "**Intermediary**") that the beneficial shareholder deals with in respect of its Common Shares (such as a broker or securities dealer); or
- in the name of a clearing agency (such as CDS or similar entities) of which the Intermediary is a participant.

If Common Shares are shown in an account statement provided to the shareholder by an Intermediary, in almost all cases those Common Shares will **not** be registered under the name of the shareholder in the records of UBS. Please note that only proxies received from registered shareholders can be recognized and acted upon at the Meeting.

All Non-Registered Shareholders should carefully review the instructions provided to them by their Intermediary regarding how to provide voting instructions or obtain a proxy with respect to their Common Shares. Such Non-Registered

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Shareholders may also wish to contact their Intermediaries directly to obtain instructions regarding how to exercise their right to vote Common Shares that they beneficially own.

Voting Instruction Form

Your Intermediary will send or arrange to have sent to you with this Circular a **BLUE** voting instruction form instead of a proxy form. The **BLUE** voting instruction form that you will receive is similar to the proxy form provided to registered shareholders. However, its purpose is limited to instructing the Intermediary or clearing agency how to vote on your behalf.

Attendance at Meeting in Person

Please note that Non-Registered Shareholders seeking to attend the Meeting will **not** be recognized at the Meeting for the purpose of voting Common Shares registered in the name of an Intermediary or a clearing agency, unless such Non-Registered Shareholder appoints himself or herself as a proxyholder or appointee. In order to do this, the individual should follow the instructions on the **BLUE** voting instruction form regarding the manner in which voting instructions are to be provided and, in doing so, specify that individual's own name as the person whom he or she is appointing as proxy or appointee for the purposes of voting his or her Common Shares. Such Non-Registered Shareholders are reminded that any voting instructions should be communicated to their Intermediary in accordance with the procedures set out on the **BLUE** voting instruction form **well in advance** of the deadline for the receipt of proxies of 9:00 a.m. (Toronto time) on Wednesday, June 30, 2010.

If you are a Non-Registered Shareholder, you may provide your voting instructions by any of the following means:

- **by mail** to the address set out in the pre-addressed return envelope enclosed with your **BLUE** voting instruction form;
- **by telephone** at 1-800-474-7493 (Canada) or 1-800-454-8683 (United States); or
- **by Internet** at www.proxyvote.com.

The time limit for delivery of voting instructions may be waived by the Board of Directors at its discretion without notice.

SHARES

As of May 30, 2010, there were 102,747,854 Common Shares and no Class A Non-Voting Shares (the "**Class A Shares**") of the Corporation issued and outstanding. The holders of Common Shares are entitled to one vote for each share held of record on all matters to be voted on by such holders.

The Corporation has fixed May 19, 2010 as the record date (the "**Record Date**") for shareholders entitled to receive notice of and to vote at the Meeting. Pursuant to the *Business Corporations Act* (Ontario), the Corporation is required to prepare, no later than ten days after the Record Date, an alphabetical list of shareholders entitled to receive notice of the Meeting that shows the number of shares held by each shareholder. A shareholder whose name appears on the list is entitled to vote the shares shown opposite his or her name at the Meeting. The list of shareholders is available for inspection during normal business hours at the head office of the Corporation and at the Meeting or at the place where the Corporation's central securities register is maintained.

The Class A Shares are identical to the Common Shares in all material respects with the exception: (i) that the Class A Shares do not entitle the holders thereof to vote at meetings of the Corporation's shareholders; and (ii) of certain conversion rights and other attributes designed to ensure continued compliance with applicable regulations under the *Broadcasting Act* (Canada) concerning Canadian ownership of broadcasting undertakings such as that previously carried on by Look Communications Inc. ("**Look**"), a corporation of which UBS is the principal shareholder. According to the Corporation's Articles, a holder of Class A Shares has the right, at his or her option, to convert such Class A Shares into Common Shares on a one-for-one basis if such holder provides to the Corporation written evidence satisfactory to the Corporation that: (a) beneficial ownership and control of the Class A Shares is exercised, directly or indirectly, exclusively by one or more

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Canadians (within the meaning set out in the Corporation's Articles); and (b) the acquisition by such holder of all Class A Shares held by it was effected in conformity with the Corporation's Articles.

Take-Over Bid Protection

As required by National Instrument 51-102 *Continuous Disclosure Obligations*, the following is a summary of the right of holders of the Corporation's Class A Shares to participate if a take-over bid is made for the Common Shares.

In the event that an offer (an "Offer") is made to purchase Common Shares and the Offer is one which must, pursuant to applicable securities legislation, be made to all or substantially all the holders of Common Shares, each Class A Share will become convertible into one Common Share at the option of the holder, at any time commencing eight days after the Offer is made and ending at the expiration of the Offer. The conversion right may be exercised only for the purpose of depositing the resulting Common Shares in response to the Offer and the transfer agent and registrar of the Corporation will deposit the resulting Common Shares on behalf of the shareholder. If: (i) Common Shares resulting from the conversion and deposited pursuant to the Offer are subsequently withdrawn by the shareholder or are not taken up by the offeror; or (ii) the Offer is abandoned or withdrawn by the offeror, such Common Shares will be re-converted into Class A Shares.

PRINCIPAL SHAREHOLDER

As at May 30, 2010, to the best knowledge of the Corporation, the only person who beneficially owned, directly or indirectly, or exercised control or direction over more than 10% of the issued and outstanding Common Shares of the Corporation was:

Name	Number of Common Shares held	Percentage
Alex Dolgonos	20,432,763 ⁽¹⁾⁽²⁾	19.9

- (1) To the knowledge of the Corporation, Mr. Dolgonos indirectly holds 20,405,263 Common Shares through 2064818 Ontario Inc. and indirectly holds 27,500 Common Shares through Alex Dolgonos Spousal Trust.
- (2) To the knowledge of the Corporation, in addition to these Common Shares, Mr. Dolgonos exercises control over stock options in respect of 4,000,000 Common Shares. Of these, to the knowledge of the Corporation, Mr. Dolgonos holds stock options in respect of 2,000,000 Common Shares directly and holds stock options in respect of 2,000,000 Common Shares indirectly through DOL Technologies Inc. If Mr. Dolgonos were to exercise the stock options in full, the number of Common Shares under his direction would increase to 24,432,763, representing 22.9% of the then-issued and outstanding Common Shares. As at May 30, 2010, the stock options were exercisable in respect of 3,333,333 Common Shares.

PART 2 – BUSINESS OF THE MEETING

BACKGROUND TO THE MEETING

This Meeting has been requisitioned by one or more unidentified beneficial shareholders of the Corporation (for the purposes of this Circular, the "Requisitioning Shareholder"). According to information provided to the Corporation on behalf of the Requisitioning Shareholder, as of April 27, 2010, the Requisitioning Shareholder was the beneficial owner of 5,799,000 Common Shares, representing approximately 5.6% of the issued and outstanding Common Shares of the Corporation. The Requisitioning Shareholder is seeking to remove all of the members of UBS' Board of Directors, who were first elected in 2002 and re-elected most recently at the annual and special meeting of shareholders held on February 24, 2010 (the "February 2010 Annual Meeting"), and replace them with the Requisitioning Shareholder's own nominees.

CHRONOLOGY OF REQUISITION

At the February 2010 Annual Meeting, the current Board of Directors of UBS, comprised of Gerald T. McGoey, Louis Mitrovich and Douglas Reeson, was re-elected. Of the Common Shares voted by proxy prior to the February 2010 Annual Meeting, approximately 92% were voted for the election of Messrs. McGoey, Mitrovich and Reeson.

On April 27, 2010, the Board of Directors received a letter from CDS & Co., the nominee of CDS Clearing and Depository Services Inc. ("CDS"), pursuant to which CDS, at the request of one of its participants, TD Waterhouse, on behalf of an unidentified beneficial owner or owners of Common Shares, requested that the Board of Directors call a special meeting of shareholders of the Corporation to transact the following business: (i) to remove the current members of the Board of Directors of the Corporation; and (ii) to elect a slate of proposed directors, with the names of such proposed directors to be

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provided to the Corporation by the unidentified beneficial shareholder(s), to hold office until the next annual meeting of shareholders of the Corporation following their election. In its letter, CDS stated that the requisition was being executed in respect of 5,799,000 Common Shares. The requisition was delivered by CDS as the shareholder of record of the applicable Common Shares, at the instruction of the participant, TD Waterhouse, and only as a nominal party for the true party in interest, the unidentified beneficial shareholder(s).

On April 30, 2010, Heenan Blaikie LLP, legal counsel to UBS for purposes of the Meeting, wrote to CDS asking that it provide the names of the client or clients of TD Waterhouse who beneficially owned the 5,799,000 Common Shares and the names of the individuals comprising the slate of proposed directors referred to in CDS' letter of April 27, 2010, in order to allow the Corporation to determine whether a special meeting of shareholders had been validly requisitioned.

On April 30, 2010, Heenan Blaikie LLP was advised by CDS that Heenan Blaikie's letter of that same date had been forwarded by CDS to Mr. D'Arcy Doherty of Gowling Lafleur Henderson LLP ("**Gowlings**"), as counsel to the unidentified beneficial holder(s) of 5,799,000 Common Shares.

On May 2, 2010, Heenan Blaikie LLP wrote to Mr. Doherty asking that he provide, as soon as possible, the information requested in the April 30, 2010 letter.

On May 3, 2010, the Corporation issued a press release announcing that it had received a requisition from CDS, at the instruction of TD Waterhouse, to call a special meeting of UBS shareholders to remove the current members of the Board of Directors and elect a slate of proposed directors. The press release also announced that UBS had sent a letter to Gowlings requesting that it provide information that would allow UBS to assess the validity of the requisition.

By letter dated May 3, 2010, Gowlings refused to disclose the names of the clients of TD Waterhouse who requisitioned the Meeting, and stated that it was not necessary, at that time, to provide the names of the individuals comprising the slate of proposed directors.

On May 11, 2010, in accordance with applicable law, the Board of Directors called the Meeting for July 5, 2010 and set the Record Date of May 19, 2010. UBS issued a press release on the same date announcing the Meeting date and Record Date.

On May 12, 2010, Equity Transfer & Trust Company, the Corporation's registrar and transfer agent, filed a document entitled "Confirmation of Notice of Record and Meeting Dates" on SEDAR in connection with the Meeting.

On May 12, 2010, Heenan Blaikie LLP sent a second letter to Gowlings, requesting information for the purposes of allowing UBS to prepare this Circular, including: (i) the names of the individuals to be nominated for election as directors; (ii) information on each nominee, as required by the *Business Corporations Act* (Ontario); (iii) information on each nominee, as required by Form 51-102F5 under National Instrument 51-102 *Continuous Disclosure Obligations*; (iv) a written consent from each nominee to act as a director of the Corporation, as required by the *Business Corporations Act* (Ontario), in the form annexed to the letter; and (v) the name of the beneficial shareholder of the Corporation on whose behalf the special meeting had been requisitioned. The letter specified that the information was required no later than 5 p.m. on May 17, 2010.

On May 13, 2010, Gowlings wrote to Heenan Blaikie LLP, acknowledging receipt of the letter dated May 12, 2010 and stating "Our client is considering your requests and we will respond to you by May 19, 2010 (the 'Record Date')." Gowlings also requested certain information with respect to the Meeting, most of which information is set out in this Circular.

Gowlings neither provided the requested information by the required time on May 17, 2010 nor responded by the Record Date.

On May 14, 2010, Gowlings sent a letter to Heenan Blaikie LLP, counsel to UBS for purposes of the Meeting, "to put you on formal notice of various shareholder concerns". These include the redemption by UBS of its 7% secured convertible debentures issued by Look (the "**Look Debentures**") and "restructuring awards" authorized by the Boards of Directors of Look and UBS.

On May 18, 2010, Heenan Blaikie LLP responded by noting that the letter from Gowlings failed to identify Gowlings' client, and that, at such time as Gowlings identified its client and confirmed that its client is a shareholder of UBS, UBS would respond to the letter.

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Also on May 18, 2010, Heenan Blaikie LLP sent a letter to Gowlings, to the effect that Gowlings had failed to provide the information required by Heenan Blaikie's letter of May 12. The letter cautioned Gowlings that "UBS cannot guarantee that any information you may now provide will be included in UBS' management information circular."

As of the date hereof, UBS does not know the identity of the Requisitioning Shareholder or of the persons comprising the Requisitioning Shareholder's slate of proposed directors.

At a meeting held on May 30, 2010, the Board of Directors approved the contents of this Circular. In light of the fact that the Requisitioning Shareholder has not provided the names of its proposed nominees, despite a formal written request to that effect from UBS' counsel on May 2, 2010, and has not provided the information on the proposed nominees required by law, despite a formal written request to that effect from UBS' counsel on May 12, 2010, and a follow-up letter from UBS' counsel on May 18, 2010, UBS proceeded to finalize and print this Circular in order to ensure that copies would be provided to UBS shareholders within the timeframes prescribed by law.

THE REQUISITIONING SHAREHOLDER PROPOSAL

The requisition calls for UBS shareholders to consider the following matters at the Meeting:

1. to consider, and if deemed advisable, adopt with or without variation, an ordinary resolution to remove from office the current directors of UBS, being Messrs. Gerald T. McGoey, Louis Mitrovich and Douglas Reeson; and
2. if the foregoing resolution is adopted, to consider, and if deemed advisable adopt, with or without variation, an ordinary resolution to fill the vacancies created by the foregoing removal of all of the directors of the Corporation by the election of a slate of proposed directors, whose names are to be provided to the Corporation by the Requisitioning Shareholder, to hold office until the close of the first annual meeting of shareholders following their election.

Your Board of Directors recommends that you **VOTE AGAINST** the resolution to remove from office the current directors of the Corporation.

RECENT EVENTS

Background

UBS always believed that its investment in Look held considerable value. Look's close to 100 MHz of spectrum in Ontario and Quebec represented the largest contiguous block of spectrum in Canada, and so UBS believed this asset would be of interest to those seeking to enter, or expand their offering in, the Canadian wireless market.

After several years of trying to partner with the main telecommunications-market incumbents as well as other parties already in, or seeking to enter, the communications market in Canada's two largest provinces, in which Look held spectrum and broadcast licences, Look retained a financial advisor in October 2006 to review its strategic options to maximize shareholder value. Look's financial advisor actively canvassed the market, contacting operators and investors interested in the wireless market.

An advantage the three telecommunications incumbents had was the knowledge that because Look was a public company and the spectrum and broadcast licences represented all or substantially all of Look's assets, Look would have to bring any proposed transaction to its shareholders for approval. As a result, the telecommunications incumbents would have the opportunity to review any bid for Look or its spectrum and broadcast licences prior to a sale. At this time, Bell and Rogers formed a partnership called Inukshuk Wireless Partnership ("Inukshuk"). Through discussions with Rogers, it became apparent to UBS that one objective of Bell and Rogers in forming Inukshuk was to jointly purchase Look's spectrum and broadcast licences when they deemed it desirable to do so.

Despite protracted efforts on the part of Look's financial advisor, it became apparent to Look that many of the potential partners were more interested in participating in the upcoming 2008 AWS (Advanced Wireless Services) auction sponsored by the Canadian federal government rather than entering into a transaction with Look. Recognizing that a deal, if any, was

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unlikely to happen in advance of the AWS auction, Look suspended its discussions until after the government's auction was completed.

Look then commenced a Plan of Arrangement (the "2009 POA") to sell some or all of its assets. Look's shareholders, including UBS, approved the 2009 POA at a special meeting of shareholders held on January 14, 2009, voting overwhelmingly in favour of proceeding with this Court-monitored process.

Sale to Inukshuk

By the 2009 POA deadline for bids in February 2009, Look had received only one viable bid for its spectrum and broadcast license. That bid was from Inukshuk, comprised of Rogers and Bell. Look spent the next few months negotiating the terms of the offer and on May 5, 2009, announced the sale of the spectrum and broadcast licence to Inukshuk for the bid price of \$80 million, subject to numerous terms and conditions, with the proceeds payable in up to three instalments with an outside closing date of May 2012. The bid had been complicated by making the sale of the spectrum and broadcast licence conditional upon, among other things, the settlement of on-going litigation between the Corporation and Rogers and between Look and Bell.

Subsequent to the receipt of the initial \$30 million instalment on May 14, 2009, Look and Inukshuk proceeded to seek the necessary regulatory approval for the sale. In order to keep Look's licence in good standing and to comply with commitments made to the Canadian Radio-Television Telecommunications Commission (CRTC), Look undertook the process of selling its Internet and broadcast subscribers after which, pursuant to the Purchase and Sale Agreement with Inukshuk, Look began to physically dismantle its network across Ontario and Quebec and terminate its personnel.

On September 11, 2009, two-and-a-half years ahead of the May 2012 outside closing date, regulatory approval for the sale to Inukshuk was granted and Inukshuk made its final payment of \$50 million to Look. Although Inukshuk has paid the full consideration of \$80 million to Look, the broadcast license may remain in Look's name until August 2011 or such other time as regulatory approval is received to change the ownership of the broadcast license; to date, no approval has been received for the transfer.

During that same period, Rogers, Look and UBS held negotiations for the purchase by Rogers of Look's \$360 million of tax attributes. UBS publicly indicated its willingness to consider a sale, merger, amalgamation or any other reorganization of its ownership interest in Look if that would facilitate a transaction for the maximization in value of Look's tax attributes. At the same time, Look's Board of Directors wanted to ensure that: (i) Look's existing capital structure did not deter or impede any possible transaction; (ii) all human resource liabilities had been provided for and full and final releases received from management, consultants, directors, officers and employees; and (iii) there was no actual or potential litigation pending. Negotiations with Rogers did not result in a transaction.

The Cash Distribution Plan of Arrangement

In November 2009, Look engaged a financial advisor, BMO Capital Markets, to sell or realize the benefits of its \$360 million of tax attributes.

In 2009, Look resolved its outstanding litigation with Bell Canada and Border Broadcasters Inc. and, in February 2010, with Manalta Investments Company Ltd. (formerly Craig Wireless International Inc.) and packaged Look's tax attributes with cash; UBS, Look and its financial advisors believed that Look was well positioned to realize value for its remaining assets. However, one of the major opportunities for the realization of these tax attributes was closed on March 4, 2010 by the Canadian federal government when it introduced changes to the *Income Tax Act* affecting income trusts, which effectively eliminated a market of potential acquirers.

Accordingly, Look's Board of Directors reconsidered its position with regard to distributing available cash and on April 22, 2010, announced its intention to proceed with a new Plan of Arrangement (the "2010 POA") contemplating, among other things:

- (i) an initial cash distribution by Look to its shareholders;

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- (ii) a change to the capital structure of Look to legally permit the distribution of cash to Look's shareholders, which is currently not permitted under Look's capital structure;
- (iii) an election by each Look shareholder to receive the initial cash distribution in the most tax-effective manner to that shareholder, by way either of repayment of capital or dividend;
- (iv) Look shareholders retaining the same ownership in Look, a Canadian public company whose only remaining major assets would be the \$360 million tax attributes and the Milton, Ontario facilities;
- (v) the sale of the Milton, Ontario facilities, with the net proceeds to be distributed to Look's shareholders without any further shareholders' meetings or approvals required;
- (vi) approval of the 2010 POA by a two-thirds majority of the votes cast by Look's shareholders, by a simple majority of the votes cast by Look's disinterested shareholders (that is, excluding UBS and certain other shareholders), and by the Court, all designed to enhance the potential sale of Look and its tax attributes;
- (vii) releases, whereby parties with possible indemnity claims against Look, including the directors and officers of Look and UBS, would be barred from asserting such claims in exchange for a Court-ordered release, subject to specified exemptions, in favour of those same parties by, among others, Look's former and current shareholders; and
- (viii) prior to Look's announcement of its intention to redeem its Look Debentures, a Conversion Agreement between UBS and Look whereby UBS Wireless Services Inc., a wholly-owned subsidiary of UBS, agreed to use all reasonable efforts to convert only such portion of its Look Debentures into Look shares so as to ensure that it would hold less than 50% of the votes attached to Look's shares on a fully-diluted basis, and redeem or sell its remaining Look Debentures, all in order to preserve Look's tax attributes.

UBS indicated its support of the 2010 POA, believing that:

- (i) Look shareholders, including UBS, would receive cash distributions sooner than under any other method of distribution;
- (ii) Look shareholders would receive their cash distributions in the most tax-effective manner;
- (iii) Look shareholders would maintain their actual shareholding in Look; and
- (iv) the releases referred to in paragraph (vii) above would be obtained.

Subsequent to the announcement of the 2010 POA, a number of Look shareholders indicated either directly or indirectly to Look's advisors, management and Board of Directors that they would not support the 2010 POA. As noted above, the 2010 POA required a two-thirds majority of the votes cast by Look's shareholders as well as a simple majority of the votes cast by Look's disinterested shareholders, that is, those Look shareholders who were not provided with releases pursuant to the 2010 POA. The number of Look shares represented by shareholders who expressed their opposition to the 2010 POA led Look's advisors, management and Board of Directors to believe that the 2010 POA would not receive the necessary level of shareholder support. Accordingly, Look's Board of Directors terminated the 2010 POA on May 3, 2010. In UBS' view, the termination of the 2010 POA and the status of threatened litigation does not bode well for the timely distribution of cash to Look's shareholders or the ultimate realization of any of the tax attributes of Look.

On April 22, 2010, Look announced that it would redeem all outstanding Look Debentures for cash on May 25, 2010, subject to the right of holders of Look Debentures to convert the Look Debentures into Look shares by May 11, 2010. As noted above, on May 3, 2010, Look announced the termination of the 2010 POA. On May 25, 2010, the Look Debenture held by UBS in the principal amount of \$3 million was redeemed by Look at par plus applicable interest. As a result of the conversion into Look shares by the holders of Look Debentures in an aggregate principal amount of \$916,000, UBS' ownership of Look declined from a voting interest of approximately 42% (51.1% fully diluted) to a voting interest of 37.6% and an economic interest of 39.2%. UBS issued press releases on May 11, 2010 and May 12, 2010 and filed an "early warning report" on SEDAR on May 13, 2010 with respect to the foregoing redemption.

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The Future

The early distribution of available cash to Look's shareholders is UBS' ultimate objective. The management and Board of Directors of UBS will also continue to work with Look to seek the realization of all of Look's other remaining assets, comprised of tax attributes and real estate.

UBS understands that Look's management and Board of Directors wish to facilitate the distribution of available cash while at the same time maintaining the tax attributes within Look for the benefit of all of Look's shareholders. UBS believes that the longer it takes for Look to distribute its cash and the longer Look remains a fully reporting and operating entity dealing with threats of litigation, the less cash Look will have to distribute. As well, the value of Look's tax attributes will decrease with time. The human and financial resources of Look will also continue to be poorly utilized and will diminish in both scale and scope.

UBS' management and Board of Directors have reflected on the long and difficult journey to realize value from Look. While the journey did not bring the anticipated results, as outlined at UBS' February 2010 Annual Meeting, it does put Look in the position of being able to distribute its net cash to all Look shareholders and to leave the tax attributes in place for potential realization. UBS' and Look's Boards of Directors continue to review options, which initially appear to be limited until all litigation is resolved. UBS' objective is to have Look distribute as much cash as quickly as possible and maintain the tax attributes of Look, while at the same time respecting all of Look's legal and contractual obligations.

RATIONALE TO VOTE AGAINST THE REQUISITIONING SHAREHOLDER PROPOSAL

The Board of Directors of UBS believes that shareholders should **VOTE AGAINST** the resolution to remove UBS' incumbent directors from office for the following reasons:

1. The Board of Directors Has Managed UBS to Maximize Value for Shareholders

In 2003, when UBS acquired its interest in Look, it transitioned from a technology company that designed, developed and manufactured broadband wireless equipment to a holding company. As set out above under "Recent Events", since 2003 the Board of Directors of UBS has been committed to maximizing the value of UBS' interest in Look and thereby maximizing value for UBS' shareholders.

In this regard, UBS played a key role in, and supported, the 2009 POA, which resulted in the sale by Look to Inukshuk of Look's spectrum and broadcast license for \$80 million. UBS also supported Look's 2010 POA. UBS believes that Look would have distributed a substantial amount of its available cash to Look's shareholders, including UBS, pursuant to the 2010 POA in a rapid, tax-efficient manner. UBS deeply regrets that Look was compelled to terminate the 2010 POA following communications received from, or delivered on behalf of, certain Look minority shareholders opposed to the 2010 POA. UBS will continue to explore with Look the various possibilities of Look distributing available cash to its shareholders, including UBS.

2. The Board of Directors Has Secured Cash Flow for UBS Through Services Provided to Look

On May 19, 2004, UBS and Look entered into a Management Services Agreement (the "**Look MSA**") under which Look engaged UBS to perform certain services. Pursuant to the Look MSA, Look pays an annual fee of \$2.4 million to UBS. This amount represents a significant percentage of UBS' cash flow. Look must also reimburse UBS for certain expenses and disbursements incurred in respect of the Look MSA and the services provided by UBS.

On April 20, 2010, Look notified UBS that the Look MSA would not recommence on May 19, 2010, its anniversary date. Accordingly, the Look MSA will expire on May 19, 2012 or such earlier date that is mutually agreed to by Look and UBS. As of May 19, 2010, Look's remaining liability to UBS for annual fees under the Look MSA was \$4.8 million, of which \$2.4 million has been prepaid by Look. These annual payments will provide UBS with working capital going forward.

In addition, on April 23, 2010, Look and UBS entered into a Conversion Agreement whereby UBS agreed to use all reasonable efforts to convert only such portion of its Look Debentures into Look shares so as to ensure that UBS will hold less than 50% of the votes attached to Look's shares on a fully-diluted basis, and redeem or sell its remaining Look Debentures in order to preserve Look's tax attributes. Pursuant to the Conversion Agreement, Look and UBS each agreed to

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give full and final releases and discharges to the other and to the other's directors, officers, employees, shareholders and affiliates, from any and all claims, actions or causes which each may have against the other, and any and all damages or liabilities which each may have suffered or incurred, as of the date thereof or in future arising out of, relating to or in connection with the Look MSA and the performance thereof, save and except as regards the obligation of Look to pay all amounts stated to be payable by Look to UBS under the Look MSA and the right of UBS to claim such amounts from Look. As a result, Look cannot institute action or make any claim against UBS pursuant to the Look MSA.

3. UBS Board Was Recently Re-Elected

At the Corporation's February 2010 Annual Meeting, the current Board of Directors was re-elected. Of the Common Shares voted by proxy prior to the February 2010 Annual Meeting, approximately 92% were voted for the election of Messrs. McGoey, Mitrovich and Reeson to the Board of Directors. Barely two months later, the Requisitioning Shareholder requisitioned a special meeting of UBS shareholders in order to replace the newly re-elected Board of Directors. The Requisitioning Shareholder could have proposed a slate of alternate directors at the February 2010 Annual Meeting and delivered a dissident proxy circular to UBS shareholders, soliciting their proxies, as permitted by the *Business Corporations Act* (Ontario) and applicable securities legislation. This would have saved UBS and its shareholders considerable expense and a significant amount of management time in calling and holding the Meeting.

4. The Requisitioning Shareholder's Proposal May Result in Expensive and Protracted Litigation, Delay the Distribution of Available Cash by Look, and Reduce the Amount of Look's Available Cash

As a result of the sale of Look's spectrum and broadcast licence to Inukshuk and the resulting restructuring of Look's business, in the fiscal year ended August 31, 2009, UBS approved contingent restructuring awards to certain officers, directors, consultants and members of senior management of UBS in an aggregate amount of approximately \$5.7 million. In determining the contingent restructuring awards, UBS took into account, among other things, the fact that:

- (i) UBS would need to retain executive officers and senior management until May 2012 in order to maintain the spectrum and broadcast licence in good standing pursuant to the conditional sale of these assets to Inukshuk;
- (ii) UBS does not have pension plans nor any other deferred compensation plans in effect;
- (iii) the executives and senior management did not receive any base salary increases in fiscal 2009;
- (iv) the executives and senior management were required to wind-down and restructure Look;
- (v) the executives, directors and senior management were required to provide full and final releases for the relinquishment of all share appreciation rights; and
- (vi) the contingent restructuring awards payable by UBS were contingent on Look receiving the full consideration of \$80 million due from the sale of its spectrum and broadcast licence and are payable upon adequate cash resources being received by UBS.

If Look did not receive the full consideration of \$80 million, the contingent restructuring payments would not have been made and all rights to these contingent restructuring awards and share appreciation rights would have remained relinquished in their entirety. See "Executive Compensation". In 2009, Look granted contingent restructuring awards in an aggregate amount of approximately \$20 million to certain of its officers, directors, consultants and employees.

According to a letter dated May 14, 2010 from Gowlings, counsel to the Requisitioning Shareholder, there are "serious questions" regarding the contingent restructuring awards and they "are at issue". If the Requisitioning Shareholder challenges the contingent restructuring awards granted by UBS and Look, it will likely result in expensive and protracted litigation involving both UBS and Look. This litigation will likely result in a significant delay in Look distributing its available cash to its shareholders, including UBS, and a reduction in the amount of cash available to Look for such distribution.

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5. The Requisitioning Shareholder Wants Control of UBS for No Consideration or Payment to UBS Shareholders

The Requisitioning Shareholder wants control of UBS for no consideration or payment to UBS shareholders. Generally, those seeking control of a public company such as UBS offer shareholders a significant premium for their shares.

6. The Requisitioning Shareholder Has Not Disclosed a Business Plan for UBS

The Board of Directors is concerned that the Requisitioning Shareholder is seeking to take control of UBS while having no articulated business plan for the Corporation. To date, the Requisitioning Shareholder has not disclosed a business plan or strategy for UBS, particularly as it relates to the distribution of available cash by Look. Further, it is impossible to determine whether the Requisitioning Shareholder has any working knowledge of the regulatory environment to which Look is subject or the outstanding commitments pursuant to the Inukshuk Purchase and Sale Agreement.

7. Strong and Experienced Board of Directors

The Board of Directors is comprised of individuals with proven senior experience in the communications industry, as well as financial and corporate-governance expertise.

8. The Requisitioning Shareholder's Proposal May Result in Disruption of Look

The Requisitioning Shareholder proposes to remove all of the directors of UBS, including Messrs. McGoe and Mitrovich. Mr. McGoe is the Chief Executive Officer of UBS and of Look and both Mr. McGoe and Mr. Mitrovich are directors of Look. If the Requisitioning Shareholder's nominees follow its direction, they may take UBS and Look in a direction incompatible with the current direction set by Look's management. UBS and Look's management and remaining employees may not wish to remain in their current positions and may instead wish to explore alternative opportunities at companies in less turmoil.

9. The Requisitioning Shareholder's Proposal Will Trigger Substantial Payments Under an Existing Services Agreement and May Trigger Additional Substantial Payments Under Other Existing Services and Employment Agreements

The removal of the incumbent directors of the Corporation and the election of the nominees to be proposed by the Requisitioning Shareholder will result in a breach of an existing services agreement entered into by UBS and give rise to termination rights under such agreement. In addition, it may result in a breach of other existing services and employment agreements entered into by UBS. In such cases, UBS will be required to pay substantial amounts under such agreements, as discussed below. **This would significantly reduce UBS' cash position and have a material adverse effect on UBS' financial position.** See "Compensation – Executive Compensation – Employment Agreements" for a full description of the three agreements discussed below.

Management Services Agreement with Jolian Investments Ltd.

In accordance with the Corporation's corporate-governance practices, the following description of a Management Services Agreement (the "**Jolian MSA**") entered into between the Corporation and Jolian Investments Ltd. ("**Jolian**"), company controlled by Gerald T. McGoe, the Chairman, Chief Executive Officer and a director of the Corporation, was reviewed and approved exclusively by the two independent directors of the Corporation, without any involvement on the part of Mr. McGoe.

On May 3, 2006, the Corporation and Jolian entered into the Jolian MSA. Jolian is entitled to terminate the Jolian MSA following a "Company Default, which is defined in the Jolian MSA as the failure by UBS to respect any of its obligations thereunder, including, among other things: (i) the failure of Mr. McGoe to be elected to the Board of Directors of UBS; or (ii) the failure of the Board of Directors of UBS to appoint Mr. McGoe as the Chief Executive Officer of UBS; or (iii) the failure of the Board of Directors of UBS to nominate Mr. McGoe as Executive Chairman of UBS. The Jolian MSA specifically provides further that the failure of UBS shareholders to re-elect Mr. McGoe to the Board of Directors of UBS, or the failure of the Board of Directors to appoint Mr. McGoe as Chief Executive Officer of UBS or the failure of the Board

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of Directors of UBS to nominate Mr. McGoey for the position of Executive Chairman of UBS constitutes "termination without cause" for purposes of the Jolian MSA.

In the event that the resolution to remove the incumbent directors of the Corporation from office is adopted at the Meeting, Mr. McGoey will no longer be on the Board of Directors of UBS. This will give Jolian the right to terminate the Jolian MSA as a result of a "Company Default". If the Jolian MSA is terminated by Jolian following such "Company Default", Jolian will be entitled to a lump-sum payment equal to 300% of the aggregate of: (i) a "base fee" (currently \$570,000 per year); (ii) a performance incentive (of not less than \$285,000) based on the greater of the performance incentive in the immediately-preceding calendar or fiscal years and the average of the performance incentives paid in the two immediately-preceding calendar or fiscal years; and (iii) certain annualized expenses of Jolian. Taking into account performance incentives awarded only by UBS, the payment that would be due to Jolian upon termination of the Jolian MSA is estimated by the two independent directors of UBS to be \$8.6 million. See "Part 3 – Compensation". Any such payments due to Jolian under the Jolian MSA are payable to Jolian in a lump-sum payment within five business days of its termination and, in the case of a portion of a contingent restructuring award granted by UBS to Jolian in 2009, immediately upon such termination. The portion of the contingent restructuring award is also immediately payable upon a change in control of UBS. As noted in section 4 above, the contingent restructuring award is otherwise payable upon UBS receiving adequate cash resources. The Jolian MSA does not permit any set off of payments and accordingly, UBS will not be entitled to hold back or set-off against any of its obligations under the Jolian MSA the amount of damages it claims to have sustained, if any, as a result of any alleged breach by Jolian under any other agreements between UBS and Jolian.

Technology Development and Strategic Marketing Agreement with DOL Technologies Inc.

On July 12, 2008, UBS entered into a Technology Development and Strategic Marketing Agreement with DOL Technologies Inc. ("DOL"), a company controlled by Alex Dolgonos. The Technology Development and Strategic Marketing Agreement provides that if UBS terminates the agreement without "Cause", defined to mean an act of fraud, embezzlement or misappropriation or other act which constitutes "Cause" at common law in an employment-law context, and which is materially injurious to UBS, DOL is entitled to a lump-sum payment equal to 300% of the aggregate of: (i) DOL's "core compensation" (currently \$475,000 per year); (ii) a performance incentive based on the greater of the performance incentive paid in the immediately-preceding fiscal or calendar years and the average of the performance incentives paid in the two immediately-preceding calendar or fiscal years; and (iii) amounts due and owing for reimbursable expenses at the time of termination. The Technology Development and Strategic Marketing Agreement also provides that DOL may terminate the agreement for "Good Reason" following a "Change-in-Control" of UBS, in which case DOL would be entitled to the foregoing lump-sum payment. "Good Reason" is defined in the agreement to mean that DOL's business relationship with UBS has been substantially altered by the Board of Directors of UBS. "Change-in-Control" is defined in the Technology Development and Strategic Marketing Agreement to mean that "control (control includes a Person or group of Persons acting in concert holding more than 20% of the voting shares of the Company) of the Company has been transferred to another Person or Persons acting in concert."

In the event that a new Board of Directors of UBS terminates the Technology Development and Strategic Marketing Agreement without "Cause", the payment that would be due to DOL is estimated by UBS to be \$7.2 million, taking into account performance incentives paid or awarded only by UBS. See "Part 3 – Compensation". Any such payments due to DOL under the Technology Development and Strategic Marketing Agreement are payable to DOL in a lump-sum payment within five business days of its termination and, in the case of a portion of a contingent restructuring award granted by UBS to DOL in 2009, immediately upon such termination. The portion of the contingent restructuring award is also immediately payable upon a change in control of UBS. As noted in section 4 above, the contingent restructuring award is otherwise payable upon UBS receiving adequate cash resources. UBS will not be entitled to hold back or set-off against any of its obligations under the Technology Development and Strategic Marketing Agreement the amount of damages it claims to have sustained as a result of any alleged breach by DOL under any other agreements between UBS and DOL.

To the extent that the election of a new Board of Directors is a "Change-in-Control" and the new Board of Directors substantially alters DOL's business relationship with UBS, DOL would have the right to terminate the Technology Development and Strategic Marketing Agreement and would thereafter be entitled to a lump-sum payment in the amount set out above.

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Employment Agreement with Malcolm Buxton-Forman

On July 8, 2004, UBS entered into an employment agreement with Malcolm Buxton-Forman, Chief Financial Officer of the Corporation. The employment agreement provides that in the event that UBS terminates Mr. Buxton-Forman's employment without cause, Mr. Buxton-Forman will receive a payment equal to nine months of his compensation. The employment agreement further provides that following a change of control of UBS, and if Mr. Buxton-Forman is not employed on terms and conditions that are the same or greater as under his current employment agreement, Mr. Buxton-Forman will receive a payment equal to twelve months' salary and bonus. Should a new Board of Directors of UBS terminate Mr. Buxton-Forman's employment without cause, he will be entitled to a payment equal to at least nine months, and possibly twelve months, of his current compensation. During the fiscal year ended August 31, 2009, Mr. Buxton-Forman received salary and bonus of \$1.3 million. See "Part 3 – Compensation".

In addition, a contingent restructuring award in the amount of \$1 million granted by UBS to Mr. Buxton-Forman in 2009 will become payable upon the earlier of a change in control of UBS or the termination of Mr. Buxton-Forman's employment agreement. As noted in section 4 above, the contingent restructuring award is otherwise payable upon UBS receiving adequate cash resources.

10. The Requisitioning Shareholder Has Not Acted in a Transparent Manner

On April 27, 2010, the Requisitioning Shareholder requisitioned the Meeting. The Requisitioning Shareholder has failed to identify itself to the Corporation or provide the names of the persons who will comprise its slate of proposed directors, despite the Corporation's formal written requests that it do so. Accordingly, the Corporation is not able to provide in this Circular the basic information about the nominees required by applicable law.

On May 13, 2010, Gowlings, counsel for the Requisitioning Shareholder, wrote as follows to counsel to UBS: "Our client is considering your requests [for information] and we will respond to you by May 19, 2010." The Requisitioning Shareholder has failed to do so.

UBS deplores the fact that the Requisitioning Shareholder has not acted in a transparent manner in requisitioning the Meeting, has chosen to remain anonymous, and has failed to provide the names of its nominees for election to the Board of Directors of the Corporation.

SUMMARY

The Board of Directors has managed UBS so as to maximize value for UBS' shareholders. In this regard, UBS supported Look's 2009 POA, which resulted in the sale by Look of its spectrum and broadcast licence to Inukshuk for \$80 million, and supported Look's 2010 POA, which, in UBS' view, would have resulted in the distribution by Look of a substantial amount of its available cash to Look's shareholders, including UBS, in a rapid, tax-efficient manner, an orderly sale of Look's remaining assets (other than cash and tax attributes), and Look being in the best position to maximize the value of its remaining tax attributes. The Board of Directors also secured cash flow for UBS through services provided to Look under the Look MSA.

The Board of Directors was recently re-elected by UBS' shareholders; had the Requisitioning Shareholder presented an alternate slate of directors at the Corporation's February 2010 Annual Meeting, the Corporation would have saved considerable management time and expense. The Requisitioning Shareholder's proposal may result in expensive and protracted litigation, which will delay and ultimately reduce the distribution of Look's available cash. The Board of Directors is concerned that the Requisitioning Shareholder is seeking to take control of UBS for no payment or consideration to UBS' shareholders, while having no articulated business plan for the Corporation, particularly as it relates to the distribution of available cash by Look. The Board of Directors includes individuals with proven senior experience in the communications industry, as well as financial and corporate-governance expertise.

Further, the Board of Directors believes that the Requisitioning Shareholder's proposal will trigger substantial payments under an existing services agreement entered into by UBS and may trigger additional substantial payments under other existing services and employment agreements entered into by UBS, thereby significantly reducing UBS' cash position and having a material adverse effect on UBS' financial position.

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Finally, UBS deplores the fact that the Requisitioning Shareholder has not acted in a transparent manner in requisitioning the Meeting, has chosen to remain anonymous, and has failed to provide the names of its nominees for election to the Board of Directors of the Corporation.

The Board of Directors unanimously recommends that you VOTE AGAINST the resolution to remove UBS' incumbent directors from office, by signing, dating and returning the enclosed BLUE proxy form or BLUE voting instruction form in accordance with the instructions on the BLUE forms.

THE CURRENT BOARD OF DIRECTORS

The three directors of the Corporation are listed below. All are currently directors of the Corporation and have been directors since 2002. They were most recently elected at the February 2010 Annual Meeting, to serve until the 2011 annual meeting of shareholders.

The following table sets out for each of the current directors of the Corporation, his municipality of residence, all positions and offices with the Corporation now held by such person, his principal occupation, the year in which such person became a director of the Corporation, and the number of Common Shares of the Corporation that such person has advised are beneficially owned or over which control or direction is exercised by such person as at the date indicated below.

Name, municipality of residence and position with the Corporation	Principal occupation	First year as director	Number of Common Shares of the Corporation beneficially owned or over which control is exercised as at May 30, 2010
Gerald McGoey ^{(1) (2)} Toronto, Ontario, Canada Chairman and Chief Executive Officer	Chief Executive Officer of the Corporation and of Look	2002	3,100,000
Louis Mitrovich ^{(1) (2)} Oakville, Ontario, Canada Director	Communications Consultant	2002	41,000
Douglas Reeson ⁽¹⁾ Toronto, Ontario, Canada Director	Business Executive	2002	5,500

(1) Member of the Audit and Corporate Governance Committee.

(2) Member of the Nomination, HR and Compensation Committee.

The Board of Directors of the Corporation does not have an Executive Committee. The information as to Common Shares beneficially owned or over which the above-named individuals exercise control or direction is not within the knowledge of the Corporation and has been furnished by the respective nominees individually.

To the knowledge of the Corporation, none of the above-named directors of the Corporation:

- (a) is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any company that:
 - (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an "Order"), which Order was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

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- (ii) was subject to an Order that was issued after the director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) is, or within the last ten years has been, a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets.

To the knowledge of the Corporation, none of the above-named directors of the Corporation has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

REQUISITIONING SHAREHOLDER NOMINEES

As noted above under “Chronology of Requisition”, the Requisitioning Shareholder has not provided the names of the persons who will comprise its slate of proposed directors, despite the Corporation’s formal written requests that it do so. Accordingly, the Corporation is not able to provide in this Circular the basic information about the nominees required by applicable law, including their names, municipalities of residence and principal occupations. If the nominees are elected at the Meeting, they will be elected to serve until the 2011 annual meeting of shareholders.

PART 3 – COMPENSATION

EXECUTIVE COMPENSATION

In order to comply with statutory requirements, the following section on executive compensation is reproduced from the Corporation’s Management Information Circular dated January 19, 2010, prepared in connection with the February 2010 Annual Meeting.

Nomination, HR and Compensation Committee

The Nomination, HR and Compensation Committee is responsible for assisting the Board of Directors in its oversight of the compensation and development of the Corporation’s executives. The members of the Nomination, HR and Compensation Committee in fiscal 2009 were: Louis Mitrovich (Chairman), Peter Minaki and Gerald McGoey. (See “Corporate Governance — Compensation”, below.)

Compensation Philosophy and Objectives

The Corporation’s executive compensation program serves the purpose of attracting, motivating and retaining the executives needed to achieve and surpass our corporate objectives. The Corporation’s compensation philosophy and objectives foster a “pay for performance” culture by placing a significant emphasis on variable pay for its executives and senior management. The primary objectives of the compensation program are to reward performance in both the short and long-term with respect to the strategic and operational goals of the Corporation.

The strategic and operational goals of the Corporation include maximizing the value of the Corporation’s investment in Look by: (i) obtaining adequate financing for the rollout of mobile broadband in the Provinces of Ontario and Quebec; and

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(ii) partnering, acquiring and divesting, as necessary, to implement the Corporation's strategy of maximizing shareholder value.

Base salaries provide executives and senior management with fixed compensation that reflects the market value of a position and the skills and experience of the executive and senior management, and are paid in accordance with formal agreements as detailed below. Annual and long-term incentives provide the executive with variable compensation consistent with market practices and the accomplishments for the year under review.

Input from Management

The year under review was a unique and complex year for the Corporation and included: (i) the sale of Look's spectrum and broadcast licence; (ii) the winding down and restructuring of Look; (iii) the termination of all services to subscribers; (iv) the decommissioning of Look's wireless network across the Provinces of Ontario and Quebec; and (v) a significant reduction in full and part-time employees.

The implications to our executive compensation were significant — specifically, executives were not: (i) allowed to trade shares of the Corporation, and (ii) allowed to exercise options to acquire shares of the Corporation given that the black-out on trading imposed on them over the past few years was extended from December 1, 2008, the commencement of Look's Plan of Arrangement ("POA") described below.

Due to the complexity of the negotiations, regulations and the assets involved, combined with the day-to-day involvement of the CEO throughout fiscal 2009, the Nomination, HR and Compensation Committee believes that the CEO is in the best position to assess the performance of executives and to provide valuable input regarding the granting of special contingent restructuring awards during fiscal 2009. Accordingly, the Corporation has engaged in discussions with legal counsel and the Nomination, HR and Compensation Committee has considered recommendations from the CEO concerning, among other things: (i) appropriate base salary levels and internal equity among executives; (ii) who should participate in the incentive programs and at what levels; (iii) the determination of performance awards; and (iv) the establishment of payment criteria for special contingent restructuring awards following the sale of Look's main assets and the resulting restructuring of Look. With respect to equity grants, the Nomination, HR and Compensation Committee also considers recommendations from the CEO as to appropriate grant levels for executives and other employees.

Although the Nomination, HR and Compensation Committee takes the information provided by the CEO into careful consideration, it makes independent recommendations to the Board of Directors on all executive compensation matters.

Executive Compensation

After many years of attempting to realize the strategic and operational goals noted above, including the engagement of an investment banker for a period of approximately two years to assist the Corporation in the realization of these goals, Look, fully supported by UBS, implemented a POA in December 2008, subsequently approved by Look's shareholders in January 2009, as a further attempt to realize these strategic and operational goals. The Corporation was able to design, implement, negotiate and close the entire spectrum and broadcast licence transaction during 2009 thus avoiding the continuation of the conditional sale which could have extended to May 2012.

The contingent restructuring awards were granted to executive officers, senior management, directors and employees, due to the exceptional context in which the Corporation operated during fiscal 2009. The contingent restructuring awards are extraordinary and non-recurring and should not therefore be used as an indicator of expected compensation levels in future years.

In determining the contingent restructuring awards, the Corporation took into account, among other things, the fact that: (i) the Corporation may have needed to retain executive officers and senior management until May 2012 in order to maintain the spectrum and broadcast licence in good standing pursuant to the conditional sale of these assets to the Inukshuk Wireless Partnership ("Inukshuk"); (ii) the Corporation does not have a pension plan nor any other deferred compensation plan in effect; (iii) the executives and senior management did not receive any base salary increases in fiscal 2009; (iv) the executives and senior management were required to wind-down and restructure Look; (v) the executives, directors and senior management were required to provide full and final releases for the relinquishment of all SAR units and Look's stock options; (vi) the contingent restructuring awards payable by Look were contingent on Look receiving the full consideration of

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\$80 million due from the sale of its spectrum and broadcast licence; and (vii) the contingent restructuring awards payable by UBS were contingent on Look receiving the full consideration of \$80 million due from the sale of its spectrum and broadcast licence and are contingent on adequate cash resources being received by the Corporation. If Look did not receive the full consideration of \$80 million, the contingent restructuring payments would not have been made and all rights to these contingent restructuring awards, SAR units and Look's stock options would have remained relinquished in their entirety.

The amounts of the contingent restructuring awards payable to executives, directors and senior management, after extensive consultation with the CEO and legal counsel, were approved by the Nomination, HR and Compensation Committee and the Board of Directors based on the position of such executives within the Corporation and their role in the transaction involving the sale of the spectrum and broadcast licence and the resulting restructuring of Look.

Summary of Compensation

The following table sets out all annual and long-term compensation for services in all capacities to the Corporation earned for the fiscal year ended August 31, 2009 by the CEO, the Chief Financial Officer and the one other "executive officer" of the Corporation (as such term is defined in National Instrument 51-102 *Continuous Disclosure Obligations*) who earned more than \$150,000 during the fiscal year ended August 31, 2009 (collectively, the "Named Executive Officers" or "NEOs").

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation ⁽¹⁾ (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Gerald McGoey CEO and Chairman of the Board of Directors	2009	—	—	249,118 ⁽²⁾	—	—	—	8,050,818 ⁽³⁾	8,299,936
Alex Dolgonos Technology Consultant	2009	—	—	118,530 ⁽⁴⁾	—	—	—	5,982,498 ⁽⁵⁾	6,101,028
Malcolm Buxton-Forman Chief Financial Officer	2009	175,000	—	59,777 ⁽⁶⁾	—	—	—	1,124,000	1,358,777

(1) Refer to the table below for a breakdown of All Other Compensation.

(2) Gerald McGoey was granted 2,000,000 options at an exercise price of \$0.15 and 100,000 options at an exercise price of \$0.16. The value noted above was calculated using the Black Scholes pricing model and the following inputs: interest rate of 2.6% and 2.1%, years to maturity of 5 and 3.5, and volatility of 117% and 122%, respectively.

(3) Includes payments made to and accrued for Jolian Investments Ltd, a corporation controlled by Gerald McGoey.

(4) DOL Technologies Inc. was granted 1,000,000 options at an exercise price of \$0.15. The value noted above was calculated using the Black Scholes pricing model and the following inputs: interest rate of 2.6%, years to maturity of 5, and volatility of 117%.

(5) Includes payments made to and accrued for DOL Technologies Inc., a corporation controlled by Alex Dolgonos.

(6) Malcolm Buxton-Forman was granted 250,000 options at an exercise price of \$0.15 and 250,000 options at an exercise price of \$0.16. The value noted above was calculated using the Black Scholes pricing model and the following inputs: interest rate of 2.6% and 2.1%, years to maturity of 5 and 3.5, and volatility of 117% and 122%, respectively.

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The breakdown of All Other Compensation noted in the table above is set out in the following table:

Name	Management services fees (\$)	Consulting fees (\$)	Director fees (\$)	Contingent award from the Corporation ⁽¹⁾ (\$)	Contingent award from a subsidiary ⁽²⁾ (\$)	Other ⁽³⁾ (\$)	Total (\$)
Gerald McGoey ⁽⁴⁾	570,000	—	63,500	1,800,000	5,565,696	51,622	8,050,818
Alex Dolgonos ⁽⁵⁾		475,000	—	1,530,000	3,950,737	26,761	5,982,498
Malcolm Buxton-Forman ⁽⁶⁾	—	—	—	1,000,000	100,000	24,000	1,124,000

- (1) The Contingent Awards payable by UBS are contingent upon the receipt by Look of the full consideration of \$80 million due from Inukshuk pursuant to the sale of Look's spectrum and broadcast licence and adequate cash resources being received by UBS.
- (2) The Contingent Awards payable by Look are contingent upon the receipt by Look of the full consideration of \$80 million due from Inukshuk pursuant to the sale of Look's spectrum and broadcast licence.
- (3) Other includes interest on deferred bonuses, car allowances and club subscriptions.
- (4) During fiscal 2009, Jolian Investments Ltd, a corporation controlled by Gerald McGoey, relinquished all rights to 3,000,000 SAR units in UBS and 14,768,921 SAR units and 335,213 options in Look. If Look did not receive the full consideration of \$80 million due from Inukshuk, the accrued contingent payments would not have been made and all rights to these contingent payments, SAR units and options would have remained relinquished.
- (5) During fiscal 2009, DOL Technologies Inc., a corporation controlled by Alex Dolgonos relinquished all rights to 3,000,000 SAR units in UBS and 7,384,461 SAR units in Look. If Look did not receive the full consideration of \$80 million due from Inukshuk, the accrued contingent payments would not have been made and all rights to these contingent payments, SAR units and options would have remained relinquished.
- (6) During fiscal 2009, Malcolm Buxton-Forman relinquished all rights to 300,000 SAR units and 200,000 options in Look.
- (7) If Look did not receive the full consideration of \$80 million due from Inukshuk, the accrued contingent payments would not have been made and all rights to these contingent payments, SAR units and options would have remained relinquished.

Employment Agreements

The Corporation has entered into a Management Services Agreement with Jolian, which is controlled by Gerald McGoey, a consulting agreement with DOL Technologies Inc., which is controlled by Alex Dolgonos and an employment agreement with Malcolm Buxton-Forman. The agreements provide the terms and conditions of these individuals' service, consulting or employment arrangements, including base salary or fees, annual performance incentives and severance payments to be received by them in the event of a termination of service/employment. The following is a summary of the key employment agreements:

Jolian Investments Ltd.

The Corporation entered into a Management Services Agreement with Jolian and cancelled an employment agreement with Gerald McGoey effective January 1, 2006. Jolian is located at 100 Rosedale Heights Drive, Toronto, Ontario, M4T 1C6.

Under the Management Services Agreement, Jolian shall cause Mr. McGoey to perform the services of the CEO of the Corporation and such other services as the Corporation deems appropriate. The Corporation has agreed to include Mr. McGoey on the management slate for election to the Board of Directors throughout the term of the Management Services Agreement.

The term of the Management Services Agreement is moving three-year periods, commencing January 1, 2006. On each January 1, the three-year term recommences unless the Corporation communicates in writing to Jolian its intent that the Management Services Agreement not recommence, in which case the Management Services Agreement expires on completion of the three-year term then in effect.

On May 15, 2007, the Board of Directors amended the annual base fee payable to Jolian to \$570,000, which may be increased annually at the sole discretion of the Board of Directors. In addition, the Board of Directors may from time-to-time award bonuses to Jolian, based on performance criteria that the Board of Directors deems appropriate, in the form of cash bonus payments, the direct grant of treasury shares of the Corporation, or the grant of stock options. The Corporation must reimburse Jolian for all expenses incurred by it. The Management Services Agreement includes standard non-competition, non-solicitation and confidentiality provisions.

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Jolian is entitled to terminate the Management Services Agreement upon four months' written notice. If Jolian terminates the Management Services Agreement, the Corporation is required to pay Jolian the "base fee" (currently \$570,000 per year) then due and owing, a *pro rata* portion of any performance incentive actually awarded and unpaid at the time of termination and all expenses due and owing. All stock options (whether or not granted or vested) will be immediately cancelled in such circumstances.

The Corporation is entitled to terminate the Management Services Agreement in the event of an act of fraud, theft or material misappropriation by Mr. McGoey or upon the material failure by Mr. McGoey to perform his services as CEO under the Management Services Agreement.

In the event of a "change in control" of the Corporation, Jolian is entitled to terminate the Management Services Agreement. The term "change in control" is defined in the Management Services Agreement as a transaction, or a series of transactions, the result of which is that a person, or persons acting in concert, acquire control or direction over 20% or more of the outstanding Common Shares at a point in time when Jolian exercises control or direction over less than 50% of the outstanding Common Shares.

In the event that Jolian terminates the Management Services Agreement following a "change in control" of the Corporation or following the failure by the Corporation to respect any of its obligations under the Management Services Agreement (after having received written notice of such failure and having been given reasonable time to correct such failure), Jolian is entitled to a lump sum payment equal to 300% of the aggregate of: (i) the "base fee" (currently \$570,000 per year); (ii) a performance incentive (of not less than \$285,000) based on the highest performance incentive in the previous two calendar or fiscal years; and (iii) certain annualized expenses of Jolian. In addition, all stock options then granted but not yet vested will immediately vest and be exercisable for a period ending five years after the date of the grant.

DOL Technologies Inc.

The Corporation entered into a consulting agreement with Alex Dolgonos, effective March 18, 2002. On July 12, 2008, the Corporation entered into a Technology Development and Strategic Marketing Agreement (the "**Technology Agreement**"), effective May 1, 2008, with the Consultant, located at 207 Arnold Avenue, Toronto Ontario L4J 1C1. The Technology Agreement replaces the 2002 consulting agreement with Mr. Dolgonos.

Under the Technology Agreement, the Consultant will continue to provide, amongst other things, technology consulting services to the Corporation. The current term of the Technology Agreement is for a period of three years, commencing May 1, 2008. Unless the Board of Directors has decided otherwise and has communicated that decision to the Consultant in writing within the three months preceding the end of the current term, the Technology Agreement shall be automatically renewed for a further three years on the terms and conditions no less favourable to the Consultant than those contemplated in the Technology Agreement.

Pursuant to the Technology Agreement, the Consultant will receive an annual base fee of \$475,000, which may be increased annually at the sole discretion of the Board of Directors. In addition, the Board of Directors may from time-to-time award bonuses to the Consultant, based on performance criteria that the Board of Directors of Directors deems appropriate.

The Corporation must reimburse the Consultant for all expenses incurred by it. The Technology Agreement includes standard non-competition, non-solicitation and confidentiality provisions.

The Consultant is entitled to terminate the Technology Agreement upon four months' written notice. If the Consultant terminates the Technology Agreement, the Corporation is required to pay the Consultant the "base fee" (currently \$475,000 per year) then due and owing, a *pro rata* portion of any performance incentive actually awarded and unpaid at the time of termination and all expenses due and owing. All stock options (whether or not granted or vested) will be immediately cancelled in such circumstances.

In the event of a "change in control" of the Corporation, the Consultant is entitled to terminate the Technology Agreement. The term "change in control" is defined in the Technology Agreement as meaning that control (control includes a Person or group of Persons acting in concert holding more than 20% of the voting shares of the Corporation) of the Corporation has transferred to another person or persons acting in concert.

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In the event that the Consultant terminates the Technology Agreement following a "change in control" of the Corporation or the Corporation terminates the Technology Agreement at any time without cause, the Consultant is entitled to a lump sum payment equal to 300% of the aggregate of: (i) the "base fee" (currently \$475,000 per year); (ii) a performance incentive based on the greater of the performance incentive in the immediately preceding fiscal or calendar years and the average bonuses paid in the immediately preceding two calendar or fiscal years; and (iii) amounts due and owing at the time of termination. In addition, in the event of a "change of control", all stock options then granted but not yet vested will immediately vest and be exercisable for a period ending five years after the date of the grant.

Malcolm Buxton-Forman

The Corporation has entered into an employment agreement with Malcolm Buxton-Forman effective July 8, 2004. Pursuant to the agreement, Mr. Buxton-Forman receives an annual base salary of \$175,000, with annual reviews. In addition, Mr. Buxton-Forman is eligible for an annual performance bonus, determined at the sole discretion of the CEO. The Corporation also provides Mr. Buxton-Forman with four weeks' paid vacation per year and a benefits package. In the event that the Corporation terminates the employment agreement with Mr. Buxton-Forman other than for cause, Mr. Buxton-Forman will be entitled to receive a lump sum payment equal to nine months of his annual salary. If following a change of control of the Corporation, Mr. Buxton-Forman is not employed on the same terms and conditions as under his current employment agreement, Mr. Buxton-Forman will be entitled to receive: (i) a lump sum payment equal to twelve months of his annual salary; and (ii) a bonus calculated in accordance with the employment agreement. Options that have been granted and those to which he would have been entitled under the terms of the agreement will vest immediately and will be exercisable at any time in accordance with the Corporation's stock option plan.

INCENTIVE PLANS

In order to comply with statutory requirements, the following section on incentive plans is reproduced from the Corporation's Management Information Circular dated January 19, 2010, prepared in connection with the February 2010 Annual Meeting.

Stock Option Plan

The foregoing stock options were granted under the Corporation's stock option plan (the "Option Plan"). The purpose of the Option Plan is to enhance the Corporation's ability: (a) to attract and retain persons to serve as directors, officers and employees of the Corporation and its affiliates or to render consulting services to the Corporation; and (b) to promote a greater alignment of interest between such directors, officers, employees and consultants and the shareholders of the Corporation. The following is a summary of the Option Plan.

In August 2000, the Board of Directors established the Option Plan for the Corporation's directors, employees and consultants. The Option Plan was approved by the shareholders of the Corporation on November 9, 2000. The Option Plan was drafted to conform to the then-applicable policies of the Canadian Venture Exchange. Since that time, the TSX Venture Exchange (the successor to the Canadian Venture Exchange) has revised its policies regarding incentive stock options. On August 31, 2004, the Board of Directors amended and restated the Option Plan. The amended and restated Option Plan was approved by the shareholders of the Corporation on February 17, 2005.

Under the Option Plan, the Board of Directors may by resolution grant options to directors, officers and employees of, and consultants to, the Corporation, provided that the total number of shares issued under the Option Plan does not exceed 19,765,596. The total number of shares which may be issued under the amended and restated Option Plan represents approximately 19% of the Corporation's currently issued and outstanding shares. The exercise price of the options is determined by the Board of Directors at the time of the grant of an option, but cannot be lower than the closing market price of the Corporation's shares on the TSX Venture Exchange on the day immediately prior to the date on which the option is granted. The maximum period during which an option may be exercised is ten years from the date on which it is granted. Each option granted under the Option Plan is personal to the optionee and is not assignable or transferable except by will or by the laws of succession of the place of domicile of a deceased optionee.

Under the Option Plan, upon an optionee's employment with the Corporation being terminated for cause, any option not exercised terminates immediately. If an optionee dies or becomes permanently disabled, any option may be exercised for that number of shares which the optionee was entitled to acquire at the time of death or permanent disability. Such option may be

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exercised within a period of one year after the date of death or 90 days after the occurrence of the optionee's permanent disability (or such longer period as may be determined by the Board of Directors) or prior the expiration of the term of the option, whichever occurs earlier. Upon an optionee's employment, office or directorship or consulting services ending other than by reason of death, permanent disability or termination for cause, any option may be exercised for that number of shares which the optionee was entitled to acquire at the time of such termination. Such option may be exercised within a period of 90 days after such termination (or such longer period as may be determined by the Board of Directors) or prior to the expiration of the term of the option, whichever occurs earlier.

Share Appreciation Rights Plan

On October 12, 2006, the Board of Directors approved the 2006 Share Appreciation Rights Plan (the "SAR Plan"). The purpose of the SAR Plan is to enhance the Corporation's ability: (a) to attract and retain persons to serve as directors, officers and employees of the Corporation and its affiliates or to render consulting services to the Corporation; and (b) to promote a greater alignment of interest between such directors, officers, employees and consultants and the shareholders of the Corporation. Upon the recommendation of the Nomination, HR and Compensation Committee, the Board of Directors may award share appreciation rights ("SAR") units to participants pursuant to the SAR Plan. SAR units may be awarded to participants at any time and are subject to the terms and conditions determined by the Board of Directors. When conditions attaching to an award of SAR units are met, the Corporation is required to pay the participant an amount equal to the "value" of his or her SAR units at that date, less all required statutory deductions.

The "value" of SAR units is defined in the SAR Plan as the average closing board lot sale price of the Common Shares of the Corporation on the TSX Venture Exchange on the last preceding day on which the Common Shares were traded. The payment will be made in the form of a lump sum cash payment no later than 30 days after the date on which all conditions are met, or, subject to regulatory approval, in shares or a combination of cash and shares.

If a participant under the SAR Plan terminates employment, board membership or consultant status with the Corporation other than by reason of death or permanent disability, all of such person's SAR units will be forfeited and such person will not be entitled to receive any payment in respect thereof. In the event of death or permanent disability of a participant under the SAR Plan, such person's SAR units will remain outstanding for one year after the date of termination. If the conditions attaching to such person's SAR units are met during the one-year period, payment will be made to the participant or to the participant's estate, as the case may be.

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Incentive Plan Awards

The outstanding option-based and share-based awards as at August 31, 2009 for the NEOs are as follows:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested ⁽²⁾ (#)	Market or payout value of share-based awards that have not vested (\$)
Gerald McGoey	1,000,000	0.48	17-Jun-2012	—	—	—
	333,333	0.25	03-Jun-2010	—	—	—
	333,334	0.25	03-Jun-2011	—	—	—
	144,000	0.21	17-Feb-2010	—	—	—
	1,000,000	0.165	21-Jul-2010	—	—	—
	167,000	0.135	21-Dec-2010	1,670	—	—
	1,000,000	0.12	05-Jun-2011	25,000	—	—
	150,000	0.40	26-Mar-2012	—	—	—
	2,000,000	0.34	22-Jun-2017	—	—	—
	100,000	0.16	20-Nov-2013	—	—	—
	2,000,000	0.15	31-Aug-2019	—	—	—
Alex Dolgonos	1,000,000	0.48	11-Jan-2012	—	—	—
	1,000,000	0.32	19-Oct-2017	—	—	—
	1,000,000	0.44	24-Jul-2013	—	—	—
	1,000,000	0.15	31-Aug-2019	—	—	—
Malcolm Buxton-Forman	500,000	0.195	21-Apr-2010	—	—	—
	250,000	0.16	21-Jul-2010	—	—	—
	50,000	0.135	21-Dec-2010	500	—	—
	200,000	0.12	05-Jun-2011	5,000	—	—
	250,000	0.16	20-Nov-2013	—	—	—
	250,000	0.15	31-Aug-2019	—	—	—

(1) The value of unexercised in-the-money options for the NEOs is based on a closing share price of \$0.145 as at August 31, 2009.

Incentive plan awards – value vested or earned during the year

Name	Option-based awards – value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Gerald McGoey	—	—	—
Alex Dolgonos	—	—	—
Malcolm Buxton-Forman	—	—	—

(1) None of the options that vested during the year for any of the NEOs were in the money on the vesting dates of the options.

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DIRECTORS' COMPENSATION

In order to comply with statutory requirements, the following section on directors' compensation is reproduced from the Corporation's Management Information Circular dated January 19, 2010, prepared in connection with the February 2010 Annual Meeting.

Compensation of Directors

During fiscal 2007, the remuneration payable to directors was amended. On October 12, 2006, the Board of Directors approved an amendment to the directors' compensation whereby the stock option component of compensation was replaced with a Share Appreciation Rights (SAR) component. Pursuant to this amendment, each director was awarded 1.5 million SAR units, the vesting of which is subject to the fulfillment of specific terms and conditions approved by the Board of Directors on October 12, 2006. Notwithstanding the change to the stock option component, the directors remain eligible for the granting of stock options pursuant to the Corporation's Option Plan described above.

On May 15, 2007, the Corporation fixed director compensation at \$24,000 per year and \$1,500 per meeting, to a maximum of \$3,000 per day, irrespective of the number of meetings attended by a director on any given day. Each committee chairman receives an additional \$5,000 per year, except for the chairman of the Audit and Corporate Governance Committee who receives an additional \$10,000 per year.

Compensation Paid to Directors during the Fiscal Year

The following table sets out the amounts paid and accrued and stock options granted as compensation to the directors for their services as directors during the fiscal year ended August 31, 2009:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation ⁽²⁾ (\$)	Total (\$)
Peter Minaki ⁽³⁾	63,500	—	12,058	—	—	465,000	540,558
Louis Mitrovich	63,500	—	12,058	—	—	450,000	525,558
Douglas Reeson	68,500	—	12,058	—	—	465,000	545,558

- (1) Each director was granted 100,000 options at an exercise price of \$0.16. The value noted above was calculated using the Black Scholes pricing model and the following inputs: interest rate of 2.1%, years to maturity of 3.5, and volatility of 122%.
- (2) The all other compensation payable by UBS is contingent upon the receipt by Look of the full consideration of \$80 million due from Inukshuk pursuant to the sale of Look's spectrum and broadcast licence and adequate cash resources being received by UBS. During fiscal 2009, Peter Minaki and Douglas Reeson each relinquished all rights to 1,650,000 SAR units in UBS and Louis Mitrovich relinquished all rights to 1,500,000 SAR units in UBS. If Look did not receive the full consideration of \$80 million due from Inukshuk, the accrued contingent payments would not have been made and all rights to these contingent payments and SAR units would have remained relinquished.
- (3) Peter Minaki resigned as a director of the Corporation on September 2, 2009.

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Incentive Plan Awards

The outstanding option-based and share-based awards as at August 31, 2009 for the directors are as follows:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Louis Mitrovich	144,000	0.210	17-Feb-2010	—	—	—
	167,000	0.135	21-Dec-2010	1,670	—	—
	150,000	0.400	26-Mar-2012	—	—	—
	86,000	0.440	24-Jul-2013	—	—	—
	100,000	0.160	20-Nov-2013	—	—	—
Douglas Reeson	144,000	0.210	17-Feb-2010	—	—	—
	167,000	0.135	21-Dec-2010	1,670	—	—
	150,000	0.400	26-Mar-2012	—	—	—
	86,000	0.440	24-Jul-2013	—	—	—
	100,000	0.160	20-Nov-2013	—	—	—
Peter Minaki	144,000	0.210	17-Feb-2010	—	—	—
	167,000	0.135	21-Dec-2010	1,670	—	—
	150,000	0.400	26-Mar-2012	—	—	—
	86,000	0.440	24-Jul-2013	—	—	—
	100,000	0.160	20-Nov-2013	—	—	—

(1) The value of unexercised in-the-money options for the directors is based on a closing share price of \$0.145 as at August 31, 2009.

Incentive plan awards – value vested or earned during the year

Name	Option-based awards – value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Louis Mitrovich	—	—	—
Douglas Reeson	—	—	—
Peter Minaki	—	—	—

(1) None of the options that vested during the year for any of the directors were in the money on the vesting dates of the options.

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SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

In order to comply with statutory requirements, the following section on securities authorized for issuance under equity compensation plans is reproduced from the Corporation's Management Information Circular dated January 19, 2010, prepared in connection with the February 2010 Annual Meeting.

The following table sets out certain details as at August 31, 2009, the end of the Corporation's last fiscal year, with respect to compensation plans pursuant to which equity securities of the Corporation are authorized for issuance.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	15,890,667	\$0.27	2,295,973
Equity compensation plans not approved by security holders	—	—	—
Total	15,890,667	\$0.27	2,295,973

PART 4 – CORPORATE GOVERNANCE

In order to comply with statutory requirements, the following Part 4 on corporate governance is reproduced from the Corporation's Management Information Circular dated January 19, 2010, prepared in connection with the February 2010 Annual Meeting, with the exception of two updates of information relating to Mr. Douglas Reeson, a director of the Corporation.

CORPORATE GOVERNANCE

The Board of Directors is committed to ensuring that the Corporation has an effective corporate governance system, which adds value and assists the Corporation in achieving its objectives. For the Corporation, corporate governance means the process and structure used to supervise the Corporation's business and affairs with the objective of enhancing shareholder value. The process and structure define the division of authority and responsibilities and establish mechanisms for achieving accountability by the Board of Directors and management.

The Corporation acknowledges the benefits received by it and shareholders from the disclosure of governance practices and is committed to an ongoing process of disclosure.

National Policy 58-201 *Corporate Governance Guidelines* and National Instrument 58-101 *Disclosure of Corporate Governance Practices*, which came into force on June 30, 2005, set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation's required annual disclosure of its corporate governance practices.

1. Board of Directors

During fiscal 2009, the Board of Directors was composed of four directors. The Board of Directors considered that three of the directors were independent, according to the definition of "independence" set out in Multilateral Instrument 52-110 *Audit Committees*. The three independent directors in fiscal 2009 were Louis Mitrovich, Peter Minaki and Douglas Reeson. Peter Minaki resigned as a director on September 2, 2009.

The Board of Directors considers that Gerald McGoey is not independent in that he is an executive officer of the Corporation.

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During fiscal 2009, the independent directors met with the external auditors, KPMG, at an *in camera* session without management and the non-independent director.

The Board of Directors does not have an independent chair but provides leadership to independent directors through keeping them abreast of new industry developments and giving them access to management at each Board of Directors meeting.

During fiscal 2009, there was a 100% attendance record by directors at board meetings and meetings of committees of the Board of Directors. As a general practice, directors who are not on a committee are invited to attend committee meetings and in most cases do so.

The following directors of the Corporation are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction:

Name	Issuer
Gerald McGoey	Look Communications Inc.
Louis Mitrovich	Look Communications Inc.
Douglas Reeson	Gossan Resources Limited Mega Uranium Ltd. Mengold Resources Inc. Soltoro Ltd. Colossus Minerals Inc. Lithium Americas Corp.

2. Mandate of the Board of Directors

The Board of Directors does not have a written mandate. The Board of Directors is responsible for the stewardship of the Corporation. This requires the Board of Directors to oversee the conduct of the business and affairs of the Corporation. The Board of Directors discharges some of its responsibilities directly and discharges others through committees of the Board of Directors. The Board of Directors is not responsible for the day-to-day management and operation of the Corporation's business, as this responsibility has been delegated to management. The Board of Directors is, however, responsible for supervising management in carrying out this responsibility.

3. Position Descriptions

There are two committees of the Board of Directors: the Audit and Corporate Governance Committee and the Nomination, HR and Compensation Committee.

Each board committee is chaired by an independent director, who is responsible for organizing the affairs of their committee, chairing its meetings, providing guidance to the members of their committee, retaining outside experts as and when required and reporting to the Board of Directors on the work of their committee.

The Corporation has entered into a management service agreement with Jolian., which provides amongst other things, the services of the CEO to the Corporation. The CEO's role and responsibilities are documented in this agreement.

The Corporation sets corporate objectives as part of its annual budgeting process, which are approved by the Board of Directors. These objectives, together with the Corporation's strategic plan, comprise the principal mandate of the CEO. The CEO's objectives also include the general mandate to maximize shareholder value.

The corporate objectives are reviewed quarterly by the Board of Directors and the CEO's performance review is based on performance against these objectives.

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4. Orientation and Continuing Education

Each of the three current directors of the Corporation has been a director since 2002. Accordingly, the Corporation has not prepared a formal orientation program for new directors.

The Corporation provides directors with the opportunity to meet senior management of the Corporation.

The Chairman and CEO periodically selects special educational or informational topics for presentation and discussion at Board of Directors meetings, which deal with the business and regulatory environment in which the Corporation operates, and the telecommunications industry generally. In addition, industry-related articles of interest are distributed to directors on a regular basis.

5. Ethical Business Conduct

The Board of Directors has not adopted a formal Code of Ethics for the Corporation. The Board of Directors has determined that the senior officers of the Corporation should observe and promote the following principles with respect to the business of the Corporation:

- (a) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) full, fair, accurate, timely and understandable disclosure in public communications and in reports and documents that are filed with, or submitted to, the securities regulatory authorities; and
- (c) compliance with applicable laws, rules and regulations.

The Board of Directors has also determined that no senior officer of the Corporation should take any action to: (i) fraudulently influence, coerce, manipulate or mislead the auditors of the Corporation; or (ii) retaliate against "whistle blowers" (that is, employees who provide information or assist in a government or supervisory investigation of the Corporation).

Directors and officers are required to disclose any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest.

6. Nomination of Directors

The mandate of the Nomination, HR and Compensation Committee, which is comprised of one independent director and one non-independent director, includes the recommendation of qualified candidates for the Board of Directors and annual reviews of the effectiveness of the Board of Directors and individual directors.

The Nomination, HR and Compensation Committee assess potential Board of Directors candidates to fill perceived needs on the Board of Directors for required skills, expertise, independence and other factors. Members of the Board of Directors and representatives of the Corporation's related industry may be consulted for possible candidates.

7. Compensation

The mandate of the Nomination, HR and Compensation Committee includes an annual review of the appropriateness and adequacy of directors' and officers' compensation.

In making compensation decisions the Nomination, HR and Compensation Committee has the authority to engage independent counsel and other advisors as it determines necessary. The Corporation's policies on compensation are intended to provide appropriate compensation for directors and officers that is internally equitable, externally competitive and reflects individual achievements in the context of the Corporation.

The Committee did not retain the services of any compensation consultant during fiscal 2009.

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8. Other Board of Directors Committees

Other than the Audit and Corporate Governance Committee and Nomination, HR and Compensation Committee, the Board of Directors had a Technology Committee during fiscal 2009. The Technology Committee was responsible for advising the Board of Directors on current technology issues and opportunities for the Corporation. The Technology Committee has been discontinued.

9. Assessments

The Nomination, HR and Compensation Committee is responsible for an annual review of the effectiveness of the Board of Directors, its committees and individual directors. Such reviews are conducted prior to directors being nominated for re-election to the Board of Directors by shareholders.

To assist in its review, the Nomination, HR and Compensation Committee conducts informal surveys of the directors. As part of the assessments, the Board of Directors or the individual committees or the individual directors may review their respective roles and responsibilities.

AUDIT AND CORPORATE GOVERNANCE COMMITTEE

Charter of the Audit and Corporate Governance Committee

The Charter of the Audit and Corporate Governance Committee is annexed to this Circular as Schedule B.

Composition of the Audit and Corporate Governance Committee

The Audit and Corporate Governance Committee is currently composed of Gerald McGoey, Louis Mitrovich and Douglas Reeson. Under Multilateral Instrument 52-110 *Audit Committees*, a director of an audit committee is "independent" if he or she has no direct or indirect material relationship with the issuer, that is, a relationship which could, in the view of the Board of Directors, reasonably be expected to interfere with the exercise of the member's independent judgment. The Board of Directors has determined that Louis Mitrovich and Douglas Reeson are independent members of the Audit and Corporate Governance Committee and that Gerald McGoey is not an independent member of the Audit and Corporate Governance Committee in that Mr. McGoey is CEO of the Corporation.

The Board of Directors has determined that each of the three members of the Audit and Corporate Governance Committee is "financially literate" within the meaning of section 1.6 of Multilateral Instrument 52-110 *Audit Committees*, that is, each member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Education and Relevant Experience

The education and related experience of each of the members of the Audit and Corporate Governance Committee that is relevant to the performance of his responsibilities as a member of an audit committee are set out below.

Gerald McGoey holds a Bachelor's Degree in Economics from Wilfred Laurier University, Waterloo, Ontario, and has been a member of the Canadian Institute of Chartered Accountants as well as the Financial Executive Institute and the WPO Organization. Prior to his current position, he worked within the BCE group of companies where he was Executive VP and CFO of BCE Inc. and then Chief Corporate Officer of Bell Canada. Mr. McGoey was also Chairman of the Board of Directors of Bimcor Inc., Chairman and President of BCE Ventures, Chairman of Bell Sigma, a director of Bell Canada International, MediaLinx Inc. and a number of other Bell companies. Before joining the BCE group, Mr. McGoey held the positions of President and a director of Oxford Enterprises as well as Executive VP and CFO of Canada Development Company (CDC), and was a partner in the accounting firm Peat Marwick Thorne.

Louis Mitrovich is a Professional Engineer in Ontario, graduating from Queen's University in Electrical Engineering in 1963. Mr. Mitrovich has worked in the telecommunications field for approximately 40 years, holding positions with large companies such as GTE, Rockwell and Alcatel Canada, in both Canada and the United States. He has considerable

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experience in engineering, marketing and executive corporate management, including as Vice-President and General Manager of Rockwell Telecom, and Country Senior Officer for Alcatel Canada, in addition to serving on its Board of Directors.

Douglas Reeson, M.B.A., holds undergraduate and graduate degrees from York University, Toronto, Ontario. Mr. Reeson is a business executive with experience as an officer and director of a number of junior public companies. Prior to 1991, he held a number of positions in the investment industry, including Executive Director of Listings for the Toronto Stock Exchange, and Vice-President and director of Davidson Partners, Midland Doherty and Yorkton Securities. Earlier in his career, Mr. Reeson was an investment analyst at Burns Fry.

Pre-Approval Policies and Procedure

The Audit and Corporate Governance Committee pre-approves all audit and non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor.

PART 5 – OTHER INFORMATION

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this Circular, "informed person" means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Corporation; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

To the best of the Corporation's knowledge, no informed person of the Corporation, and no associate or affiliate of the foregoing persons, at any time since the beginning of its last completed financial year, has or had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the beginning of its last completed financial year that has materially affected the Corporation or any of its subsidiaries, or in any proposed transaction that could materially affect the Corporation or any of its subsidiaries, or in any matter to be acted upon at this Meeting, except as may be disclosed in this Circular.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Liability insurance coverage in the amount of \$4 million in aggregate was purchased by the Corporation for the protection of all directors and officers of the Corporation and its subsidiaries against liability incurred by them in their capacities as directors or officers of the Corporation and its subsidiaries. Such coverage applies on the same basis for all directors and officers of the Corporation as a group. The premium paid by the Corporation for the one-year policy period ending April 15, 2011 was \$20,000 for the directors and officers as a group.

In any claim in which the Corporation is not permitted to reimburse the insured persons, either by law or otherwise, there is no deductible. In any claim in which the Corporation is permitted to reimburse the insured persons, the deductible for the Corporation is \$50,000.

In addition, the reporting period under the directors' and officers' liability insurance policy with the Corporation's previous insurer, which expired on April 15, 2010, was extended for one year, to April 15, 2011. The Corporation paid \$43,800 for the extension of the reporting period.

INDEMNIFICATION AGREEMENTS

As contemplated by the *Business Corporations Act* (Ontario) and Article Seven of By-Law No. 1 of the Corporation, in January 2007 the Corporation entered into indemnification agreements with each of five persons then serving as directors and executive officers of the Corporation; the Corporation also entered into indemnification agreements with one consultant and two service companies. Pursuant to these indemnification agreements (collectively, the "**Indemnification Agreements**"),

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the Corporation, among other things, will indemnify the director, executive officer, consultant or service company, as the case may be (the "Indemnified Party"), if the Indemnified Party is or was a party or is threatened to be made a party to any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative, by reason of: (i) the fact that the Indemnified Party is or was a director, officer, employee, consultant or agent of the Corporation or any subsidiary of the Corporation; (ii) any action or inaction on the part of the Indemnified Party while an officer, director, employee, consultant or agent of the Corporation; or (iii) the fact that the Indemnified Party is or was serving at the request of the Corporation as a director, officer, employee, consultant or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including legal fees), judgments, fines and amounts paid in settlement (if such settlement is approved in advance by the Corporation) actually and reasonably incurred by the Indemnified Party in connection with such action or proceeding if the Indemnified Party acted honestly and in good faith and with a view to the best interests of the Corporation, and, with respect to any criminal or administrative action or proceeding that is enforced by monetary penalty, if the Indemnified Party had reasonable grounds for believing his conduct was lawful.

The Indemnification Agreements require as a condition precedent to the right to be indemnified thereunder that the Indemnified Party give the Corporation notice in writing as soon as practicable of any claim in writing made against the Indemnified Party for which indemnification will or could be sought under the applicable Indemnification Agreement. The Indemnification Agreements further require that the Indemnified Party give the Corporation such information and cooperation as the Corporation may reasonably require and as shall be within the power of such Indemnified Party. The Indemnification Agreements also provide that the Corporation will advance all expenses incurred by the Indemnified Party in connection with the investigation, defence, settlement or appeal of any civil or criminal action or proceeding referred to above. Such advances will be paid by the Corporation within ten days following delivery of a written request therefor by the Indemnified Party to the Corporation, accompanied by written evidence of the expense claimed.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

As at May 30, 2010, none of the executive officers, directors, employees or former executive officers, directors or employees of the Corporation or a subsidiary thereof, and no person who is a nominee for election as director of the Corporation, and no associate of any such executive officer, director or proposed nominee was indebted to the Corporation or a subsidiary of the Corporation in connection with a purchase of securities or for any other matter.

During the fiscal year ended August 31, 2009, none of the foregoing persons was indebted to the Corporation or any subsidiary of the Corporation nor has any such person been indebted at any time since the beginning of the fiscal year ended August 31, 2009 to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or a subsidiary of the Corporation.

OTHER MATTERS

Management of the Corporation knows of no other matter to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to the management should properly come before the Meeting, the accompanying proxy form confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

ADDITIONAL INFORMATION

Financial information about the Corporation is contained in its audited consolidated financial statements and Management's Discussion and Analysis for the fiscal year ended August 31, 2009, and additional information about the Corporation is available on SEDAR at www.sedar.com.

If you would like to obtain, at no cost to you, a copy of any of the following documents:

- (a) the audited consolidated financial statements of the Corporation for the fiscal year ended August 31, 2009 together with the accompanying report of the auditors thereon and any interim unaudited consolidated financial statements of the Corporation for periods subsequent to August 31, 2009 and Management's Discussion and Analysis with respect thereto; and
- (b) this Circular,

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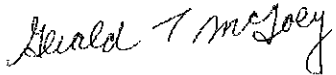
For questions or assistance, please call Georgeson, 1-866-676-3029

please send your request to:

Unique Broadband Systems, Inc.
8250 Lawson Road
Milton, Ontario L9T 5C6
telephone: (905) 660-8100
telecopier: (905) 669-0785
e-mail: irinfo@uniquebroadband.com

AUTHORIZATION

The mailing of this Circular has been approved by the Board of Directors of the Corporation. The contents of this Circular has been approved by the Board of Directors of the Corporation, with the exception of the section entitled "Rationale to Vote Against the Requisitioning Shareholder Proposal - Management Services Agreement with Jolian Investments Ltd.", which was approved exclusively by the two independent directors of the Corporation, without any involvement on the part of Mr. Gerald T. McGoey, in that Jolian is controlled by Mr. McGoey.



Gerald T. McGoey
Chairman and Chief Executive Officer

DATED at Toronto, Ontario
May 30, 2010

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**SCHEDULE A
GLOSSARY OF TERMS**

The following is a glossary of certain of the defined terms used in this Circular.

"CDS" means CDS Clearing and Depository Services Inc.

"Circular" means this Management Information Circular of the Corporation dated May 30, 2010 prepared in connection with the Meeting.

"Class A Shares" means the Class A Non-Voting Shares in the share capital of the Corporation.

"Common Shares" means the common shares in the share capital of the Corporation.

"Corporation" means Unique Broadband Systems, Inc.

"DOL" means DOL Technologies Inc.

"February 2010 Annual Meeting" means the annual and special meeting of shareholders of the Corporation held on February 24, 2010.

"Gowlings" means Gowling Lafleur Henderson LLP.

"Indemnification Agreements" means, collectively, the indemnification agreements entered into in January 2007 between the Corporation, on the one hand, and each of five persons then serving as directors and executive officers of the Corporation, one consultant and two service companies, on the other hand.

"Inukshuk" means Inukshuk Wireless Partnership.

"Jolian" means Jolian Investments Ltd.

"Jolian MSA" means the Management Services Agreement dated May 3, 2006 between the Corporation and Jolian.

"Look" means Look Communications Inc., a corporation of which UBS is the principal shareholder.

"Look Debentures" means the 7% secured convertible debentures issued by Look.

"Look MSA" means the Management Services Agreement dated May 19, 2004 between UBS and Look.

"Meeting" means the special meeting of shareholders of the Corporation called for July 5, 2010.

"Non-Registered Shareholders" means beneficial shareholders of the Corporation whose Common Shares are registered either in the name of an intermediary that the beneficial shareholder deals with in respect of its Common Shares or in the name of a clearing agency (such as CDS or similar entities) of which such intermediary is a participant.

"Record Date" means May 19, 2010.

"Requisitioning Shareholder" means the unidentified beneficial shareholder or shareholders of the Corporation who requisitioned the Meeting.

"UBS" means Unique Broadband Systems, Inc.

"2009 POA" means the Plan of Arrangement of Look effected in 2009.

"2010 POA" means the Plan of Arrangement of Look proposed in April 2010 and subsequently terminated.

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SCHEDULE B
CHARTER OF THE AUDIT AND CORPORATE GOVERNANCE COMMITTEE

1. General

The Board of Directors (the “**Board**”) of Unique Broadband Systems, Inc. (the “**Corporation**”) has delegated the responsibilities, authorities and duties described below to the Audit and Corporate Governance Committee of the Board (the “**Audit Committee**”). For the purpose of these terms of reference, the term “Corporation” shall include the Corporation and its subsidiaries except to the extent that a subsidiary has its own audit committee that complies with the requirements of any applicable Canadian securities laws, rules and guidelines and any applicable stock exchange requirements or guidelines.

The Audit Committee will provide independent review and oversight of the Corporation’s financial reporting process, the system of internal control and management of financial risks, and the audit process, including the selection, oversight and compensation of the Corporation’s external auditors. In so doing, the Audit Committee will comply with all applicable Canadian securities laws, rules and guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules.

2. Members

The Audit Committee shall be composed of a minimum of three members. Members of the Audit Committee shall be appointed by the Board. In this regard, the Board, at its first meeting held after an annual meeting of shareholders, shall appoint the members of the Audit Committee to hold office until the next annual meeting of shareholders. The Board may at any time appoint additional members of the Audit Committee, remove or replace any member of the Audit Committee, or fill any vacancy on the Audit Committee. Any member of the Audit Committee ceasing to be a director shall cease to be a member of the Audit Committee. The Board shall fill a vacancy if the membership of the Audit Committee is less than three directors as a result of such vacancy. The Chair of the Audit Committee may be designated by the Board or, if it does not do so, the members of the Audit Committee may elect a Chair by vote of a majority of the full Audit Committee membership.

A majority of the members of the Audit Committee shall not be employees, “Control Persons” or officers of the Corporation or any of its “Associates” or “Affiliates”, as such terms are defined in the TSX Venture Exchange Corporate Finance Manual. In addition, a majority of the members of the Audit Committee shall be “independent” within the meaning of Multilateral Instrument 52-110 *Audit Committees*.

3. Meetings

The Audit Committee shall meet at least quarterly at such times and locations as the Chair of the Audit Committee shall determine, provided that meetings shall be scheduled so as to permit the timely review of the Corporation’s quarterly and annual financial statements and the related management’s discussion and analysis and earnings press releases. The external auditor or any two members of the Audit Committee may also request a meeting of the Audit Committee. The Chair of the Audit Committee shall hold *in camera* sessions of the Audit Committee, without management present, at every meeting. The Audit Committee may invite such other persons to its meetings as it deems appropriate in order to carry out its duties.

The Audit Committee shall submit the minutes of all meetings to the Board, and when so requested, shall review the matters discussed at an Audit Committee meeting with the Board.

A quorum for any meeting shall be two members of the Audit Committee.

The Audit Committee shall have the authority to require the attendance of the Corporation’s officers at meetings of the Audit Committee, as it deems appropriate or necessary.

4. Committee Charter

The Audit Committee shall review and reassess the adequacy of this charter at least annually or otherwise, as it deems appropriate, and propose recommended changes to the Board, if necessary.

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5. Duties of the Audit Committee

The Audit Committee shall have the following duties:

(a) Oversight of Financial Information and Reporting

- (i) The Audit Committee shall review, with management and the external auditor, and recommend to the Board for approval, the annual financial statements of the Corporation and related financial reporting, including management's discussion and analysis and earnings press releases.
- (ii) The Audit Committee shall review, with management and the external auditor, if deemed necessary, and recommend to the Board for approval, the interim financial statements of the Corporation and related financial reporting, including management's discussion and analysis and earnings press releases.
- (iii) The Audit Committee shall review, with management and the external auditor, and recommend to the Board for approval, any financial statements of the Corporation which have not previously been approved by the Board and which are to be included in a prospectus or other public disclosure document of the Corporation.
- (iv) The Audit Committee shall consider and be satisfied that adequate policies and procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements (other than disclosure referred to above), and periodically assess the adequacy of such procedures.

(b) Relationship with External Auditors

- (i) The Audit Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or test services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- (ii) The external auditor shall report directly to the Audit Committee and the Audit Committee should have a clear understanding with the external auditor that such external auditor must maintain an open and transparent relationship with the Audit Committee, and that the ultimate accountability of the external auditor is to the shareholders of the Corporation.
- (iii) The Audit Committee shall recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or test services for the Corporation, having regard to the qualifications and independence of any candidates, and shall recommend to the Board the compensation of the external auditor. The external auditor is required to be an auditor registered with the Canadian Public Accountability Board ("CPAB") that is in compliance with any restrictions or sanctions imposed by the CPAB.

(c) Pre-Approval of Audit and Non-Audit Services

The Audit Committee shall pre-approve all audit and non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor.

(d) Complaints Procedure

The Audit Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

(e) Hiring Policies

The Audit Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

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(f) Reporting

The Audit Committee shall report regularly to the Board regarding any issues that arise with respect to the quality or integrity of the Corporation's financial statements, the Corporation's compliance with legal or regulatory requirements, the performance and independence of the external auditor, or the internal audit function.

6. Authority to Engage Independent Counsel and Advisors

The Audit Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Audit Committee, and to communicate directly with the internal and external auditors.

The Corporation shall provide appropriate funding, as determined by the Audit Committee, in its capacity as a committee of the Board, for: (a) payment of compensation to the external auditors employed by the issuer for the purpose of rendering or issuing an audit report; (b) payment of compensation to any advisers employed by the Audit Committee; and (c) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

The Audit Committee shall have the authority, within the scope of its responsibilities, to seek any information it requires from any employee of the Corporation and from external parties.

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THE PROXY TO VOTE IS BLUE



Vote **AGAINST** the removal of the Board of Directors



Vote **FOR** the election of Gerald T. McGoey, Louis Mitrovich and Douglas Reeson, the incumbent directors of the Corporation, as directors of the Corporation

To ensure your vote is counted, completed **BLUE** proxy forms must be received by

9:00 a.m. (Toronto time) on Wednesday, June 30, 2010.

HOW TO VOTE YOUR BLUE PROXY FORM OR BLUE VOTING INSTRUCTION FORM



BENEFICIAL SHAREHOLDERS

(UBS shareholders who hold their securities through a broker, bank or other nominee)

Canadian Beneficial Shareholders

A. Internet	www.proxyvote.com
B. Fax	(905) 507-7793 or (514) 281-8911
C. Telephone	1-800-474-7493
D. Mail	Return your completed Voting Instruction Form in the enclosed envelope.

United States Beneficial Shareholders

A. Internet	www.proxyvote.com
B. Telephone	1-800-454-8683
C. Mail	Return your completed Voting Instruction Form in the enclosed envelope.

*Beneficial shareholders should carefully follow the instructions on their Voting Instruction Form as there may be a requirement for votes to be submitted at least 24 hours in advance of the proxy cut-off time.

REGISTERED SHAREHOLDERS

(UBS shareholders who have a physical share certificate registered in their name)

A. Fax	(416) 595-9593
B. Internet	www.voteproxyonline.com
C. Mail	200 University Avenue Suite 400 Toronto, Ontario M5H 4H1 in the enclosed pre-addressed envelope

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For questions or assistance, please call Georgeson, 1-866-676-3029

QUESTIONS AND FURTHER ASSISTANCE

If you have any questions about the information contained in this document or require assistance in completing your **BLUE** proxy form or **BLUE** voting instruction form, please contact our proxy solicitation agent at:

Georgeson

North American Toll Free Number: 1-866-676-3029

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For questions or assistance, please call Georgeson, 1-866-676-3029

TAB D

AGREEMENT

BETWEEN:

UNIQUE BROADBAND SYSTEMS, INC.
(**"UBS"**)

- and -

LOOK COMMUNICATIONS INC.
(the **"Company"**)

RECITES THAT:

A. The Company wishes to engage UBS to perform certain services on the terms and conditions set out below.

B. UBS wishes to accept the engagement from the Company on the terms and conditions set out below.

AND EVIDENCES THAT, for good and valuable consideration, the receipt and adequacy of which are hereby irrevocably acknowledged, the parties agree as follows:

INTERPRETATION

Interpretation. In this Agreement, the following capitalized terms shall have the corresponding meanings:

"Base Fee" has the meaning ascribed thereto in Section 3.1.

"Board" means the Board of Directors of the Company.

"Business" means the current business of the Company, or any other business in which the Company is engaged during the Term.

"CEO Designee" means an individual designated by the parties in conformity with section 1.3 of this Agreement.

"CEO Services" means the duties typically performed by, and responsibilities assumed by the chief executive officer of a company, including, without limitation, the overseeing of:

- (a) the preparation and administration of the annual budget;
- (b) the hiring, firing and supervising of all senior staff;
- (c) the Company's compliance with all regulatory requirements and shareholder communication;
- (d) the monitoring and, where appropriate, the updating of the Company's broadcast and information technology; and
- (e) customer service .

"Change-in-Control" means a transaction, or series of transactions, the result of which is that a Person, or Persons acting in concert with another Person or Persons, acquire(s) control or direction over twenty percent (20%) or more of the outstanding Company Shares at a point in time when UBS exercises control or direction over less than fifty percent (50%) of the outstanding Company Shares.

"Company Default" means the failure of the Company to respect its obligations hereunder including without limitation the failure of the CEO Designee to be elected to the Board of Directors of the Company (provided that UBS has voted its Company Shares in favour of the CEO Designee), the failure of the Board of Directors of the Company to appoint the CEO Designee as chief executive officer or any substantial diminution of the responsibilities of the CEO Designee, after having received written notice of such failure and having been given reasonable time to correct same, which failure has not been waived by UBS.

"Common Shares" means the common voting shares in the capital stock of the Company.

"Company Shares" means the Common Shares and any instruments convertible into Common Shares.

"Confidential Information" has the meaning ascribed thereto in Section 4.3.

"D & O Insurance" means insurance against the potential liability of an individual as a result of serving as a director or officer of a public company.

"Execution Date" means the date on which this Agreement is signed, as indicated on the signature page.

"IP Rights" has the meaning ascribed thereto in Section 4.5.

"Non-Competition Period" means a period beginning on the Execution Date and ending when this agreement has terminated.

"Options" has the meaning ascribed thereto in Section 3.2.1.

"Other Agreements" has the meaning ascribed thereto in Section 7.12.

"Other Services" means:

- (a) establishing, and modifying in response to changing business conditions, the overall strategic plan of the Company;
- (b) negotiating and, where appropriate, renegotiating service provider and other fixed and/or variable costs of the Company to maximise the Company's profits;
- (c) supplementary financial, accounting, executive secretary and (human resources) services;
- (d) technical support services in respect of technical and engineering expertise which is available to UBS and necessary or useful for the Company;
- (e) advising on litigation affecting the Company;
- (f) ensuring that UBS' D&O Insurance is maintained for the benefit of the directors and officers of the Company or obtained by the Company itself; and
- (g) maximising all other appropriate and reasonable opportunities to enhance the Company's performance and value for all shareholders of the Company.

"Person" has the meaning ascribed thereto in *Business Corporations Act* (Ontario).

"Plan" has the meaning ascribed thereto in Section 3.2.2.

"Policy" has the meaning ascribed thereto in Section 3.2.2.

"Recognition Fee" means an amount equal to one million two hundred thousand dollars (\$1,200,000).

"Services" means the CEO Services and the Other Services.

"Strike Price" means the "Market Price" as defined in the Plan or such other price as be imposed by securities regulations from time to time.

"Term" has the meaning ascribed thereto in Section 2.1.

"Third Party Services" has the meaning associated thereto in Section 1.2(b).

"Trading Price" means the price at which the Company Shares are offered for sale at the close of trading on any exchange on which Company Shares are traded for ten (10) consecutive trading days.

"UBS Default" means :

- (a) an act of fraud, theft or material misappropriation or other act which constitutes "cause" at common law committed by the CEO Designee; and

- (b) the material failure by the CEO Designee to perform the CEO Services after having received written notice of such material failure and been given reasonable time to correct same;

which has not been waived by the Company.

"UBS Voluntary Change in Control" means a Change in Control in which UBS has voluntarily participated.

For greater certainty, all references to Common Shares or Company Shares held by UBS or any other person, mean such holdings whether direct or indirect.

ARTICLE 1

ENGAGEMENT AND SERVICES

1.1 Engagement

Subject to the terms of this Agreement, the Company hereby engages UBS to perform the Services.

1.2 Acceptance of Engagement and Performance of Services

Subject to the terms of this Agreement, UBS accepts the engagement to perform the Services and shall perform the Services, by causing:

- (a) the CEO Designee to perform the CEO Services and such Other Services as UBS determines, in its sole discretion, is appropriate for the CEO to perform (it being recognized that in providing the Services, the CEO Designee shall directly, and through others, be instructing and managing the employees of the Company); and
- (b) such other employees of UBS and/or third party service providers to perform the Other Services which UBS determines, in its sole discretion, is not appropriate for the CEO Designee to perform himself (the Other Services performed by non-employees of UBS or the Company to be referred to as "Third Party Services").

UBS shall ensure that all Services are performed in a diligent and professional manner, commensurate with the management required for a publicly traded communications company.

1.3 Selection of CEO Designee

The parties acknowledge that, from the Execution Date, the CEO Designee shall automatically be Gerald T. McGoey. Once Mr. McGoey is unable or unwilling to serve as CEO Designee, UBS shall designate the CEO Designee to perform the CEO Services and direct the Other Services. This designation shall consist of the written proposal by UBS of a candidate which the Company may accept within two weeks of receipt of the written proposal, failing which, UBS shall

propose another candidate. The Company will have been deemed to have accepted the first candidate proposed unless the Company provides written notice to the contrary to UBS within the two weeks of the candidate being proposed. If UBS fails to propose candidates as required in this Section 1.3 (no later than the eleventh (11th) business day following the issuance of a written request to do so) or if the Company rejects both candidates, the Company or UBS may terminate this Agreement in accordance with paragraph 5.3.

1.4 Appointment of CEO Designee

The Company acknowledges that, in order to perform the CEO Services, the CEO Designee must be elected a member of the Board and appointed Chief Executive Officer of the Company. Throughout the term of this Agreement, the Company shall include the CEO Designee on the management slate for election to the Board and shall request of the Board that the CEO Designee be appointed Chief Executive Officer. If:

- (a) the CEO Designee is not elected to the Board (other than as a result of UBS' failure to vote its shares in favour of the CEO Designee); or
- (b) the Board does not appoint the CEO Designee as Chief Executive Officer of the Company,

either such failure shall be a Company Default.

1.5 Exclusivity of Services

During the Term, neither UBS nor any of its subsidiaries nor the CEO Designee shall perform Services similar to the Services for any other party (other than for UBS itself or for any subsidiary of UBS or unless the Company has so agreed in writing).

1.6 Recognition for Past Services

The Company acknowledges that UBS has, prior to the execution of this Agreement, performed Services which have resulted in extensive cost savings for the Company and added significant value to the Company's Shareholders. In recognition of this contribution, the Company shall, upon the execution of this Agreement, pay the Recognition Fee plus applicable tax to UBS.

ARTICLE 2

TERM

2.1 Term.

Subject to the terms and conditions set forth herein, the term of this Agreement is a moving three year period, (the "Term") commencing on the Execution Date and subsequently recommencing on each annual anniversary thereof. On each annual anniversary of the Execution Date, the Term shall automatically recommence unless, prior to an annual anniversary, the Board has

communicated in writing to UBS its intent that this Agreement not recommence, in which event, the Agreement shall expire on the completion of the then remaining Term. For greater certainty, at no time shall the Term ever be greater than three (3) years.

2.2 Early Termination.

Notwithstanding anything herein contained to the contrary, the Term shall be reduced and terminate on the date on which the first of the following occurs:

- (a) the date of termination of the engagement pursuant to Section 5.1; or
- (b) the date of termination by UBS.

ARTICLE 3

FEES AND DISBURSEMENTS

3.1 Base Fee.

The base fee ("**Base Fee**") for the Services shall be Two Million Four Hundred Thousand Dollars (\$2,400,000.00) per year plus applicable tax. The Company shall pay UBS the Base Fee in twelve monthly instalments, in the amount of Two Hundred Thousand Dollars (\$200,000.00) plus applicable tax in advance, on the first business day of each month.

3.2 Performance Incentives.

3.2.1. Board Discretion - The Board may, in its absolute discretion, from time to time, recognize the performance of UBS, applying the performance criteria which the Board deems appropriate. This recognition may take the form of cash bonus payments, the direct grant of treasury Company Shares, or options for the purchase of Common Shares from treasury ("**Options**"). The provisions of this Section 3.2 shall apply to all Options.

3.2.2. Conformity of Options - All Options shall conform to the Company's Stock Option Plan, as it may be amended from time to time, (the "**Plan**"), a copy of which (current to March 25, 2002) is attached to this Agreement as Schedule "A" and all applicable securities regulatory requirements including TSX Venture Exchange Policy 4.4, as it may be amended from time to time, (the "**Policy**"). Any provision of this Agreement which does not so conform shall be deemed to be amended (by way of a delay of the application of the provision or otherwise) in order to do so. If the Board proposes to grant Options at a point in time when insufficient Common Shares have been reserved under the Plan, the Company shall, subject to regulatory restrictions, forthwith reserve sufficient Common Shares under the Plan.

3.2.3. Conversion - Any Options granted pursuant to Section 3.2.1. shall extend to and be deemed to be converted into options for corresponding securities of any entity

resulting from the sale, combination, restructuring or any other reorganization of the Company.

3.2.4. Vesting of Options – Any Options granted pursuant to Section 3.2.1 shall vest:

- (a) as to the first tranche of thirty-three and one third percent (33 1/3%), on the first business day following the date of the grant of the Options;
- (b) as to the second tranche of thirty-three and one third percent (33 1/3%), on the first business day following the first anniversary date of the grant of Options; and
- (c) as to the third tranche of thirty three and one third percent (33 1/3%), on the first business day following the second anniversary of the grant of Options.

The Company shall cause such resolutions to be passed and measures taken to ensure that the Plan, as it relates to UBS, conforms to the requirement of this Agreement.

3.2.5 Exercise of Options - Any Options granted pursuant to Section 3.2.1 shall be exercisable during the period commencing on the vesting date and ending on the tenth anniversary of the grant of Options.

3.2.6. Exercise Price – The price at which the Options granted pursuant to Section 3.2.1 can be exercised shall be the Strike Price.

3.2.7. Treatment of Options Upon Termination - The provisions of this Section 3.2 shall be subject to Article 5 in respect of the granting, vesting and exercise of all Options upon the Termination of this Agreement under the various scenarios contemplated in Article 5.

3.3 Disbursements.

3.3.1 Third Party Expenses – The Company will reimburse UBS or pay directly all expenses for Third Party Services including for greater certainty expenses for legal or public relations consultants, incurred in respect of this Agreement and the Services.

3.3.2 General Expenses - The Company shall reimburse UBS for all expenses and disbursements (including, without limitation, travel expenses) incurred in connection with performing the Services in conformity with the Company's normal policies and practices from time to time.

3.3.3 Communication Expenses - Without limiting the generality of Section 3.3.1, the Company shall provide to and/or reimburse UBS for all communication expenditures incurred by UBS in carrying out its obligations hereunder (including, without limitation, services, cell phones, faxes, other equipment and internet connections).

3.3.4 Legal Expenses - Without limiting the generality of Section 3.3.1, the Company will reimburse UBS for all reasonable legal expenses incurred in respect of this Agreement, UBS' performance of the Services as contemplated herein and any other

matter relating to the Company including the defence against actions commenced by other shareholders or regulatory authorities.

3.3.5 Timing of Reimbursements - The Company shall make all reimbursements to UBS contemplated hereby on a monthly basis.

3.4 Tax Effective Payments.

UBS may request in writing that the Company make payments owing to it from time to time under this Agreement in a tax effective manner and the Company shall comply with such request provided that, in the view of the Board, after receiving appropriate professional advice, making the payment in the manner requested, shall not be detrimental to the Company.

ARTICLE 4

CONFIDENTIALITY AND NON-COMPETITION

4.1 Non-Competition.

During the Non-Competition Period, neither UBS nor and the Company shall, either individually or in partnership or jointly or in conjunction with any other person, entity or organization, as principal, agent, consultant, lender, contractor, employer, employee, investor, shareholder or in any other manner, directly or indirectly, advise, manage, carry on, establish, control, engage in, invest in, offer financial assistance or services to any business that competes in a material way with the business of the other except as expressly contemplated in this Agreement. An investment by UBS or the Company in up to eight percent (8%) of the shares of a public company, regardless of that company's activities, will not constitute a breach of this provision.

4.2 Non-Solicitation.

During the Non-Competition Period and for a period of one year thereafter neither party shall (or to the best of its ability, suffer or permit any entity with whom the party is at the time associated, related or affiliated, directly or indirectly to) hire or offer to hire or entice away or in any other manner persuade or attempt to persuade any officer, employee, agent, supplier or customer of the other party to discontinue or alter in a material way any one of their or its relationship with the other party provided that the other party is in compliance with all of its material obligations to the party seeking to solicit, except such obligations that are being contested by the other party in good faith.

4.3 Confidentiality.

Except in the normal and proper course of UBS' engagement hereunder, UBS will not use for UBS' own account or disclose to anyone else, during the Term and at any time thereafter, any confidential or proprietary information or material relating to the Company's operations or business which UBS obtains from the Company or its officers or employees, agents, suppliers or customers or otherwise by virtue of UBS' engagement by the Company. Confidential or

proprietary information or material includes, without limitation, the following types of information or material, both existing and contemplated, regarding the Company or its parent, affiliated or subsidiary companies: corporate information, including, contractual licensing arrangements, plans, strategies, tactics, policies, resolutions, patent, trade-mark and trade name applications, and any litigation or negotiations; information concerning suppliers; marketing information, including sales, investment and product plans, customer lists, strategies, methods, customers, prospects and market research data; financial information, including cost and performance data, debt arrangements, equity structure, investors and holdings; operational and scientific information, including trade secrets; technical information, including technical drawings and designs; and personnel information, including personnel, lists, resumes, personnel data, organizational structure and performance evaluations (the "**Confidential Information**").

4.4 Return of Documents.

All documents (including, without limitation, software and information in machine-readable form) of any nature pertaining to activities of the Company including Confidential Information, in UBS' possession now or at any time during the Non-Competition Period, are and shall be the property of the Company and all such documents and all copies of them shall be surrendered to the Company whenever requested by the Company.

4.5 Intellectual Property.

4.5.1. Any proprietary ideas, plans, concepts, copyrightable materials, copyrights, trademarks, and any other intellectual property conceived or created by UBS during the period commencing on the date that UBS commenced providing services to the Company and ending on the date UBS ceases for any reason to be engaged by the Company and in any way relating to any process, formula, plan, skill, method of advertising, marketing, research, equipment, device, or method of doing business, developed or being developed, made, used, sold or installed by or made known to UBS during the period of this engagement hereunder or resulting from or suggested by any work which UBS may do for the Company at the request of the Company and relating to any business carried on or proposed to be carried on by the Company (hereinafter collectively called the "**IP Rights**"), shall, subject to the restrictions provided herein, be the property of UBS. UBS hereby authorizes the Company to use the IP Rights for all purposes related to the Business. UBS shall not permit Third Parties, other than those parties that have, prior to the execution of this agreement, been given access to the IP Rights by UBS, to have any access whatsoever to the IP Rights nor sell or transfer the IP Rights to third parties nor in any way encumber the IP Rights. UBS hereby represents and warrants to the Company that it does not currently have any IP Rights that have not been disclosed to the Company.

4.5.2. UBS shall enforce its moral rights as against others as directed by, and at the cost of, the Company or its-successor-in-title to all copyright in the IP Rights.

4.5.3. For greater certainty, nothing in this section 4.5 shall preclude:

- (a) UBS from using the IP Rights for its own purposes, such use to include providing services to third parties; or
- (b) the Company from using the IP Rights in connection with the Business.

4.5.4. In order to give full force and effect to this Section 4.5, UBS shall share with the Company all source codes for the IP Rights, upon the Company's written request therefore.

4.5.5. The rights of all of the parties described in this Section 4.5 shall survive the termination of this Agreement.

ARTICLE 5

TERMINATION AND RESIGNATION

5.1 Termination of Engagement for UBS Default.

The Company may immediately terminate this Agreement at any time as a result of a UBS Default by written notice to UBS, in which case, the Company shall not be obligated to make any further payments under this Agreement, except for the payment of any:

- (a) Base Fee due and owing pursuant to Section 3.1 at the time of termination,
- (b) the pro rata share of any performance incentive actually awarded pursuant to Section 3.2 and unpaid at the time of termination; and
- (c) amounts due and owing, pursuant to Section 3.3 at the time of the termination.

All Options (whether or not granted or vested) shall be immediately cancelled.

5.2 Resignation by UBS.

UBS shall give the Company not less than four (4) months prior written notice of the termination of UBS' engagement hereunder. If UBS terminates the engagement on its own volition for any reason, other than in response to a Company Default or following a Change-in-Control (which is not a UBS Voluntary Change in Control) the Company shall have no further obligations or responsibilities hereunder to UBS and vice versa, except for the payment of any:

- (a) Base Fee due and owing pursuant to Section 3.1 at the time of resignation,
- (b) the pro rata share of any annual performance incentive awarded pursuant to Section 3.2 and unpaid at the time of resignation; and
- (c) amounts due and owing pursuant to Section 3.3 at the time of the resignation.

All Options which had not yet been granted or not yet been vested shall be immediately cancelled. However, all Options which have vested but have not been exercised shall remain exercisable for the remainder of the Term of the Options following resignation.

5.3 Termination by UBS following a Change-in-Control or Company Default or by the Company

5.3.1. Entitlement - The Company may terminate this Agreement at any time without UBS Default or if the parties are unable to select a CEO Designee in conformity with Section 1.3 and UBS may terminate this Agreement for Company Default or a Change-in-Control (which is not a UBS Voluntary Change in Control). If this Agreement is terminated pursuant to this clause, 5.3.1 UBS shall be entitled to a lump sum payment equal to three hundred percent (300%) of the aggregate of:

- (a) the Base Fee;
- (b) a performance incentive equal to the performance incentive paid in the immediately preceding fiscal year; and
- (c) amounts due and owing pursuant to Section 3.3 at the time of termination.

The foregoing aggregate amount is a genuine pre-estimate of damages to UBS and is not a penalty.

5.3.2. Voting and Exercise of Options following Termination - Following a termination to which Section 5.3 would apply, all Options granted shall vest as originally contemplated and shall be exercisable for the period ending on the expiry of the Option term.

5.3.3. Vesting and Exercise of Options Following a Change-in-Control - Notwithstanding any other provision of this Agreement, in the event of a Change-in-Control (which is not a UBS Voluntary Change in Control) all Options which have been granted but not vested, shall vest immediately and automatically and shall be exercisable for a period ending on the tenth anniversary of the grant.

5.4 Results of Termination.

Upon termination of UBS' engagement pursuant to this Agreement, UBS will cause the CEO Designee to submit his or her resignation from the Board and any officer position, unless UBS is challenging such termination in good faith, and this Agreement and the engagement of UBS shall be wholly terminated with the exception of the clauses specifically contemplated to continue in full force and effect beyond the termination of this Agreement, including those set out in Section 4.5 and Article 5.

5.5 Payment.

Any such payments due to UBS owing upon the termination of this Agreement shall be paid to UBS in a lump sum payment within five (5) business days of the date of such termination, or if

an amount is not determinable within such period, then the determinable amount shall be paid within five (5) business days of the date of the termination of this agreement and the amount not determinable shall be paid within five (5) business days of determination, but in any event not later than four months after the date of termination. There are not rights of offset to the Company for any payments, liabilities to UBS or options held by UBS pursuant to this agreement or any other business arrangements between the Company and UBS as outlined in Article 7.12.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES

6.1 Non-Default.

Each party represents and warrants to the other (and acknowledges that the other is relying on such representations and warranties) that the execution and performance of this Agreement will not result in or constitute a material default, breach, or violation, or an event that, with notice or lapse of time or both, would be a default, breach, or violation, of any written understanding, agreement or commitment to which the representing party is bound.

ARTICLE 7

MISCELLANEOUS COVENANTS

7.1 Indemnification.

Each party will indemnify and hold the other harmless from any loss, liability or expense whatsoever arising out of, relating to, or in connection with any breach of any representation and warranty or covenant of the indemnifying party in this Agreement. The Company and UBS acknowledge that the CEO Designee may rely on this indemnity as if he or she were a party to this Agreement.

7.2 Rights and Waivers.

All rights and remedies of the parties are separate and cumulative, and none of them, whether exercised or not, shall be deemed to be to the exclusion of any other rights or remedies or shall be deemed to limit or prejudice any other legal or equitable rights or remedies which either of the parties may have.

7.3 Waiver.

Any purported waiver of any default, breach or non-compliance under this Agreement is not effective unless in writing and signed by the party to be bound by the waiver. No waiver shall be inferred from or implied by any failure to act or delay in acting by a party in respect of any

default, breach or non-observance or by anything done or omitted to be done by the other party. The waiver by a party of any default, breach or non-compliance under this Agreement shall not operate as a waiver of that party's rights under this agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

7.4 Severability.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of the prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

7.5 Notices.

Any notices or other communications required or permitted hereunder shall be in writing and shall be sufficiently given if made by hand delivery, by facsimile transmission or by registered or certified mail, postage prepaid, return receipt requested, addressed as follows (or at such other address as may be substituted by notice given as herein provided):

if to UBS:

Unique Broadband Systems, Inc.
300 Edgeley Blvd,
Concord, Ontario L4K 3Y3

Facsimile No.: (905) 669-8516
Attention: Chairman of the Board

if to the Company:

Look Communications Inc.
8250 Lawson Road
Milton, Ontario, L9T 5C6

Facsimile No.: 905-693-3646
Attn: Chairman of the Board

Any notice or communication hereunder shall be deemed to have been given or made as of the date so delivered if personally delivered; when receipt is acknowledged, if by facsimile; and five calendar days after mailing if sent by registered or certified mail (except that a notice of change of address shall not be deemed to have been given until actually received by the addressee).

7.6 Time of Essence.

Time shall be of the essence in this Agreement in all respects.

7.7 Successors and Assigns.

This Agreement shall enure to the benefit of, and be binding on, the parties and their respective heirs, administrators, executors, successors and permitted assigns. The Company shall have the right to assign this Agreement to any successor (whether direct or indirect, by purchase, amalgamation, arrangement, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company. UBS by UBS' signature hereto expressly consents to such assignment.

7.8 Amendment.

No amendment of this Agreement will be effective unless made in writing and signed by the parties.

7.9 Entire Agreement.

This Agreement inclusive of Schedules constitutes the entire agreement between the parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no conditions, warranties, representations or other agreements between the parties in connection with the subject matter of this Agreement (whether oral or written, express or implied, statutory or otherwise) except as specifically set out in this Agreement.

7.10 Governing Law.

This Agreement shall be governed by and construed in accordance with the law of the Province of Ontario and the law of Canada applicable in that Province and shall be treated, in all respects, as an Ontario contract.

7.11 Headings.

The division of this Agreement into Sections and the insertion of headings are for convenience or reference only and shall not affect the construction or interpretation of this Agreement.

7.12 No Set-off.

In the event of any dispute between UBS and the Company as to any alleged breach by UBS of any obligation under any other agreement between the Company and UBS (the "**Other Agreements**"), other than this Agreement, the Company shall not be entitled to cease making any payments required under this Agreement to be made or provided to UBS and the Company shall not be entitled to hold back or set-off against any of its obligations hereunder the amount of any damages it claims to have sustained as a result of any alleged breach under any of the Other Agreements.

7.13 Confidentiality.

UBS and the Company agree that any amounts paid pursuant to this Agreement shall remain confidential as between UBS and the Company, and shall not be disclosed by UBS or the

Company, other than as required by law, to any one or more individuals, persons, corporations, associations or organizations whatsoever, with the exception of professional and financial advisors of UBS, the Company, the Board or the CEO Designee who need to know and, in each case, only in strictest confidence.

IN WITNESS WHEREOF the parties have executed counterpart copies of this Agreement this _____ day of _____, 2004.

LOOK COMMUNICATIONS INC.

Director

Director

COPY

UNIQUE BROADBAND SYSTEMS, INC.

Director

Director

AMENDING AGREEMENT

THIS AMENDING AGREEMENT is made as of the 3rd day of December, 2010.

BETWEEN:

UNIQUE BROADBAND SYSTEMS, INC.
("UBS")

- and -

LOOK COMMUNICATIONS INC.
(the "Company")

RECITALS:

- A. UBS and the Company are parties to a management services entered into on the 19th day of May, 2004 (the "**Management Services Agreement**").
- B. In September of 2007, Look paid to UBS Two Million Four Hundred Thousand Dollars (\$2,400,000) without interest as a pre-payment for CEO Services and Other Services with the expectation that such CEO Services and Other Services would be required by the Company in the future.
- C. As a result of its restructuring and the sale of its operations in 2009, Look no longer requires the same level of CEO Services and Other Services, particularly as relates to annual business planning and budgeting, human resources, engineering, updating of broadcast and information technology, the management of regulatory requirements, and managing the company's fixed and variable costs to maximize the Company's profits.
- D. On April 22, 2010, in accordance with Section 2.1 of the Management Services Agreement, the Company notified UBS that it will not be recommencing the Management Services Agreement on May 19, 2010 such that the Term expires on May 19, 2012.
- E. UBS and the Company wish to amend the Management Services Agreement on the terms hereinafter set forth.
- F. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Management Services Agreement.

NOW THEREFORE in consideration of the foregoing and the representations, warranties, covenants, conditions, agreements and promises contained in this Amending Agreement and for other good and valuable consideration, the receipt and sufficiency of which

are hereby acknowledged by the parties to this Amending Agreement, the parties agree as follows:

1. Section 3.1 (*Base Fee*) of the Management Services Agreement is hereby deleted in its entirety and replaced with the following:

3.1 Base Fee.

The base fee ("**Base Fee**") for the Services shall be:

- (a) in respect of the portion of the Term ending on December 31, 2010, Two Million Four Hundred Thousand Dollars (\$2,400,000.00) per year plus applicable tax (the "**Pre-2011 Base Fee**"). The Company shall pay UBS this portion of the Base Fee in twelve monthly instalments, in the amount of Two Hundred Thousand Dollars (\$200,000.00) plus applicable tax in advance, on the first business day of each month; and
- (b) in respect of the remainder of the Term commencing on January 1, 2011 and ending on May 19, 2012, an aggregate of Two Million Four Hundred Thousand Dollars (\$2,400,000.00) inclusive of all applicable taxes (the "**Remaining Base Fee**"). The Company shall pay UBS this portion of the Base Fee (i) in sixteen monthly instalments, in the amount of One Hundred Forty Four Thousand Four Hundred Sixty Six Dollars and Five Cents (\$144,466.05) inclusive of all applicable taxes in advance, on the first business day of each month up to and including April 1, 2012, and (ii) one instalment in the amount of Eighty Eight Thousand Five Hundred Forty Three Dollars and Twenty Four Cents (\$88,543.24), inclusive of all applicable taxes, on May 1, 2012.

2. The Parties acknowledge and agree that:

- (a) as of the date hereof, the Company has made all required payments in respect of the Pre-2011 Base Fee;
- (b) as of the date hereof, the Company has paid to UBS Two Million Four Hundred Thousand Dollars (\$2,400,000.00) as pre-payment for CEO Services and Other Services that have not yet been provided, which UBS is hereby directed to apply in satisfaction of the Remaining Base Fee in accordance with Section 3.1(b) of the Management Services Agreement (as amended by this Amending Agreement); and
- (c) (i) as of the date hereof, there are no amounts outstanding for which UBS could be entitled to reimbursement under Section 3.3 of the Management Services Agreement that have not already been reimbursed by the Company, and (ii) on and after the date hereof, Section 3.3 of the Management Services Agreement shall only apply to expenses, if any, that are approved in advance in writing by the board of directors of the Company in its sole discretion, which approved expenses, if any, shall be reimbursed in accordance with Section 3.3 of the Management Services Agreement.

3. Except as amended hereby, the parties hereto confirm and agree that the Management Services Agreement remains in full force and effect, unamended.
4. This Amending 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.
5. This Amending Agreement may be signed in counterparts and by facsimile or other means of electronic communication, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.

[Signature pages follow]

IN WITNESS WHEREOF the Parties have duly executed this Amending Agreement as of the date first written above.

UNIQUE BROADBAND SYSTEMS, INC.,

Per: (Signed) "Robert Ulicki"

Authorized Signatory

LOOK COMMUNICATIONS INC.

Per: (Signed) "David Rattee"

Authorized Signatory

TAB E

ANALYSIS OF INTERCOMPANY LOAN

Between Unique Broadband Systems, Inc. ("UBS") and UBS Wireless Services Inc. ("Wireless")

May, 2003 to June, 2011



Opening Balance May 31, 2003	Mainly represents initial investment and associated costs for purchase of Look	6,236,926
Cash (excluding Rogers settlement):		
Total cash movement from UBS to Wireless		5,954,476
Total cash movement from Wireless to UBS		3,885,000
Costs pertaining to Look investment:		
Legals paid by UBS for Wireless	mainly regarding purchase of Look	319,966
Network costs paid by UBS charged to Wireless	incurred at the time of purchase of Look	32,212
Rent paid in 2003 by UBS for Wireless	paid in 2003 to 1095395 Ontario Inc.	3,000
Rogers settlement:		
Funds received re legal settlement with Rogers	Cash received in Wireless account; transferred to UBS	4,000,000
Inukshuk legal costs	Reallocated to Wireless from UBS to offset \$4M settlement	1,273,145
Operating costs:		
Management fees charged by UBS	June 2004 to June 2011 inclusive	1,700,000
Interest charged on intercompany loan	11% interest rate beginning 01-Jun-2007	6,017,453
Corporate and capital taxes paid by UBS on behalf of Wireless	2003, 2004 and 2008	13,316
GRAND TOTAL TO 30-JUN-11	Wireless owes UBS	13,665,495

TAB F



Main Menu > New Enquiry

Web Page ID: WEnqResult

File Currency: 27JUN 2011

System Date: 28JUN2011

Show All Pages

Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	UNIQUE BROADBAND SYSTEMS, INC.								
File Currency	27JUN 2011								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	621974484	1	6	1	8	12JAN 2012			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
621974484		001	1		20060112 1554 1515 0932	P PPSA	06		
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation No.			
	UNIQUE BROADBAND SYSTEMS LTD.								
	Address				City	Province	Postal Code		
	300 EDGELEY BLVD.				CONCORD	ONT	L4K 3Y3		
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation No.			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	THE TORONTO-DOMINION BANK								
	Address				City	Province	Postal Code		
	1907 OXFORD STREET EAST				LONDON	ONT	N5V 4L9		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make	Model		V.I.N.				
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	MACDONALD SAGER MANIS LLP SJS 061037								
	Address				City	Province	Postal Code		
	800-150 YORK STREET				TORONTO	ONT	M5H 3S5		

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	UNIQUE BROADBAND SYSTEMS, INC.						

File Currency	27JUN 2011				
	File Number	Family	of Families	Page	of Pages
	621974484	1	6	2	8
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT					
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number
		01	001		20060323 1624 1515 0951
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years
	621974484			A AMNDMNT	
Reference Debtor/ Transferor	First Given Name		Initial	Surname	
	Business Debtor Name				
	UNIQUE BROADBAND SYSTEMS LTD.				
Other Change	Other Change				
Reason / Description	Reason / Description				
	CHANGE ADDRESS FOR SERVICE OF SECURED PARTY TO 50 DUNLOP STREET EAST, 2ND FLOOR, BARRIE, ONTARIO L4M 4T3				
Debtor/ Transferee	Date of Birth	First Given Name		Initial	Surname
	Business Debtor Name				Ontario Corporation No.
	Address			City	Province Postal Code
Assignor	Assignor				
Secured Party	Secured Party/ Lien Claimant/ Assignee				
	Address			City	Province Postal Code
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other
	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make	Model		V.I.N.
General Collateral Description	General Collateral Description				
Registering Agent	Registering Agent or Secured Party/ Lien Claimant				
	THE TORONTO-DOMINION BANK				
	Address			City	Province Postal Code
	50 DUNLOP STREET EAST, 2ND FLOOR			BARRIE	ONT L4M 4T3
END OF FAMILY					
Type of Search	Business Debtor				
Search Conducted On	UNIQUE BROADBAND SYSTEMS, INC.				
File Currency	27JUN 2011				
	File Number	Family	of Families	Page	of Pages
	621974529	2	6	3	8
	Expiry Date				Status
	12JAN 2015				
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN					

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
621974529		001	1		20060112 1557 1515 0933	P PPSA	09		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation No.			
	UNIQUE BROADBAND SYSTEMS LTD.								
	Address			City	Province	Postal Code			
	300 EDGELEY BLVD.			CONCORD	ONT	L4K 3Y3			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation No.			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	BUSINESS DEVELOPMENT BANK OF CANADA								
	Address			City	Province	Postal Code			
	3901 HWY. #7, SUITE 600			VAUGHAN	ONT	L4L 8L5			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	MACDONALD SAGER MANIS LLP SJS 061037								
	Address			City	Province	Postal Code			
	800-150 YORK STREET			TORONTO	ONT	M5H 3S5			

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	UNIQUE BROADBAND SYSTEMS, INC.						
File Currency	27JUN 2011						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	623442087	3	6	4	8	16MAR 2012	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
623442087		01	001		20060316 1702 1462 0312	P PPSA	6
Individual Debtor	Date of Birth	First Given Name			Initial	Surname	
Business Debtor	Business Debtor Name					Ontario Corporation No.	
	UNIQUE BROADBAND SYSTEMS LTD.						
	Address			City	Province	Postal Code	
	400 SPINNAKER WAY			VAUGHAN	ONT	L4K5Y9	
Individual Debtor	Date of Birth	First Given Name			Initial	Surname	
Business Debtor	Business Debtor Name					Ontario Corporation No.	

Address		City	Province	Postal Code
Secured Party	Secured Party / Lien Claimant			
	ALTERINVEST FUND L.P.			
Address		City	Province	Postal Code
150 KING STREET WEST, SUITE 1101		TORONTO	ONT	M5H1J9
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts
		X	X	X
			X	X
				X
Motor Vehicle Description	Year	Make	Model	V.I.N.
General Collateral Description	General Collateral Description			
Registering Agent	Registering Agent			
	CHAITON & CHAITON			
Address		City	Province	Postal Code
185 SHEPPARD AVE., WEST		TORONTO	ON	M2N1M9

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	UNIQUE BROADBAND SYSTEMS, INC.								
File Currency	27JUN 2011								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	635711913	4	6	5	8	28MAY 2013			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
635711913		01	001		20070528 1440 1668 4889	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation No.			
	UNIQUE BROADBAND SYSTEMS LTD.					2032249			
	Address			City	Province	Postal Code			
	400 SPINNAKER WAY			VAUGHAN	ON	L4K 5Y9			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation No.			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	LEASE-WIN LIMITED								
Address		City	Province	Postal Code					
4077 CHESSWOOD DRIVE		DOWNSVIEW	ONT	M3J 2R8					
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X		X		X	X	20800		X
Motor Vehicle Description	Year	Make	Model		V.I.N.				
	2004	GMC	SAVANA 3500 VAN		1GDJG31U541194605				

General Collateral Description	General Collateral Description			
Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	UNIQUE BROADBAND SYSTEMS, INC.				
File Currency	27JUN 2011				
	File Number	Family	of Families	Page	of Pages
	635711913	4	6	6	8
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT					
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number
		001	1		20110617 0949 1668 7847
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years
	635711913			B RENEWAL	01
Reference Debtor/ Transferor	First Given Name	Initial	Surname		
	Business Debtor Name	UNIQUE BROADBAND SYSTEMS LTD.			
Other Change	Other Change				
Reason / Description	Reason / Description				
Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname	
	Business Debtor Name				Ontario Corporation No.
	Address				City
					Province
					Postal Code
Assignor	Assignor				
Secured Party	Secured Party/ Lien Claimant/ Assignee				
	Address				City
					Province
					Postal Code
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other
	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make	Model	V.I.N.	
General Collateral Description	General Collateral Description				

Registering Agent					Registering Agent or Secured Party / Lien Claimant				
LEASE-WIN LIMITED									
Address					City		Province	Postal Code	
4077 CHESSWOOD DRIVE					TORONTO		ON	M3J 2R8	

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	UNIQUE BROADBAND SYSTEMS, INC.								
File Currency	27JUN 2011								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	645292233	5	6	7	8	20MAY 2013			

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
645292233		01	001		20080520 1456 1530 7369	P PPSA	5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
Business Debtor	Business Debtor Name			Ontario Corporation No.
	UNIQUE BROADBAND SYSTEMS LTD			
	Address	City	Province	Postal Code
	400 SPINNAKER WAY	CONCORD	ON	L4K 5Y9

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
Business Debtor	Business Debtor Name			Ontario Corporation No.
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	THE TORONTO-DOMINION BANK - 20722			
	Address	City	Province	Postal Code
	66 DUNLOP ST E	BARRIE	ON	L4M 4T3

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X				

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	CANADIAN SECURITIES REGISTRATION SYSTEMS			
	Address	City	Province	Postal Code
	SUITE 200 - 4126 NORLAND AVENUE	BURNABY	BC	V5G 3S8

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	UNIQUE BROADBAND SYSTEMS, INC.								
File Currency	27JUN 2011								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	658104858	6	6	8	8	09DEC 2014			

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
658104858		01	001		20091209 1453 1530 6992	P PPSA	5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation No.
	UNIQUE BROADBAND SYSTEMS LTD.	

Address	City	Province	Postal Code
400 SPINNAKER WAY UNIT 1-10	CONCORD	ON	L4K 5Y9

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation No.

Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant
	THE TORONTO-DOMINION BANK - 20722

Address	City	Province	Postal Code
33 COLLIER ST SUITE 100	BARRIE	ON	L4M 1G5

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X				X

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

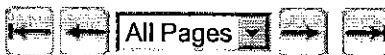
Registering Agent	Registering Agent
	CANADIAN SECURITIES REGISTRATION SYSTEMS

Address	City	Province	Postal Code
SUITE 200 - 4126 NORLAND AVENUE	BURNABY	BC	V5G 3S8

LAST PAGE

Note: All pages have been returned.

BACK TO TOP



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TAB G

Court File No. CV-11-9147-00CL
Court File No. CV-11-9149-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) WEDNESDAY, THE 27th DAY
JUSTICE MARROCCO) OF APRIL, 2011

BETWEEN:

JOLIAN INVESTMENTS LIMITED

Plaintiff

- and -

UNIQUE BROADBAND SYSTEMS, INC.

Defendant

AND BETWEEN:

UNIQUE BROADBAND SYSTEMS, INC.

Plaintiff by Counterclaim

- and -

JOLIAN INVESTMENTS LIMITED, GERALD MCGOEY,
LOUIS MITROVICH AND DOUGLAS REESON

Defendants by Counterclaim

AND BETWEEN:

DOL TECHNOLOGIES INC.

Plaintiff

- and -

UNIQUE BROADBAND SYSTEMS INC.

Defendant

AND BETWEEN:

UNIQUE BROADBAND SYSTEMS INC.

Plaintiff by Counterclaim

- and -

DOL TECHNOLOGIES INC., ALEX DOLGONOS,
GERALD MCGOEY, LOUIS MITROVICH
AND DOUGLAS REESON

Defendants by Counterclaim

JUDGMENT

THESE MOTIONS,

1. *Jolian/McGoey Motion:* made by the plaintiff/defendant by counterclaim, Jolian Investments Limited ("Jolian") and the defendant by counterclaim Gerald McGoey ("McGoey") (1) for a declaration that the defendant, Unique Broadband Systems Inc. ("UBS") has an obligation to reimburse or, in the alternative, indemnify Jolian and/or McGoey for expenses, (2) for an order for payment of legal expenses, and (3) for leave to amend Jolian's amended statement of claim;

2. *DOL/Dolgonos Motion:* made by the plaintiff/defendant by counterclaim DOL Technologies Inc. ("DOL") and the defendant by counterclaim Alex Dolgonos ("Dolgonos") (1) for a declaration that UBS has an obligation to reimburse or, in the alternative, indemnify DOL and/or Dolgonos for all reasonable legal expenses, (2) for an order for payment of legal expenses, and (3) for leave to amend DOL's statement of claim; and

3. *UBS Motion:* made by UBS (1) for judgment against Jolian, McGoey, DOL, and Dolgonos to repay funds advanced to their lawyers as retainers, (2) for an order that UBS is not

obliged to indemnify Jolian, McGoey, DOL or Dolgonos, unless and until a final determination is made that they are entitled to be indemnified, (3) for various orders requested in the alternative, and (4) for leave to amend UBS's statement of defence and counterclaim,

were heard on Wednesday April 27, 2011 at 330 University Avenue, Toronto, Ontario.

ON READING THE transcripts of the cross-examinations of Messrs. McGoey, McCutcheon and Dolgonos, on reading the motion records and facts of (1) Jolian and McGoey, (2) UBS, and (3) DOL and Dolgonos, and on hearing the submissions of the lawyers for these parties,

1. **THIS COURT ORDERS AND ADJUDGES** that UBS has an obligation under the Management Services Agreement between UBS and Jolian entered into on May 3, 2006 and effective January 1, 2006 (the "Jolian MSA") to reimburse Jolian for all reasonable legal, accounting or auditing expenses, on an ongoing basis as they become owing. This obligation also includes the payment of retainers. This obligation also includes the obligation to pay expenses incurred in respect of the claim of Jolian and its defence against the UBS counterclaim.
2. **THIS COURT FURTHER ORDERS AND ADJUDGES** that UBS has an obligation under the Jolian Indemnification Agreement dated January 25, 2007 and the McGoey Indemnification Agreement dated January 25, 2007 to indemnify Jolian and McGoey for legal expenses as they become owing in their defence of the UBS counterclaim. This obligation includes the payment of retainers and interim accounts on an ongoing basis as they are rendered.
3. **THIS COURT FURTHER ORDERS AND ADJUDGES** that UBS has an obligation, pursuant to Article 7 of its bylaws, to indemnify McGoey against legal expenses which he incurs defending himself against the UBS counterclaim and this obligation includes the payment of retainers and interim legal accounts on an ongoing basis as rendered.

4. **THIS COURT FURTHER ORDERS AND ADJUDGES** that UBS must pay the legal expenses of McGoeey and Jolian for the period June 30, 2010 to December 31, 2010 in the amount of \$259,100.42 and additional interim accounts on an ongoing basis as they are or have been rendered. This is without prejudice to UBS challenging the reasonableness of these expenses after payment.
5. **THIS COURT FURTHER ORDERS AND ADJUDGES** that UBS has an obligation, under the Technology Agreement between UBS and DOL entered into on July 12, 2008 effective May 1, 2008 (the "DOL Technology Agreement"), to reimburse DOL for all legal expenses as they become owing. This obligation also includes payment of legal expenses incurred in respect of the claim of DOL and its defence against the UBS counterclaim. This obligation includes the payment of retainers.
6. **THIS COURT FURTHER ORDERS AND ADJUDGES** that UBS has an obligation, under the DOL Indemnification Agreement dated January 25, 2007 and the Dolgonos Indemnification Agreement dated January 25, 2007, to indemnify DOL and Dolgonos for all legal expenses due to their defence against the UBS counterclaim. This obligation includes the payment of retainers and on an ongoing basis interim legal accounts when rendered.
7. **THIS COURT FURTHER ORDERS AND ADJUDGES** that UBS does not have an obligation, pursuant to Article 7 of its bylaws, to indemnify Dolgonos in advance against legal expenses incurred in his defence against the UBS counterclaim. If, however, at the conclusion of the litigation a court decides that Dolgonos was an officer of UBS and that he acted honestly and in good faith with a view to the best interests of UBS, then UBS will have an obligation to indemnify him pursuant to Article 7.
8. **THIS COURT FURTHER ORDERS AND ADJUDGES** that UBS must pay the legal expenses of DOL and Dolgonos currently billed and owing for the period from June 30, 2010 to December 9, 2010 in the amount of \$96,257.81 and additional interim accounts on an ongoing basis as they are or have been rendered. This is without prejudice to UBS

challenging the reasonableness of these expenses after payment.

9. **THIS COURT FURTHER ORDERS AND ADJUDGES** that if the parties cannot agree on a process to determine the reasonableness of dockets, disbursements and retainers, further application may be made to court. Such application, if made, should not delay payment of outstanding accounts.
10. **THIS COURT FURTHER ORDERS AND ADJUDGES** that the motions to amend the Jolian amended statement of claim, the DOL statement of claim, and the UBS statement of defence and counterclaim are adjourned *sine die*.
11. **THIS COURT FURTHER ORDERS AND ADJUDGES** that there will be no order concerning costs.

THIS JUDGMENT BEARS INTEREST at the rate of 3 percent per year, commencing on the date hereof.

Manoaco

JOLIAN INVESTMENTS LIMITED
Plaintiff

- and -

Court File No. CV-11-9147-00CL
Court File No. CV-11-9149-00CL

UNIQUE BROADBAND SYSTEMS, INC.
Defendant

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceedings commenced at TORONTO

JUDGMENT

GROIA & COMPANY
Professional Corporation ■ Lawyers
Wildeboer Dellelce Place
365 Bay Street, 11th Floor
Toronto, Ontario
M5H 2V1
Fax: 416-203-9231

Joseph Groia LSUC No. 20612J
Tel.: 416-203-4472

Gavin Smyth LSUC No. 42134G
Tel: 416-203-4475

Lawyers for the plaintiff/defendant by counterclaim, Jolian
Investments Limited and the defendant by counterclaim Gerald
McGoey

CITATION: Jolian Investments Limited v. Unique Broadband Systems Inc., 2011 ONSC 3241
COURT FILE NOS.: CV-11-9147-00CL
& CV-11-9149-00CL
DATE: 20110530

ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN:

JOLIAN INVESTMENTS LIMITED

Plaintiff

Joseph Groia, Gavin Smyth & Owais Ahred,
for the Plaintiff

- and -

UNIQUE BROADBAND SYSTEMS INC.

Defendant

Kelley McKinnon, Benjamin Na & Joe
Thorne, for the Defendant

AND BETWEEN:

UNIQUE BROADBAND SYSTEMS INC.

Plaintiff by Counterclaim

Kelley McKinnon, Benjamin Na & Joe
Thorne, for the Plaintiff by Counterclaim

- and -

JOLIAN INVESTMENTS LIMITED,
GERALD MCGOEY, LOUIS
MITROVICH AND DOUGLAS REESON

Defendants by Counterclaim

Joseph Groia, Gavin Smyth & Owais Ahred,
for Jolian Investments Limited and Gerald
McGoey, Defendants by Counterclaim

AND BETWEEN:

DOL TECHNOLOGIES INC.

Plaintiff/Moving Party

Peter L. Roy & Alex Carr, for the
Plaintiff/Moving Party

- and -

UNIQUE BROADBAND SYSTEMS INC.

Defendant/Responding Party

Kelley McKinnon, Benjamin Na & Joe
Thorne, for the Defendant/Responding Party

AND BETWEEN:

UNIQUE BROADBAND SYSTEMS INC.

Plaintiff by Counterclaim

- and -

DOL TECHNOLOGIES INC., ALEX
DOLGONOS, GERALD MCGOEY,
LOUIS MITROVICH AND DOUGLAS
REESON

Defendants by Counterclaim

*Kelley McKinnon, Benjamin Na & Joe
Thorne, for the Plaintiff by Counterclaim*

*Peter L. Roy & Alex Carr, for Alex
Dolgonos, Defendant by Counterclaim*

*Andrew McLachlin, for Louis Mitrovich,
Defendant by Counterclaim*

HEARD: April 27, 2011

MARROCCO J.:

[1] The plaintiff/defendant by counterclaim, Jolian Investments Limited, and the defendant by counterclaim, Gerald McGoe, move for a declaration that the defendant, Unique Broadband Systems Inc. ("UBS"), has an obligation under a Management Services Agreement (the "Jolian MSA") to reimburse Jolian Investments Limited for all reasonable legal expenses on a monthly basis.

[2] The plaintiff/defendant by counterclaim and the defendant by counterclaim, Gerald McGoe, move, in the alternative, for a declaration that the defendant, UBS, has an obligation under the Jolian MSA and under an Indemnification Agreement (the "Jolian Indemnification Agreement") and/or the Gerald McGoe Indemnification Agreement (the "McGoe Indemnification Agreement") to indemnify Jolian Investments Limited and/or Gerald McGoe, including the obligation to advance money for legal expenses.

[3] In the further alternative, the plaintiff/defendant by counterclaim and the defendant by counterclaim, Gerald McGoe, moves for a declaration that the defendant, UBS, has an obligation under the defendant's bylaws to indemnify Gerald McGoe, including the obligation to advance money.

[4] Finally, the plaintiff/defendant by counterclaim and the defendant by counterclaim, Gerald McGoe, moves for an order that the defendant, UBS, pay legal expenses for the period June 30, 2010 to December 31, 2010 in the amount of \$259,100.42.

under the Technology Development and Strategic Marketing Agreement (the "Dol Technology Agreement") to reimburse Dol Technologies Inc. on a monthly basis for all reasonable legal expenses incurred with respect to the Dol Technology Agreement, Dol Technologies Inc.'s performance of the services contemplated by that agreement and any other matter relating to UBS.

[6] In the alternative, the plaintiff/defendant by counterclaim, Dol Technologies Inc., and the defendant by counterclaim, Alex Dolgonos, move for a declaration that the defendant, UBS, has an obligation under the Dol Technology Agreement and the Dol Technologies Inc. Indemnification Agreement (the "Dol Indemnification Agreement") and/or the Dolgonos Indemnification Agreement to indemnify Dol Technologies Inc. and Alex Dolgonos, including the obligation to advance money for legal expenses.

[7] In the further alternative, the plaintiff/defendant by counterclaim, Dol Technologies Inc., and the defendant by counterclaim, Alex Dolgonos, move for a declaration that the defendant, UBS, has an obligation under the defendant's bylaws to indemnify Alex Dolgonos, including the obligation to advance money for legal expenses.

[8] The plaintiff/defendant by counterclaim, Dol Technologies Inc., and the defendant by counterclaim, Alex Dolgonos, also move for an order that the defendant, UBS, pay legal expenses incurred for the period June 30, 2010 to December 9, 2010.

[9] There are two actions and two counterclaims. I have styled this matter as set out above for convenience. A copy of these reasons will be placed in the court file pertaining to each claim and counterclaim.

The factual context

Gerald McGoey

[10] Gerald McGoey first became involved with Unique Broadband Systems Inc., a public company listed on the TSX Venture Exchange, during a 2001 shareholders' dispute. Prior to working for UBS, he worked within the BCE Group of companies. He was, at one point, Executive Vice-President and Chief Financial Officer of BCE Inc. and Chief Corporate Officer of Bell Canada.

[11] In March 2002, as a result of a change in control of UBS, he was elected to its board and appointed acting Chief Executive Officer ("CEO") while the UBS Board looked for a full-time CEO. The UBS Board, on a number of occasions, offered the position of CEO to Mr. McGoey. However, he refused to accept. Eventually, the independent members of the UBS Board were able to reach an agreement with Mr. McGoey and, in June 2002, he agreed to become the CEO of UBS and signed an employment agreement to that effect. During the negotiations of the employment agreement, the independent members of the UBS Board had the benefit of legal advice. The employment agreement was for a period of four years ending in May 2006.

[12] In 2003, UBS acquired 51.8% of Look Communications Inc., which was also publicly-traded and listed on the TSX Venture Exchange. Look Communications Inc. was in the business

of delivering communications services to residential and business subscribers. At the same time, UBS sold its engineering and manufacturing business and became, in effect, a holding company.

[13] After he became the full-time CEO of UBS, Mr. McGoeys negotiated the UBS/Look Management Services Agreement (the "UBS/Look MSA"). During these negotiations, the Board of Look Communications Inc. was composed of directors who were independent of UBS. In May 2004, the UBS/Look MSA was signed. As a result of this agreement, UBS received an annual base fee from Look Communications Inc. of \$2.4 million; UBS, in return, supplied CEO and technical services to Look Communications Inc.

[14] Jolian Investments Limited is a private corporation. Gerald McGoeys controls Jolian Investments Limited. He is an officer and director of that company.

[15] In May 2006, at the time when Mr. McGoeys employment agreement was expiring, UBS entered into a Management Services Agreement with Jolian Investments Limited (the "Jolian MSA"). The Human Resources Committee of UBS negotiated the Jolian MSA with Gerald McGoeys. The Human Resources Committee had the benefit of legal advice and recommended the Jolian MSA to the UBS Board for approval. Gerald McGoeys declared his interest in the Jolian MSA when it came to the Board of Directors of UBS for approval. The Board, by resolution, approved the agreement. The result of the agreement was that Mr. McGoeys continued to be the Chairman of the Board of UBS, CEO of UBS, Vice-Chairman of the Board and CEO of Look Communications Inc.

[16] When UBS entered into the Jolian MSA, it terminated Mr. McGoeys employment agreement.

[17] Mr. McGoeys provided services to UBS and Look Communications Inc., pursuant to the terms of the Jolian MSA, from May 2006 until there was a change of control at UBS on July 5, 2010.

[18] On January 25, 2007, Jolian Investments Limited and UBS entered into the Jolian Indemnification Agreement. On the same day, UBS and Gerald McGoeys entered into the McGoeys Indemnification Agreement. The agreements are substantially the same.

Alex Dolgonos

[19] Alex Dolgonos was the founder of the company that became UBS. After UBS went public, he was its largest shareholder. Mr. Dolgonos invented much of the UBS technology. In July 2008, UBS entered into what I have called the Dol Technology Agreement with Dol Technologies Inc. Mr. Dolgonos performed the services of a Chief Technology Officer for UBS, pursuant to the terms of that agreement. The Dol Technology Agreement provided that it was to expire in May 2011. Alex Dolgonos controls Dol Technologies Inc.

[20] On January 25, 2007, UBS entered into an indemnification agreement with AD Enterprises (the "Dol Technologies Indemnification Agreement"). AD Enterprises was a proprietorship owned by Mr. Dolgonos. Mr. Dolgonos incorporated Dol Technologies Inc. and it took over AD Enterprises, including its rights under the indemnification agreement. On the

same day, January 25, 2007, UBS entered into an indemnification agreement with Alex Dolgonos personally (the "Dolgonos Indemnification Agreement"). These two agreements are substantially the same.

[21] In 2009, Look Communications Inc. sold its entire communication business and ceased to be an operating business. As of May 2010, UBS had a 37.6% interest in Look Communications Inc.

The change of control at UBS on July 5, 2010

[22] Look Communications Inc. received gross proceeds of \$80 million for the sale of its communication business in 2009; the net proceeds from the sale amounted to \$56 million. A dissident group of shareholders took the position that there had been no proper disclosure of restructuring awards or out of the ordinary payments to directors and senior management when the sale, which was part of a corporate restructuring, was approved by the court. Gerald McGoey and Alex Dolgonos benefited significantly from these restructuring awards.

[23] The dissident shareholders requisitioned a special shareholders meeting to be held July 5, 2010. The information circular, filed June 3, 2010 by the concerned shareholders, made it clear that, if a new board was elected, it would consider whether restructuring awards were paid in bad faith, without merit, without any legal basis, negligently and possibly unlawfully.

[24] Shortly after the June 3, 2010 information circular was sent to the shareholders, Gerald McGoey, Alex Dolgonos, Jolian Investments Limited and Dol Technologies Inc. gave UBS notice that they were seeking indemnification for, among other things, legal expenses.

[25] Gerald McGoey and Jolian Investments Limited gave notice on June 16, 2010.

[26] Gerald McGoey gave notice that he was relying on the Indemnification Agreement, dated January 25, 2007, and the bylaws of UBS – specifically Article 7. Gerald McGoey gave notice that the legal expenses were required for lawyers that he had retained to advise him as a result of recent allegations made by shareholders of UBS.

[27] Jolian Investments Limited, over the signature of Gerald McGoey, provided notice not only on its own behalf, but also on behalf of Gerald McGoey. Its notice warned of potential claims and matters that might give rise to liability or expense as set out in the Jolian MSA. It purported to rely specifically on section 7.1 of the Jolian MSA, as well as part 6 of Appendix A to that agreement. Notice was also provided of a claim for reimbursement for legal expenses, pursuant to part 5 of Appendix A to the Jolian MSA. Jolian Investments Limited also asked UBS to advance \$200,000 to Groia and Company in trust to secure payment of the legal accounts of Groia and Company for legal representation for Jolian Investments Limited and Mr. McGoey in respect of the matters referred to in the notice.

[28] UBS forwarded \$200,000 to the firm of Groia & Company on June 30, 2010.

[29] Dol Technologies Inc. and Alex Dolgonos provided notice to UBS on June 17, 2010. This notice referred, as well, to recent allegations by shareholders of UBS and Look

Communications Inc. It advised that Dol Technologies Inc. and Alex Dolgonos were entitled to be indemnified for legal expenses under an indemnification agreement and according to the UBS bylaws. Dol Technologies Inc. and Alex Dolgonos asked UBS to forward \$100,000 in trust to the firm of Roy Elliott O'Connor LLP to secure payment of its accounts for legal representation for Dol Technologies Inc. and Alex Dolgonos.

[30] UBS forwarded \$100,000 to the firm of Roy Elliott O'Connor LLP on June 30, 2010.

[31] On July 5, 2010, the shareholders of UBS elected a new Board of Directors. The shareholders did not re-elect Gerald McGoeys to the Board of Directors; the new Board of Directors did not re-appoint Gerald McGoeys to be the CEO of UBS; the new Board of Directors did not nominate Gerald McGoeys to be the Chairman of UBS.

[32] On July 5, 2010, Jolian Investments Limited, over the signature of Gerald McGoeys, wrote to the Chairman of the Board of UBS and the Chairman of the Human Resources Committee of UBS. Jolian Investments Limited claimed that there had been a Company Default by UBS and a "termination without cause" of the Jolian MSA by UBS, as defined and referred to in the Jolian MSA. Jolian Investments Limited demanded payment by July 9, 2010 of \$8.6 million, pursuant to section 5.3(1) of the Jolian MSA.

[33] On July 5, 2010, Dol Technologies Inc., over the signature of Alex Dolgonos, wrote to the Chairman of the Board of UBS and the Chairman of the Human Resources Committee of UBS. In this letter, Dol Technologies Inc. took the position that it was exercising its rights, pursuant to section 5.3 of the Dol Technology Agreement for Good Reason, and because there had been a Change-in-Control, as defined in the Dol Technology Agreement. Dol Technologies Inc. demanded that UBS pay \$7.2 million by July 9, 2010.

[34] UBS did not make any payments to Jolian Investments Limited or Dol Technologies Inc.

[35] On July 12, 2010, Jolian Investments Limited sued UBS for a declaration and/or order that:

- a Company Default, as defined in the Jolian MSA, had occurred;
- there had been a "termination without Cause" of the Jolian MSA, as provided for in that agreement;
- UBS pay the plaintiff \$7.4 million due to the Company Default and/or "termination without Cause";
- UBS had an obligation, pursuant to the terms of the Jolian MSA, to reimburse Jolian Investments Limited for all reasonable legal expenses or, in the alternative, an obligation under the Jolian MSA, the Jolian Indemnification Agreement and UBS bylaws to indemnify Jolian Investments Limited and its directors and officers, including the obligation to advance money to pay legal expenses;

- UBS pay Jolian Investments Limited \$259,000 for legal expenses incurred between June 30, 2010 and December 31, 2010;
- UBS pay the plaintiff a \$1.2 million Deferred Bonus Award performance incentive as contemplated in the Jolian MSA;
- all UBS stock options awarded to Jolian Investments Limited, pursuant to section 3.2 of the Jolian MSA had vested; and,
- a Share Rights Cancellation Payment was due and owing.

[36] On July 12, 2010, Dol Technologies Inc. commenced an action against UBS for a declaration and/or order that:

- the Dol Technology Agreement was terminated for "Good Reason following a Change in Control";
- the Deferred Bonus Award, provided for in section 3.2 of the Dol Technology Agreement, was now due and owing;
- all options awarded to Dol Technologies Inc., pursuant to section 3.2 of the Dol Technology Agreement, vested;
- an order that the defendant pay Dol Technologies Inc. \$7,545,000, which was a total of the claims described in the statement of claim; and,
- the Share Rights Cancellation Payment was due and owing.

[37] UBS filed a defence and launched a counterclaim. Alex Dolgonos and Gerald McGoey were named as defendants in the counterclaim, in addition to Dol Technologies Inc. The relief sought against Gerald McGoey was similar to the relief sought in the counterclaim against Jolian Investments Limited and Gerald McGoey. With respect to Dol Technologies Inc. and Alex Dolgonos, UBS sought a declaration and/or order that:

- retainers paid to lawyers acting for Dol Technologies Inc. and Alex Dolgonos be returned to UBS;
- the Dolgonos "Golden Parachute", described in the Dol Technology Agreement, is null and void;
- the UBS Restructuring Award is null and void;
- the options granted in 2009 are null and void; and,

- the Look Restructuring Award was payable to UBS and not Alex Dolgonos and, therefore, Alex Dolgonos should pay \$3,950,737 to UBS because Alex Dolgonos had been unjustly enriched.

The right to indemnification

Jolian Investments Limited and Gerald McGoey

(1) The Jolian MSA

[38] Section 3.3 of the Jolian MSA provides that "UBS shall reimburse Jolian for all expenses ("Expenses")... as outlined in Appendix A".

[39] Appendix A, at item 5, provides for legal expenses. Specifically, UBS agrees to reimburse Jolian "for all reasonable legal...expenses incurred in respect of this agreement, Jolian's performance of the services as contemplated herein and any other matter relating to UBS...".

[40] Appendix A, at item 6, provides that "UBS will also indemnify [Jolian Investments Limited] for any matters not covered by the D&O insurance."

[41] Legal expenses incurred by Jolian Investments Limited in pursuit of its claim that:

- a Company Default, as defined in the Jolian MSA, had occurred;
- there had been a termination without cause of the Jolian MSA;
- \$7.4 million was owed as a result of the termination of the Jolian MSA;
- UBS had an obligation to reimburse reasonable legal expenses pursuant to the terms of the Jolian MSA;
- that UBS had an obligation to indemnify, pursuant to the Jolian MSA; and,
- that UBS owed \$259,000 for legal expenses incurred between June 30 and December 31, 2010;

are legal expenses "incurred in respect of this Agreement", according to the plain and ordinary meaning of this phrase as it is found in item 5 of Appendix A of the Jolian MSA.

[42] It was suggested, during the course of argument, that the various indemnities did not contemplate UBS paying for a suit brought against itself. In my view, this is a matter that should have been addressed when the indemnification provisions of the Jolian MSA were being drafted. Unlike the Jolian Indemnification Agreement, there is no limiting language in the Jolian MSA which states that UBS will not indemnify Jolian Investments Limited for legal expenses incurred in a lawsuit which is initiated by Jolian Investments Limited against UBS.

[43] Legal expenses incurred by Jolian Investments Limited in pursuit of its claim that:

- it was owed \$1.2 million by UBS as a Deferred Bonus;
- it was owed \$600,000 by UBS for relinquishing its Share Appreciation Rights; and
- that options awarded to it by UBS had vested;

are legal expenses incurred in respect of "any other matter relating to UBS...", according to the plain and ordinary meaning of these words as they appear in item 5 of Appendix A of the Jolian MSA.

[44] The UBS counterclaim seeks an order:

- returning retainers paid to lawyers; and,
- setting aside the Jolian MSA.

Legal expenses concerning these issues are legal expenses "incurred in respect of this agreement" or legal expenses incurred in respect of "any other matter relating to UBS...", according to the plain and ordinary meaning of these words as they appear in item 5 of Appendix A of the Jolian MSA.

[45] The UBS counterclaim seeks an order that:

- Gerald McGoeys carried on the business and affairs of UBS in an oppressive manner;
- that he failed to act honestly and in good faith with a view to the best interests of UBS; and,
- he failed to exercise the care, diligence and skill of a reasonably-prudent director and officer of UBS.

The actions of Gerald McGoeys, to which UBS refers, are the services he provided, pursuant to the Jolian MSA. Legal expenses concerning these issues are legal expenses incurred in respect of "Jolian's performance of the services as contemplated herein", according to the plain and ordinary meaning of this phrase as it is found in item 5 of Appendix A of the Jolian MSA.

[46] UBS seeks an order that:

- Gerald McGoeys arranged a "Golden Parachute", which is void and unenforceable;
- the UBS Restructuring Awards are void and unenforceable;

- options granted in 2009 to Jolian Investments Limited are unenforceable; and,
- the Look Restructuring Award was payable to UBS and not to Gerald McGoey and that, as a result, Gerald McGoey was been unjustly enriched.

Legal expenses concerning these matters are legal expenses incurred in respect of "any other matter relating to UBS", according to the plain and ordinary meaning of this phrase as it is found in item 5 of Appendix A of the Jolian MSA.

[47] There is no suggestion that the matters referred to in the claim or counterclaim are covered by D&O insurance and they are, therefore, "matters not covered by this D & O Insurance", according to the plain and ordinary meaning of that phrase as it is found in item 6 of Appendix A of the Jolian MSA. In item 6, UBS promised Jolian Investments Limited that it would indemnify Gerald McGoey for any matters not covered by D & O insurance.

[48] Finally, section 7.1 of the Jolian MSA provides a broader indemnification; specifically, that "UBS will indemnify and hold harmless Jolian, [Gerald McGoey], its directors and officers to the fullest extent permitted by law, from any loss, liability or expense whatsoever arising out of, relating to, or in connection with Jolian, its directors and officers providing to UBS the services hereunder...".

[49] The conduct of the UBS Board of Directors, subsequent to the change of control, provides the factual underpinning for the Statement of Claim. However, the Board's conduct was a response to what it perceived to be Gerald McGoey's misconduct as CEO. Accordingly, it is the conduct of Gerald McGoey which underpins the claim and counterclaim and his conduct was conduct directed to providing to UBS the services required by the Jolian MSA. Accordingly, legal expenses incurred, as a result of the conduct of the UBS Board of Directors subsequent to the change of control and Gerald McGoey's response to that conduct, are essentially legal expenses arising out of the provision of the services required by the Jolian MSA. These expenses are captured by the plain and ordinary meaning of the phrase "any loss, liability or expense whatsoever arising out of, relating to or in connection with Jolian, its directors and officers providing to UBS the services hereunder...", as this phrase is found in section 7.1.

[50] UBS suggested in its factum that section 5.3 (4) of the Jolian MSA provided that, upon termination of the Jolian MSA, only clauses specifically contemplated to continue remained in full force and effect and that, otherwise, the agreement was wholly terminated. I do not read this subsection in that manner because the introductory clause to this subsection provides, as follows: "Upon termination of Jolian's engagement pursuant to this Agreement and provided that UBS is not in default of any part of this Agreement..." [Emphasis added].

[51] The claim advanced by Jolian Investments Limited is that UBS is in default as defined in the Jolian MSA. Specifically, Jolian Investments Limited asserts a "Company Default" occurred because Gerald McGoey was not elected to the Board of Directors of UBS, because Gerald McGoey was not elected as CEO by the Board of Directors and because Gerald McGoey was not nominated for the position of Chairman of UBS.

[52] This motion is brought at the commencement of these proceedings as a motion for summary judgment. The test for summary judgment is set out in Rule 20.04(2) of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194 (the "*Rules*"). The court shall grant summary judgment if it is satisfied that there is no genuine issue requiring a trial with respect to a claim or defence. The court cannot conclude that there is no genuine issue to be tried concerning this claim by Jolian Investments Limited. The court cannot conclude, at this stage, that the obligation of UBS to indemnify and advance money for legal expenses as provided for in the Jolian MSA has been "wholly terminated". As a result, the court cannot determine whether the indemnification provisions of the Jolian MSA are no longer in full force and effect. This issue must be determined at trial.

[53] While the issue of whether the MSA was wholly terminated cannot be determined until trial, the question remains as to whether UBS must make advance and interim indemnity payments in the meantime.

[54] Section 136 of the *Ontario Business Corporations Act*, R.S.O. 1990, c. B-16 (the "*OBCA*") permits the indemnification for directors and officers of a corporation when they incur legal expenses related to their involvement with the corporation. It has been determined by the Court of Appeal that the Legislature, in making advancement part of the statutory indemnification scheme, recognized the reality that requiring an individual to fund his or her costs of litigation until its conclusion before being provided with indemnification would seriously impair the objective of indemnification itself (see: *Med-Chem Health Care Ltd v Misir*, 2010 ONCA 380 at para. 20).

[55] The Manitoba Court of Appeal reiterated this perspective in *Manitoba (Securities Commission) v. Crocus Investment Fund*, 2007 MBCA 36, 31 C.B.R. (5th) 1. The Court stated, at para. 50:

While it is possible that the present lawsuit will be resolved in short order, it is more likely that it will take some time before that happens. I agree with the judge when she said: '[t]hese matters are lengthy and complex and are unlikely to be completed for some considerable time' (at para. 41). In the meantime, the former directors and officers, presumed so far to have acted in good faith, have an immediate and legitimate need for counsel. Under the present circumstances they ought not to be obliged to finance their own defence costs.

[56] Legal services were required in connection with the July 5, 2010 shareholders' meeting, the genuine threat of litigation contained in a June 3, 2010 information circular distributed by the dissident shareholders and the litigation resulting after the July 5, 2010 change in control. The lawyers who were asked to provide those services required retainers to secure the payment of their fees. When a person pays a retainer to secure the payment of legal fees, they temporarily lose the use of that money. This is part of the expense of hiring the lawyer.

[57] Fairness to the directors and officers of UBS and other corporations require that the Corporation should specify with precision the limits it proposes on its commitment to indemnify when it is recruiting those persons to serve as directors and officers. Absent a contractual or

bylaw provision which specifically provides that advances on account of legal fees or interim accounts or both are not to be paid, the agreement to indemnify implies an agreement to pay such advances and interim accounts.

[58] All of the matters which are the subject of the Statement of Claim and the counterclaim are captured within the wording of Appendix A item 5, item 6 and section 7.1 of the Jolian MSA. UBS, therefore, has an obligation to indemnify Jolian Investments Limited and Gerald McGoeys for legal expenses incurred with respect to the Statement of Claim and the counterclaim. This obligation to indemnify carries with it the obligation to pay retainers. Consistent with the determination of the Court of Appeal in *Med-Chem*, set out above, the obligation to indemnify must also carry with it the obligation to pay interim accounts for legal services as rendered.

[59] If it is determined at trial that the MSA was wholly-terminated or that indemnity is not owed for other reasons, the advances paid will be subject to return to UBS. This ruling is consistent with the Manitoba Court of Appeal's ruling in *Crocus Investment Fund, supra*, at paras. 52-53.

(2) The Jolian and McGoeys Indemnification Agreements

[60] UBS entered into separate indemnification agreements with Jolian Investments Limited and Gerald McGoeys on January 25, 2007. Because the agreements are virtually identical, I have, for convenience sake, referred to the McGoeys Indemnification Agreement.

[61] The events complained of by UBS arise from the actions of Gerald McGoeys as Chairman of the Board and CEO of UBS and his actions as Vice-Chairman of the Board and CEO of Look Communications Inc.

[62] Specifically, Look Communications Inc. sold its wireless spectrum asset for \$80 million. This was its key asset. According to the Statement of Defence and counterclaim, \$22.7 million was granted to senior management and directors of UBS and Look Communications Inc. as "Restructuring Awards". Suffice to say, the Statement of Defence and counterclaim take strong exception to the appropriation of this money and seek a declaration that at least the UBS Restructuring Awards are void and unenforceable. The Statement of Defence and counterclaim also take the position that the Look Communications Inc. Restructuring Award should have been paid to UBS and not Gerald McGoeys personally and that, in this regard, Gerald McGoeys has been unjustly enriched.

[63] The UBS counterclaim asserts, among other things, that Gerald McGoeys carried on the business and affairs of UBS in an oppressive manner and in a manner that unfairly disregarded the interests of UBS. It asserts the Gerald McGoeys failed to act honestly and in good faith with a view to the best interests of UBS. It claims that Gerald McGoeys failed to exercise the care, diligence and skill of a reasonably-prudent director and officer of UBS. Finally, it seeks to set aside the Jolian MSA.

[64] I appreciate that these are very serious claims of misconduct. However, at this point, that is all they are; namely, factual assertions in a Statement of Claim. The evidence on this motion

suggests that there is a genuine issue to be tried in this regard. Persons are presumed to have acted in good faith unless proven otherwise (see: *Blair v. Consolidated Enfield Corp.*, [1995] 4 S.C.R. 5 at para. 35). Therefore, this motion cannot proceed on the basis that these claims are "probably" true.

[65] Finally, legal services were required in connection with the July 5, 2010 shareholders' meeting, the genuine threat of litigation contained in a June 3, 2010 information circular distributed by the dissident shareholders and the litigation resulting after the July 5, 2010 change in control.

[66] The Jolian Indemnification Agreement, in section 7, specifically provides that UBS is not obliged to indemnify Jolian Investments Limited with respect to proceedings or claims initiated or brought voluntarily by Jolian Investments Limited. There is an exception to this prohibition, in section 12, which does not apply on this motion. The action instituted by Jolian Investments Limited is primarily intended to enforce the Jolian MSA, not the Jolian Indemnification Agreement. Therefore, the Jolian Indemnification Agreement does not require UBS to pay the legal expenses of Jolian Investments Limited incurred with respect to its claim against UBS.

[67] Section 3(a) of the Indemnification Agreement provides that "notwithstanding any other provision of this Agreement, the Corporation hereby agrees to indemnify [Gerald McGoe] to the fullest extent permitted by law, notwithstanding that such indemnification is not specifically authorized by the other provisions of this Agreement, the Corporation's Articles or Bylaws or by statute." According to its wording, the breadth of this subsection is not qualified by the other provisions of the McGoe Indemnification Agreement.

[68] If the indemnification given to Jolian Investments Limited and Gerald McGoe is what it purports to be; namely, an indemnification "to the fullest extent permitted by law", then the indemnification agreements must indemnify Jolian Investments Limited and Gerald McGoe when they respond to allegations which squarely raise the CEO services which Jolian Investments Limited provided to UBS through Gerald McGoe. If Gerald McGoe's entire conduct as CEO is not sufficient to engage his indemnification agreement, then it is difficult to appreciate what indemnity, if any, it provides.

[69] Section 136(1) of the *OBCA* permits UBS to indemnify an officer, director, former officer or former director against all charges, costs and expenses, including an amount paid to settle an action or satisfy a judgment reasonably incurred by the individual because of the individual's association with the Corporation.

[70] Section 136(2) of the *OBCA* permits UBS to advance money for costs, charges and expenses incurred in respect of civil proceedings by an individual who acts or acted as a director or officer.

[71] The Jolian Indemnification Agreement and the McGoe Indemnification Agreement make mandatory what sections 136(1) and (2) permit.

[72] It is not necessary to determine whether there is also an implied agreement to pay interim accounts as rendered for those legal services because section 2(a) of the McGoey Indemnification Agreement specifically provides, among other things, that the Corporation shall advance all expenses incurred by Gerald McGoey in the defence of any civil proceeding.

[73] Even if this were not the case, I have already set out earlier my conclusion that, absent a contractual provision prohibiting advances on account of legal expenses, the agreement to indemnify against legal expenses "to the fullest extent permitted by law" must imply an agreement to pay retainers and interim legal accounts.

[74] It is not commercially reasonable to conclude that UBS agreed to indemnify Gerald McGoey to the fullest extent permitted by law, and agreed to advance all reasonable legal expenses incurred by Gerald McGoey in the defence of any civil proceeding, but did not agree to pay retainers to the lawyers that he chose to defend him. The lawyers, who were asked by Jolian Investments Limited and Gerald McGoey to provide their legal services, required retainers to secure the payment of their fees. When a person pays a retainer, they lose the use of that money. This is part of the expense of hiring the lawyer.

[75] Accordingly, I am satisfied that the payment of the retainers in question by UBS was consistent with their obligation to indemnify under the McGoey and Jolian Indemnification Agreements.

[76] Both Gerald McGoey and Jolian Investments Limited have undertaken to re-pay legal expenses paid by UBS in the event that it is determined that their assertions in these proceedings are frivolous or not made in good faith. Although it is not necessary for purposes of this decision, and without intending to diminish their undertakings in any way, this is perhaps an appropriate place to observe that a promise to indemnify against and advance funds to pay legal expenses will generally imply an acceptance of the risk that the legal fees advanced might not be re-paid.

[77] It is still necessary to consider the effect of s. 136(4.1) of the *OBCA*, which seems to say that court approval is needed before an indemnity or advance can be paid in respect of an action by or on behalf of the corporation paying the indemnity. I will do so later in these reasons.

(3) Article 7 of the UBS bylaws

[78] Article 7.01(a) provides, in part, that UBS shall indemnify a director, officer, former director, or former officer, as well as a person who acts as a director or officer of another Corporation of which UBS is a shareholder.

[79] The indemnity provided is against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment. The indemnity applies for all acts of such persons if the cost charges and expenses arise in respect of proceedings to which the person is a party because the person was a director, officer, former director or former officer of UBS or the Corporation of which UBS was a shareholder.

[80] The indemnity mandated by Article 7.01(a) and (b) is only available if the director or officer acted honestly and in good faith with a view to the best interests of the Corporation.

[81] Article 7.01(b) appears to say that court approval is required before a director, officer, former director or former officer can be indemnified in respect of an action by or on behalf of the Corporation.

[82] For reasons set out later, I am satisfied that s. 136(4.1) of the *OBCA* only applies to derivative actions. Accordingly, I am satisfied that Article 7.01(b) does not apply to the request for indemnification by Gerald McGoey that is the subject of these proceedings because the UBS counterclaim is not a derivative action.

[83] It is clear that Gerald McGoey was Chairman and CEO of UBS at the relevant time described in the Statement of Claim and counterclaim. It is also clear that he served as Vice-Chair of the Board of Look Communications Inc. and CEO of Look Communications Inc. at the relevant time described in the Statement of Claim and counterclaim at the request of UBS and at a time when UBS was a shareholder of Look Communications Inc. It is also clear that he is a party to the counterclaim due to the actions he took while he held those positions.

[84] Therefore, Gerald McGoey is entitled to the indemnification mandated by Article 7, provided that he acted honestly and in good faith with a view to the best interests of the Corporation.

[85] It is clear that, whether Gerald McGoey acted honestly and in good faith with a view to the best interests of UBS, is a genuine issue for trial.

[86] Article 7 does not specifically provide for the payment of an advance or a retainer. However, as indicated earlier, the Court of Appeal determined, in 2010 in *Med-Chem, supra*, that the Legislature, in making advancement part of the statutory indemnification scheme in 2006, recognized that requiring an individual to fund the costs of litigation until its conclusion would seriously impair the objective of indemnification. The only interpretation of Article 7 consistent with this determination is that, unless a corporate bylaw specifically precludes payment of a retainer, the obligation to indemnify implies that obligation. This interpretation has the advantage of requiring the Corporation to specify with precision the limit of its obligation to indemnify, ensuring that the indemnification offered by a corporation will be considered by the director or officer when he or she is being recruited by the Corporation. It will, thus, become the subject of negotiation between the prospective director or officer and the Corporation. This is far fairer to the director or officer than a regime in which the court implies a limit, which is not written into the indemnification bylaw, at a litigious moment in the life of the Corporation and the director or officer.

[87] Therefore, I find that, because Article 7 was not amended to specifically preclude the payment of a retainer, the payment of interim legal accounts or both, the obligation to indemnify contained in that Article implies both the obligation to pay a retainer and the obligation to pay interim legal accounts when rendered.

[88] There is always a risk that a director or officer, who is found to have acted dishonestly or in bad faith, will, in the face of such a finding, refuse to re-pay the advances on account of his or her legal fees. As indicated earlier, when a Corporation enacts a bylaw mandating indemnification for legal fees and permitting advances on account of those legal fees, it impliedly accepts the risk that the advances might not be re-paid.

[89] Finally, absent the appropriate limiting language, there is no reason to imply that UBS did not wish to fully indemnify its officers and directors, both present and former, who acted honestly and in good faith with a view to the best interests of UBS.

[90] Therefore, I am satisfied that UBS was obligated by Article 7 to indemnify Gerald McGoey's defence against the UBS counterclaim, to pay retainers to Groia & Company LLP required for that defence and that UBS is obligated by that Article to pay interim legal accounts from that firm for legal services in that regard as rendered.

[91] It is still necessary to consider the effect of s. 136(4.1) of the *OBCA*, which seems to say that court approval is needed before an indemnity or advance can be paid in respect of an action by or on behalf of the Corporation paying the indemnity. I will do so later in these reasons.

Dol Technologies Inc. and Alex Dolgonos

The Dol Indemnification Agreement and the Dolgonos Indemnification Agreement

[92] These agreements were entered into January 25, 2007; they are virtually identical and I have, for convenience sake, referred to the Dolgonos Indemnification Agreement.

[93] Section 3(a) provides that "Notwithstanding any other provision of this Agreement, the Corporation hereby agrees to indemnify [Alex Dolgonos] to the fullest extent permitted by law, notwithstanding that such indemnification is not specifically authorized by the other provisions of this Agreement, the Corporation's Articles or Bylaws or by statute." The breadth of this subsection is not, according to its wording, qualified by the other indemnification provisions in the Dolgonos Indemnification Agreement.

[94] The current s. 136(1) of the *OBCA* provides, in part, that the Corporation may indemnify an officer against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment reasonably incurred by the officer in respect of any civil proceeding in which the officer is involved because of his or her association with the Corporation.

[95] The current s. 136(2) of the *OBCA* permits the Corporation to advance money for costs, charges and expenses incurred in respect of civil proceedings in which the officer is involved because of his or her association with the Corporation.

[96] The Dol Indemnification Agreement and the Dolgonos Indemnification Agreement make mandatory what s. 136(1) and (2) permit. Section 3(a) of the Dolgonos Indemnification Agreement purports to create an indemnity "to the fullest extent permitted by law". At the time when the retainer was paid, Dol Technologies Inc. and Alex Dolgonos were facing a genuine

possibility of litigation from a group of dissident shareholders whose intention in that regard could reasonably be inferred from their information circular to shareholders, dated June 3, 2010.

[97] Accordingly, it was both reasonable and necessary for Dol Technologies Inc. and Alex Dolgonos to retain counsel. The law firm required a retainer to secure payment of its fees. Therefore, paying the retainer was part of the expense of hiring the law firm.

[98] I will not repeat what I said earlier when I was considering the Jolian Investments Limited and Gerald McGoey Indemnification Agreements. The same reasoning applies with respect to the Dol Technologies Inc. and Alex Dolgonos Indemnification Agreements.

[99] The combined effect of s. 136(2) of the *OBCA*, section 3(a) of the Dolgonos Indemnification Agreement and the determination of the Court of Appeal to which I previously referred in *Med-Chem, supra*, is that an indemnification to the "fullest extent permitted by law" includes the payment of retainers and interim legal accounts as rendered.

[100] The Dol Indemnification Agreement in section 7 provides that UBS is not obliged to indemnify Dol Technologies Inc. with respect to proceedings or claims initiated or brought voluntarily by Dol Technologies Inc. Accordingly, the Dol Indemnification Agreement does not require UBS to pay the legal expenses of Dol Technologies Inc. incurred with respect to its claim against UBS.

[101] UBS is, however, obligated, pursuant to Dol Indemnification Agreement and the Dolgonos Indemnification Agreement, to indemnify Dol Technologies Inc. and Alex Dolgonos against the legal expenses incurred with respect to Dol Technologies Inc.'s defence and Alex Dolgonos' defence of the UBS counterclaim.

[102] I am satisfied that the Dol Indemnification Agreement and the Dolgonos Indemnification Agreement required UBS to pay a retainer to Roy Elliott O'Connor LLP to secure the legal fees incurred by that firm in the defence of Dol Technologies Inc. and Alex Dolgonos against the counterclaim by UBS, and that those indemnification agreements obligate UBS to pay interim accounts from that firm as rendered.

[103] I will consider later in these reasons whether s. 136(4.1) of the *OBCA* requires court approval before Alex Dolgonos can be indemnified in respect of the UBS counterclaim.

(2) The Dol Technology Agreement

[104] This agreement was entered into July 12, 2008 between Dol Technologies Inc. and Unique Broadband Systems Inc. Section 3.3.3 provides that UBS will reimburse Dol Technologies Inc. for all expenses and disbursements incurred in connection with performing the services defined in the agreement. Section 3.3.5 specifically provides that UBS will reimburse Dol Technologies Inc. "for all reasonable legal expenses incurred in respect of this agreement, [Dol Technologies Inc.'s] performance of the services as contemplated herein and any other matter relating to [UBS]...". There are exceptions which do not apply here.

[105] The Dol Technologies Inc. claim is based to a very significant degree on an interpretation of the Dol Technology Agreement. Accordingly, legal expenses incurred in the prosecution of that claim are captured by the plain and ordinary meaning of the words "legal expenses incurred in respect of this agreement" or legal expenses incurred in respect of "any other matter relating to UBS" in Section 3.3.5.

[106] The counterclaim, against not only Dol Technologies Inc., but also Alex Dolgonos personally, raises questions concerning the appropriateness of:

- what it refers to as the Dolgonos Golden Parachute provided for in the Dol Technology Agreement;
- the options provided for in the Dol Technology Agreement; and,
- the retainers paid to counsel for Dol Technologies Inc. and Alex Dolgonos.

Legal expenses incurred in the defence of the counterclaim are captured by the plain and ordinary meaning of the words "for all reasonable legal expenses incurred in respect of this agreement, [Dol Technologies Inc.'s] performance of the services as contemplated herein and any other matter relating to [UBS]..." as set out in Section 3.3.5.

[107] Section 3.3.5 of the Dol Technology Agreement does not qualify the duty to reimburse for legal expenses by providing that UBS will not reimburse Dol Technologies Inc. for actions initiated by it. In this regard, the Dol Technology Agreement differs from the Dol Indemnification Agreement. As indicated earlier with respect to the Jolian MSA, any restriction in this regard should have been addressed when the Dol Technology Agreement was negotiated. Restrictions on the commitment to indemnify should be specified when the Corporation is recruiting directors, officers or key employees and not implied by the courts after the fact. Accordingly, the absence of such a restriction or exception means that the duty to reimburse is not restricted to legal expenses incurred in the defence of Dol Technologies Inc., but also includes legal expenses incurred with respect to a claim initiated by Dol Technologies Inc., provided the claim is described in Section 3.3.5

[108] Accordingly, I am satisfied that the Dol Technology Agreement obligates UBS to indemnify Dol Technologies Inc. for legal expenses incurred in prosecuting the claim of Dol Technologies Inc. and defending Dol Technologies Inc. in respect of the counterclaim by UBS. For the same reasons set out earlier, I am satisfied that this obligation includes the payment of retainers to the lawyers providing the legal services as well as the payment of interim legal accounts when rendered.

[109] The indemnification of Dol Technologies Inc. can never be the indemnification of a director or officer or former director or officer of UBS and, therefore, s. 136(4.1) of the *OBCA* does not apply to UBS's contractual obligation to indemnify Dol Technologies Inc.

Article 7 of the UBS bylaws

[110] The defence and counterclaim assert that Mr. Dolgonos was an officer of UBS within the meaning of the *OBCA*. It asserts that Mr. Dolgonos exerted undue influence on the board and that, as an officer of UBS, he acted in a gross conflict of interest and contrary to his duty of loyalty to UBS.

[111] Thus, it is clear that the cost charges and expenses incurred by Mr. Dolgonos with respect to the counterclaim arise from the fact that he is a party to the counterclaim, in part, by reason of his having been an officer of the Corporation.

[112] Mr. Dolgonos, however, disputes the assertion that he was an officer of the Corporation, as that term is used in the *OBCA*.

[113] If UBS is correct, then Mr. Dolgonos is entitled to the indemnification mandated by Article 7 of the UBS bylaws, provided he was acting honestly and in good faith with a view to the best interests of UBS.

[114] I have already determined that the obligation to indemnify requires the payment of the retainer and the payment of interim legal accounts. However, it would be commercially foolish to insist that UBS indemnify Alex Dolgonos because it is mandated to indemnify its officers when he insists he is not an officer and there is a genuine issue to be tried in that regard.

[115] Accordingly, it seems reasonable to imply that Article 7 does not require indemnification advances on behalf of an individual who denies being an officer.

[116] I am satisfied that UBS is not obliged to indemnify Alex Dolgonos in advance in this peculiar situation. If, however, the court should determine, at the conclusion of the litigation, that Alex Dolgonos was an officer of UBS and that he did act honestly and in good faith with a view to the best interests of UBS, then the obligation to indemnify under Article 7 will crystallize.

Section 136(4.1)

[117] Section 136 of the *OBCA* was amended by Bill 152, *Ministry of Government Services Consumer Protection and Service Modernization Act, 2006*. In that Bill, s. 136(1), (2), (3), and (4) of the *OBCA* were repealed and the current s. 136(1), (2), (3), (4), (4.1), (4.2) and (4.3) were substituted for it.

[118] Section 136(4.1) is substantially similar to the former s. 136(2), except for the fact that it does not provide for advances on account of legal fees.

[119] Specifically, s. 136(4.1) provides as follows:

Derivative actions

(4.1) A corporation may, with the approval of a court, indemnify an individual referred to in subsection (1), or advance moneys under subsection (2), in respect of an action by or on behalf of the corporation or other entity to obtain a judgment in its favour, to which the individual is made a party because of the individual's association with the corporation or other entity as described in subsection (1), against all costs, charges and expenses reasonably incurred by the individual in connection with such action, if the individual fulfils the conditions set out in subsection (3). 2006, c. 34, Sched. B, s. 26.

[120] The former s. 136(2) of the *OBCA*, which was repealed in 2006, provided, as follows:

Idem

(2) A corporation may, with the approval of the court, indemnify a person referred to in subsection (1) in respect of an action by or on behalf of the corporation or body corporate to procure a judgment in its favour, to which the person is made a party by reason of being or having been a director or an officer of the corporation or body corporate, against all costs, charges and expenses reasonably incurred by the person in connection with such action if he or she fulfils the conditions set out in clauses (1) (a) and (b). R.S.O. 1990, c. B.16, s. 136 (2).

[121] The conditions to which s. 136(4.1) and the former s. 136(2) refer are essentially the same.

[122] Thus, it can be seen that the 2006 amendments, apart from permitting advances on account of legal fees, deleted the heading "*Idem*" and inserted the heading "*Derivative actions*" before the subsection requiring court approval of legal fees. The Court of Appeal has determined that headings can be used when interpreting statutes, see: *African Lion Safari & Game Farm Ltd. and Kerrio et al.*, 1987 O.J. No. 194. In *African Lion Safari*, *supra*, the Court stated:

[27] The decision of the Supreme Court of Canada in *Law Society of Upper Canada v. Skapinker* (1984), 9 D.L.R. (4th) 161, 11 C.C.C. (3d) 481, [1984] 1 S.C.R. 357, has removed all doubt about the use of headings in the interpretation of statutes. It is established by that decision that headings can be used as an aid to interpretation especially where the language of the statute is ambiguous. There is strong support for this conclusion in the textbooks: see Driedger, *Construction of Statutes*, 2nd ed. (1983), at pp. 138-41 and at p. 147; Craies on *Statute Law*, 7th ed. (1971), at pp. 207-10; Bennion, *Statutory Interpretation* (1984), at p. 590, and Cote, *The Interpretation of Legislation in Canada* (1984), at pp. 44-5.

[123] In addition, the *Interpretation Act*, R.S.O. 1990 Chapter I.11 was repealed on July 25, 2007. Section 9 of that *Act* had provided that a heading formed no part of the *Act* and was only to be used for convenience of reference.

[124] As a result, it seems reasonable to view the heading, "Derivative actions", as part of the *OBCA* and of some assistance in interpreting s. 136(4.1).

[125] When one compares the two sections and considers the substitution of the heading "Derivative actions" for the non-descriptive heading "Idem", it is obvious that the court approval referred to in s. 136(4.1) is required where the director or officer or former director or officer is seeking indemnification for legal expenses incurred because he or she has been made a party to a derivative action.

[126] This conclusion also seems correct when one considers the minimal impact that the application of s. 136(4.1) would have on the legal expenses incurred in this proceeding. Specifically, the claims commenced by Jolian Investments Limited and Dol Technologies Inc. are not actions by or on behalf of UBS as required by s. 136(4.1). Accordingly, advances paid on account of legal fees for those claims are not subject to court approval pursuant to s. 136(4.1).

[127] Finally, it makes sense that the Legislature would give the court supervisory jurisdiction over legal fees paid by corporations that have been involved in litigation as a result of a derivative action.

[128] Reference to derivative actions is found in s. 246 of the *OBCA*. Section 246 provides that a complainant, for example a dissident shareholder, can apply to the court for leave to bring an action in the name and on behalf of the Corporation. The court must be satisfied that the directors of the Corporation will not bring the action, that the complainant is acting in good faith and that it appears to be in the interests of the Corporation that the action be brought before it grants leave. The court has, therefore, a supervisory jurisdiction over derivative actions.

[129] It seems consistent with the Court's supervisory jurisdiction that the court should have a supervisory jurisdiction over the legal expenses incurred by the Corporation in respect of the derivative action because those expenses result from the court's decision to permit the action to proceed and any contractual obligations to indemnify that the Corporation has to the parties to the action. In my view, that is the purpose of s. 136(4.1).

[130] Obviously, Jolian Investments Limited and Dol Technologies Inc. were never directors or officers of UBS. They were never former directors or former officers of UBS. Neither Corporation acted as a director or officer of Look Communications Inc. at the request of UBS. Accordingly, s. 136(4.1) has no application to their claims.

[131] Alex Dolgonos has not been a director of UBS since 2002. The counterclaim asserts, in paragraphs 9, 42 and 96, that Alex Dolgonos was, during the relevant time, an officer of UBS. In his affidavit in support of this motion, Alex Dolgonos says, at paragraph 6: "I was neither a board member nor an officer of UBS at any time relevant to the issues raised in these proceedings".

[132] Mr. Dolgonos indicated during his cross-examination that most of his time was consumed by working on the Look Communications Inc. network – cleaning up and setting up the technology, doing mobile trials and demonstrating mobile television on fourth generation networks. He also indicated that he attended board meetings for the purpose of making technical presentations when requested to do so. There was no other cross-examination concerning the assertion that Mr. Dolgonos was an officer of UBS.

[133] The Dol Technology Agreement refers to Dol Technologies Inc. as the "Consultant". The Services to be provided by the Consultant are defined to mean the "duties typically performed by and responsibilities assumed by a chief technology officer with a broad strategic development mandate of a publicly listed technology-based company." The services include research and development, engineering, technology and marketing expertise in respect of the relevant technologies. The Services are to be determined, from time to time, by the Consultant in consultation with the CEO, the Technology Committee of the Board and the Board.

[134] The Dol Technology Agreement defines Alex Dolgonos as the CTC. The Agreement provides that the Consultant shall cause the CTC to provide the Services defined in the Agreement.

[135] I am not prepared to find on this record that Mr. Dolgonos was an officer of UBS. I am satisfied that there is a genuine issue to be tried in this regard. Accordingly, for the purposes of this motion, I am not prepared to conclude that s. 136(4.1) applies to Mr. Dolgonos' request for indemnification.

[136] The only person affected by s. 136(4.1) is Gerald McGoe. He is a former director of UBS and Look Communications Inc.; he is a former officer of both corporations. The UBS counterclaim against Gerald McGoe is an action (Rule 1.03 of the *Rules*); it is also an action by the Corporation to obtain a judgment in its favour. Gerald McGoe is subject to the counterclaim because of his association with UBS. Therefore, s. 136(4.1) appears, on its face, to apply to his request for indemnification for legal expenses incurred with respect to his defence of the UBS counterclaim.

[137] The question of whether s. 136(4.1) permits indemnification of an individual who has commenced an action is not raised because Mr. McGoe is only a party to these proceedings as a defendant in the counterclaim.

[138] In short, even if the court were to declare that s. 136(4.1) applies to Mr. McGoe and deny him any advances on account of legal fees for his defence against the UBS counterclaim, it is difficult, if not impossible, to conclude that such a declaration would have any appreciable effect on the legal expense to which UBS is exposed. UBS would still be required to indemnify Jolian Investments Limited for its legal expenses incurred in defending the counterclaim, and the defence of Jolian Investments Limited and the defence of Gerald McGoe will be substantially the same.

[139] Section 136(4.1) applies only to Derivative actions and, accordingly, does not require court approval of the indemnification of Gerald McGoe against the UBS counterclaim.

The appropriate process for determining the reasonableness of the legal expenses

[140] The Jolian MSA, at item 5 in Appendix A, speaks of "reasonable legal... expenses". The Jolian Indemnification Agreement and the McGoeys Indemnification Agreement define Legal Fees in connection with an action by the indemnitee to enforce the indemnification agreement as, among other things, "all costs and expenses including reasonable legal fees". Finally, Article 7 of the UBS bylaws refers to "costs, charges and expenses... reasonably incurred".

[141] The only commercially-sensible conclusion is that all the indemnifications only promise to pay reasonable legal fees and disbursements. Accordingly, there must be a process for determining the reasonableness of the legal expenses. This process can include a consideration of the reasonableness of the retainers that have been advanced.

[142] The evidence is that, in June 2010, \$200,000 was paid as a retainer by UBS to Groia & Company on behalf of Jolian Investments Limited and Gerald McGoeys. Roy Elliott O'Connor LLP received a retainer of \$100,000 from UBS on behalf of Dol Technologies Inc. and Alex Dolgonos. In 2009, Look Communications Inc. advanced \$200,000 to Groia & Company on behalf of Jolian Investments Limited and Gerald McGoeys and \$120,000 to Roy Elliott O'Connor LLP on behalf of Dol Technologies Inc. and Alex Dolgonos.

[143] In terms of assessing the reasonableness of the legal expenses, UBS is entitled to be satisfied that the retainers have been properly accounted for and are proportional to the legal services required by Jolian Investments Limited, Gerald McGoeys, Dol Technologies Inc. and Alex Dolgonos. If the retainers are in trust, UBS is entitled to know why it is necessary to maintain such significant amounts in trust to secure legal fees.

[144] The parties indicated, during the course of argument, that they hoped to be able to agree upon a reasonable process if advances are ordered. Accordingly, I will not address this aspect of the matter except to say a determination that the legal expenses incurred by the plaintiffs, Gerald McGoeys and Alex Dolgonos, are reasonable is more than a mathematical exercise.

[145] It would seem to me that the parties should be able to agree upon a person who could review in detail dockets and disbursements for purposes of ensuring that they are properly referable to the matters at issue in the claim and counterclaim and otherwise reasonable. Such a person could, with the clients' consents, have access to privileged and/or confidential information concerning dockets and disbursements on the understanding that such information would not be disclosed to anyone. In addition, this person could assess whether the retainers currently held by the law firms are reasonable having regard to all the circumstances, including the obligation of UBS to pay the legal fees of Jolian Investments Limited, Gerald McGoeys, Dol Technologies Inc. and Alex Dolgonos.

[146] The inquiry surrounding the reasonableness of the legal expenses incurred in this matter is broader than the typical assessment. Submitting the accounts for court-ordered assessment before advances are made will not adequately address the reasonableness of the legal expenses incurred in respect of the claim and counterclaim and will not be efficient because the payment of the interim accounts will not be timely.

[147] If the parties cannot agree on a process to determine the reasonableness of dockets, disbursements and retainers, further application may be made to the court. Such application, if made, should not delay payment of outstanding accounts.

Conclusion

[148] UBS has an obligation under the Jolian MSA to reimburse Jolian Investments Limited for all reasonable legal expenses, on an ongoing basis as they become owing. This obligation also includes the payment of retainers. I am satisfied that this obligation includes the obligation to pay legal expenses incurred in respect of the claim of Jolian Investments Limited and its defence against the UBS counterclaim.

[149] UBS has an obligation under the Jolian Indemnification Agreement and the McGoeys Indemnification Agreement to indemnify Jolian Investments Limited and Gerald McGoeys for legal expenses as they become owing in their defence of the UBS counterclaim. This obligation includes the payment of retainers and interim accounts on an ongoing basis as they are rendered.

[150] UBS has an obligation, pursuant to Article 7 of its bylaws, to indemnify Gerald McGoeys against legal expenses which he incurs defending himself against the UBS counterclaim and this obligation includes the payment of retainers and interim legal accounts on an ongoing basis as rendered.

[151] UBS must pay the legal expenses of Gerald McGoeys and Jolian Investments Limited for the period June 30, 2010 to December 31, 2010 in the amount of \$259,100.42 and additional interim accounts on an ongoing basis as they are or have been rendered. This is without prejudice to UBS challenging after payment the reasonableness of this expense.

[152] UBS has an obligation, under the Dol Technology Agreement, to reimburse Dol Technologies Inc. for all legal expenses as they become owing. This obligation also includes payment of legal expenses incurred in respect of the claim of Dol Technologies Inc. and its defence against the UBS counterclaim. This obligation includes the payment of retainers.

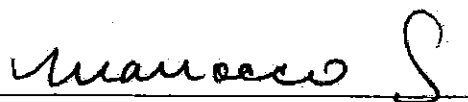
[153] UBS has an obligation, under the Dol Indemnification Agreement and the Dolgonos Indemnification Agreement, to indemnify Dol Technologies Inc. and Alex Dolgonos for all legal expenses due to their defence against the UBS counterclaim. This obligation includes the payment of retainers and on an ongoing basis interim legal accounts when rendered.

[154] UBS does not have an obligation, pursuant to Article 7 of its bylaws, to indemnify Alex Dolgonos in advance against legal expenses incurred in his defence against the UBS counterclaim because Alex Dolgonos denies being an officer of UBS. If, however, at the conclusion of the litigation a court decides that Alex Dolgonos was an officer of UBS and that he acted honestly and in good faith with a view to the best interests of UBS, then UBS will have an obligation to indemnify him pursuant to Article 7.

[155] UBS must pay the legal expenses of Dol Technologies Inc. and Alex Dolgonos currently billed and owing for the period June 30, 2010 to date.

[156] The Notice of Motion also contained a motion to amend the Jolian Investments Limited Statement of Claim. This aspect of the motion was not argued and is adjourned *sine die*.

[157] There will be no order concerning costs.


MARROCCO, J.

Released: 20110530

TAB H

Court File No.: CV-11-9149-00CL
Court File No.: CV-11-9147-00CL

COURT OF APPEAL FOR ONTARIO

BETWEEN:

JOLIAN INVESTMENTS LIMITED

Plaintiff
(Respondent)

- and -

UNIQUE BROADBAND SYSTEMS, INC.

Defendant
(Appellant)

AND BETWEEN:

UNIQUE BROADBAND SYSTEMS, INC.

Plaintiff by Counterclaim

- and -

**JOLIAN INVESTMENTS LIMITED, GERALD MCGOEY,
LOUIS MITROVICH AND DOUGLAS REESON**

Defendants By Counterclaim
(Respondent)

- and -

PETER MINAKI

Third Party

NOTICE OF APPEAL

THE DEFENDANT/PLAINTIFF BY COUNTERCLAIM, Unique Broadband Systems, Inc. ("UBS") appeals to the Court of Appeal from the judgment of the Honourable Justice Marrocco of the Superior Court of Justice, dated May 30, 2011, made at Toronto.

THE APPELLANT asks that the judgment be set aside, that the motion for summary judgment brought by Gerald McGoey and Jolian Investments Limited ("Jolian") be dismissed and that judgment be granted to UBS as follows:

1. A declaration that UBS is not obliged to indemnify Gerald McGoey ("McGoey") or Jolian, a personal services company owned by McGoey that provided McGoey's services to UBS pursuant to a Management Services Agreement (the "Jolian MSA"), for legal fees and expenses unless and until the court determines that they are entitled to be indemnified in respect of the claim brought by Jolian against UBS and the counterclaim brought by UBS against Jolian and McGoey.
2. An order granting UBS its costs of the summary judgment motions below and of this appeal on a partial indemnity basis.
3. Such further and other relief as counsel may advise and this Honourable Court may deem just.

THE GROUNDS OF APPEAL are as follows:

1. The learned motions judge ("the Court") erred in law by concluding that the conditions prescribed by s. 136(4.1) of the *Business Corporations Act (Ontario)* (the

"OBCA") that limit a corporation's ability to provide indemnification for legal fees and expenses incurred by the corporation's current or former officers and directors do not apply to legal actions commenced by a corporation against former officers and directors for failing to act honestly, in good faith and with a view to the corporation's best interests. The Court's conclusion that s. 136(4.1) applies only in respect of derivative actions directly contradicts this Court's decision in *Med-Chem Health Care Ltd. v. Misir*, 2010 ONCA 380 ("*Med-Chem*"). In *Med-Chem*, an appeal regarding a claim by a corporation against a former director, this Court held that s. 136(4.1) applied in circumstances where "the action is brought by or on behalf of the corporation itself and the individuals are made parties to it by virtue of their association with the corporation." The Court erred in law by reversing this Court's finding that s. 136(4.1) applied in a claim by the corporation against a former director, and instead holding that s. 136(4.1) applies only in respect of derivative actions.

2. The Court erred in law by concluding that a corporation is compelled to indemnify its officers and directors for legal fees relating to litigation with the corporation even though in the litigation the corporation's position is that the officers and directors failed to "act honestly and in good faith with a view to the best interests of the corporation" and were unjustly enriched by their breaches of duty and oppressive conduct.

3. The Court erred in law by ruling that officers and directors can avoid the requirements of s. 136(4.1) of the OBCA through the use of personal services companies and indemnification agreements with the corporation that provide broader rights of indemnification than s.136(4.1) allows.

4. The Court erred in its interpretation and application of *Blair v. Consolidated Enfield Corp.*, [1995] 4 S.C.R. 5 ("*Blair*"), a case in which the facts bore no resemblance to the facts in this case.

5. The Court's decision conflicted with the approach taken in *Catalyst Fund General Partner I Inc. v. Hollinger Inc.*, [2006] O.J. No. 2818 (Sup. Ct. Jus.) ("*Hollinger*") in dealing with claims for indemnification based on language in an indemnification agreement similar to that which is included in s. 136(4.1) of the OBCA.

6. The Court erred in law by incorrectly applying this Court's reasons in *Med-Chem* and by misapprehending the facts to which the law applied.

7. In stark contrast to *Med-Chem*, the Court erred in law as a result of failing to apprehend the significance of the fact that McGoey had been removed from office as a director as a result of shareholders mobilising to convene a special meeting of shareholders for the express purpose of removing McGoey and other directors from office because of their roles in allowing McGoey to take millions of dollars for his own benefit to the detriment of UBS.

8. The Court erred in law and fact by failing to recognize that McGoey and his personal services company, Jolian (which provided McGoey services as a CEO to UBS), were each fiduciaries of UBS and should each be subject to s. 136(4.1) of the OBCA.

9. The Court erred in law and in fact by failing to recognize that McGoey and Jolian assumed the risk they may not be entitled to indemnification until the conditions of s. 136(4.1) of the OBCA were met when they failed to ensure they had appropriate directors and officers insurance available. The fact that McGoey and Jolian lack insurance for the kind of claim for which they seek to make UBS responsible reflects their effort to shift risks they assumed to UBS, the corporation they harmed.

10. The Court erred in law or in both law and fact in interpreting the Jolian MSA, the Indemnification Agreements and UBS's By-laws by:

- (a) concluded that a lack of "express limiting language" in the Jolian MSA was a determining factor supporting the claims of Jolian and McGoey to indemnification and advances for legal expenses both to sue UBS and to defend UBS's counterclaims;
- (b) concluded that the Jolian MSA provides for payment of the legal expenses for a former CEO and director to sue the corporation in circumstances where the former CEO and director claims that the valid exercise of shareholder voting rights to remove him from office triggers his entitlement to compensation and where the corporation follows the will of the shareholders and counterclaims alleging breach of fiduciary duty, oppression and unjust enrichment;
- (c) concluded that s. 3(a) of the Jolian and McGoey Indemnification Agreements provides for indemnification and advances for legal expenses

contrary to the requirement of court approval for such indemnification and advances in s. 1(b) and the limitations established in s. 136(4.1) of the OBCA; and

- (d) concluded that the requirement of court approval in advance of indemnification of directors and officers in Article 7.01(b) of the UBS by-laws only applies in respect of derivative actions.

11. The Court erred in law, or alternatively in mixed fact and law, in concluding that Jolian and McGoey are entitled to indemnification and/or advances for auditing and accounting expenses under the Jolian MSA. The Court ordered such expenses in the absence of evidence as to the breadth and scope of such expenses, and without the benefit of any submissions or argument on that issue. The Court erred in concluding that auditing and accounting expenses were identical to legal expenses for the purposes of indemnification, notwithstanding the fundamental difference between legal expenses incurred in litigation pursuant to a contract and ancillary expenses incurred prior to the termination of that contract.

12. The court erred in law in concluding that there is a genuine issue requiring a trial whether the Jolian MSA was wholly terminated on July 5, 2010, such that Jolian and McGoey's entitlement to their legal expenses terminated as of that date.

13. The judgment appealed from is a final order of the Superior Court of Justice, because it granted a motion for summary judgment. The basis of this Honourable Court's jurisdiction is s. 6(1)(b) of the *Courts of Justice Act*, R.S.O. 1990, c. C.43.

14. The Appellant requests that this Appeal be heard at Toronto.

Date: June 29, 2011

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Court File No.: CV-11-9149-00CL
Court File No.: CV-11-9147-00CL

JOLIAN INVESTMENTS LIMITED
– Plaintiff/Respondent –

v.

UNIQUE BROADBAND SYSTEMS, INC.
– Defendant/Appellant –

COURT OF APPEAL FOR ONTARIO

(PROCEEDING COMMENCED AT TORONTO)

NOTICE OF APPEAL

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**LAWYERS FOR THE APPELLANT, UNIQUE
BROADBAND SYSTEMS, INC.**

TAB I

Unique Broadband Systems, Inc.
Weekly Cash Flow Projection
July 2011 through May 2012



	WEEK BEGINNING										SUBTOTAL 01-Jul-11 to Aug-11
	03-Jul-11	10-Jul-11	17-Jul-11	24-Jul-11	31-Jul-11	07-Aug-11	14-Aug-11	21-Aug-11	28-Aug-11		
Cash:											
Beginning cash	1,362,897	1,371,275	1,424,104	1,423,815	1,401,826	1,384,876	1,363,847	1,352,470		1,362,897	
HST Recovery	-	65,156	-	89,388	-	-	14,298	-	-	169,842	
Cash Receipts	10,161	-	1,711	-	-	-	-	-	-	11,872	
Adjustments	-	-	-	-	-	-	-	-	-	-	
	1,373,058	1,437,431	1,425,815	1,513,203	1,401,826	1,384,876	1,368,347	1,363,847	1,352,470	1,544,611	
Business Expenses:											
Payroll expenses	-	10,577	-	10,577	-	10,577	-	10,577	-	42,308	
Consulting	-	2,500	-	-	9,167	-	2,500	-	9,167	23,334	
Automobile expenses	-	-	-	-	800	-	-	-	800	1,600	
Group Insurance	1,783	-	-	-	1,783	-	-	-	1,783	5,348	
Rent	-	-	2,000	-	-	-	2,000	-	-	4,000	
Office and general	-	250	-	250	-	250	-	250	-	1,000	
Postage and delivery	-	-	-	150	-	-	-	150	-	300	
Telephone	-	-	-	200	-	-	-	200	-	400	
Cellular	-	-	-	200	-	-	-	200	-	400	
Bank charges	-	-	-	-	200	-	-	-	200	400	
Audit Insurance	-	-	-	-	-	20,000	-	-	-	20,000	
Taxes	-	-	-	-	-	-	-	-	-	-	
Director fees	-	-	-	-	-	-	-	-	-	-	
Director & Officer Insurance	-	-	-	-	-	-	-	-	15,000	15,000	
Quarterly Reporting	-	-	-	-	5,000	-	-	-	-	5,000	
General corporate advice	-	-	-	100,000	-	-	-	-	100,000	200,000	
Adjustments	-	-	-	-	-	-	-	-	-	-	
	1,783	13,327	2,000	111,377	16,950	30,827	4,500	11,377	126,950	319,091	
Total Business Expenses											
	1,371,275	1,424,104	1,423,815	1,401,826	1,384,876	1,354,049	1,363,847	1,352,470	1,225,520	1,225,520	
Cash Available for Disbursement											

Unique Broadband Systems, Inc.
Weekly Cash Flow Projection
July 2011 through May 2012



	WEEK BEGINNING												SUBTOTAL	TOTAL
	04-Sep-11	11-Sep-11	18-Sep-11	25-Sep-11	02-Oct-11	09-Oct-11	16-Oct-11	23-Oct-11	30-Oct-11	06-Nov-11	13-Nov-11	20-Nov-11	27-Nov-11	01-Dec-11
Cash:														
Beginning cash	1,215,520	1,214,693	1,210,787	1,200,210	1,087,460	1,076,633	1,087,601	1,065,724	1,064,924	942,397	944,085	929,008	928,208	1,352,892
HST Recovery	-	17,544	-	-	-	15,468	-	-	-	1,938	-	-	-	204,792
Cash Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	11,872
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,215,520	1,232,237	1,210,787	1,200,210	1,087,460	1,092,101	1,087,601	1,065,724	1,064,924	944,335	944,085	929,008	928,208	1,559,561
Business Expenses:														
Payroll expenses	10,577	-	10,577	-	10,577	-	10,577	-	10,577	-	10,577	-	10,577	116,340
Consulting	-	2,500	-	9,167	-	2,500	-	-	9,167	-	2,500	-	9,167	88,835
Automobile expenses	-	-	-	800	-	-	-	-	800	-	-	-	800	4,000
Group insurance	-	-	-	1,783	-	-	-	-	1,783	-	-	-	1,783	10,698
Rent	-	2,000	-	-	2,000	-	-	-	-	2,000	-	-	-	10,000
Office and general	250	-	-	250	-	-	-	250	-	-	-	250	-	2,500
Postage and delivery	-	-	-	150	-	-	-	150	-	-	-	150	-	750
Telephone	-	-	-	200	-	-	-	200	-	-	-	200	-	1,000
Cellular	-	-	-	200	-	-	-	200	-	-	-	200	-	1,000
Bank charges	-	-	-	200	-	-	-	-	200	-	-	-	200	1,000
Audit installment	-	16,950	-	-	-	-	11,300	-	-	-	-	-	16,950	53,200
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director & Officer Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarterly Reporting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General corporate advice	-	-	-	100,000	-	-	-	-	100,000	-	-	-	-	5,000
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	500,000
Total Business Expenses	10,827	21,450	10,577	112,750	10,827	4,500	21,877	800	122,527	250	15,077	800	154,477	805,830
Cash Available for Disbursement	1,214,693	1,210,787	1,200,210	1,087,460	1,076,633	1,087,601	1,065,724	1,064,924	942,397	944,085	929,008	928,208	773,731	773,731

Unique Broadband Systems, Inc.
Weekly Cash Flow Projection
July 2011 through May 2012



	04-Dec-11	11-Dec-11	18-Dec-11	25-Dec-11	01-Jan-12	08-Jan-12	15-Jan-12	22-Jan-12	29-Jan-12	05-Feb-12	12-Feb-12	19-Feb-12	26-Feb-12	SUBTOTAL 02-2012	TOTAL 01Jul11-28Feb12
Cash:															
Beginning cash	773,731	770,049	754,972	754,722	631,645	721,279	710,702	705,952	689,825	591,142	580,565	575,815	565,238	773,731	1,462,887
HST Recovery	13,518	-	-	-	89,883	-	-	-	13,518	-	-	-	14,093	131,012	335,804
Cash Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,872
Adjustments	787,249	770,049	754,972	754,722	721,529	721,279	710,702	705,952	703,342	591,142	580,565	575,815	579,331	904,743	1,710,573
Business Expenses:															
Payroll expenses	-	10,577	-	10,577	-	10,577	-	10,577	-	10,577	-	10,577	-	63,462	79,809
Consulting	-	2,500	-	-	-	-	2,500	-	-	-	2,500	-	9,167	35,001	99,336
Automobile expenses	-	-	-	-	-	-	-	-	-	-	-	-	800	2,400	6,400
Group insurance	-	-	-	-	-	-	-	-	1,783	-	-	-	1,783	5,349	16,047
Rent	-	2,000	-	-	-	-	2,000	-	-	-	2,000	-	-	6,006	16,000
Office and general	250	-	250	-	250	-	250	-	-	-	250	-	250	1,750	8,250
Postage and delivery	-	-	-	-	-	-	-	150	-	-	-	-	150	450	1,200
Telephone	-	-	-	-	-	-	-	200	-	-	-	-	200	600	1,600
Cellular	-	-	-	-	-	-	-	200	-	-	-	-	200	600	1,600
Bank charges	-	-	-	-	-	-	-	200	-	-	-	-	200	600	1,600
Audit installment	-	-	-	-	-	-	-	-	-	-	-	-	-	16,950	65,200
Taxes	16,950	-	-	-	-	-	-	-	-	-	-	-	-	-	30,000
Director fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director & Officer Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarterly Reporting	-	-	-	-	-	-	-	5,000	-	-	-	-	-	5,000	10,000
General corporate advice	-	-	-	-	-	-	-	-	100,000	-	-	-	100,000	900,000	800,000
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Business Expenses	17,200	15,077	250	123,077	250	10,577	4,750	16,127	112,200	10,577	4,750	10,577	112,750	438,162	1,243,952
Cash Available for Disbursement	770,049	754,972	754,722	631,645	721,279	710,702	705,952	689,825	591,142	580,565	575,815	565,238	466,581	466,581	466,581

Unique Broadband Systems, Inc.
Weekly Cash Flow Projection
July 2011 through May 2012



	WEEK BEGINNING														SUBTOTAL Q3-2012	GRAND TOTAL 03/01/11-31/May/12
	04-Mar-12	11-Mar-12	18-Mar-12	25-Mar-12	01-Apr-12	08-Apr-12	15-Apr-12	22-Apr-12	29-Apr-12	06-May-12	13-May-12	20-May-12	27-May-12			
Cash:																
Beginning cash	466,581	456,004	451,254	440,127	312,927	431,058	385,808	370,731	364,931	257,584	257,334	242,257	241,457	466,581	1,362,897	
HST Recovery	-	-	-	-	128,708	-	-	-	15,180	-	-	-	14,093	157,981	152,867	
Cash Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,468	
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	466,581	456,004	451,254	440,127	441,635	431,058	385,808	370,731	380,111	257,584	257,334	242,257	255,550	624,562	2,098,552	
Business Expenses:																
Payroll expenses	10,577	-	10,577	-	10,577	-	10,577	-	10,577	-	10,577	-	10,577	74,039	243,849	
Consulting	-	2,500	-	9,167	-	-	2,500	-	9,167	-	2,500	-	9,167	35,001	128,337	
Automobile expenses	-	-	-	800	-	-	-	-	800	-	-	-	800	2,400	9,800	
Group Insurance	-	-	-	1,783	-	-	-	-	1,783	-	-	-	1,783	5,349	21,396	
Rent	-	2,000	-	-	-	-	2,000	-	-	-	2,000	-	-	5,000	22,000	
Office and general	-	250	-	250	-	250	-	250	-	250	-	250	-	1,500	5,750	
Postage and delivery	-	-	150	-	-	-	-	150	-	-	150	-	-	450	1,650	
Telephone	-	-	200	-	-	-	-	200	-	-	200	-	-	600	2,200	
Cellular	-	-	200	-	-	-	-	200	-	-	200	-	-	600	2,200	
Bank charges	-	-	-	200	-	-	-	-	200	-	-	-	200	600	2,200	
Audit instalment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65,200	
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,850	
Director fees	-	-	-	15,000	-	-	-	-	-	-	-	-	-	15,000	95,000	
Director & Officer Insurance	-	-	-	-	-	45,000	-	-	-	-	-	-	-	45,000	45,000	
Quarterly Reporting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
General corporate advice	-	-	-	100,000	-	-	-	5,000	-	-	-	-	-	5,000	15,000	
Adjustments	-	-	-	-	-	-	-	-	100,000	-	-	-	100,000	300,000	1,100,000	
Total Business Expenses	10,577	4,750	11,127	127,200	10,577	45,250	15,077	5,800	122,527	250	15,077	800	122,527	491,539	1,745,531	
	456,004	451,254	440,127	312,927	431,038	385,808	370,731	364,931	257,584	257,334	242,257	241,457	133,023	133,023	1,203,023	
Cash Available for Disbursement																

TAB J

WILDEBOER
—wildlaw.ca
DELLELCE LLP

DIRECT LINE: 416 361-4763
e-mail: mwilson@wildlaw.ca

June 3, 2011

VIA EMAIL

Mr. Grant McCutcheon
Unique Broadband Systems, Inc.
8250 Lawson Road
Milton, ON L9T 5C6

Dear Mr. McCutcheon:

Re: Take-Over Offer for Shares of Unique Broadband Systems, Inc.

Please be advised that a corporation (or corporations) controlled by Mr. Alex Dolgonos intends to make a partial take-over bid (the "Offer") for the shares of Unique Broadband Systems, Inc. ("UBS") on or after July 6, 2011. In furtherance of the Offer, pursuant to subsection 146(1) of the *Business Corporations Act* (Ontario) and section 6.1 of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), Mr. Dolgonos hereby requests a list of shareholders and a list of non-objecting beneficial owners ("NOBOs") of UBS. Please find enclosed the following documents:

1. Statutory Declaration requesting the list of shareholders of UBS; and
2. Form 54-101F9 – Undertaking requesting the NOBO list of UBS.

Please advise as to the amount of the fees for the requested lists and we will forward payment forthwith. The lists requested should be sent to the undersigned. Thank you in advance for your cooperation.

Sincerely,

Per. *San Shew*

For. Mark Wilson
Encl.

cc: Mr. Alex Dolgonos, *UBS Acquisition Co.*
cc: Ms. Kelley McKinnon, *Gowling Lafleur Henderson LLP*



STATUTORY DECLARATION
IN THE MATTER OF SUBSECTION 146(1)
OF THE BUSINESS CORPORATIONS ACT (ONTARIO)
AND IN THE MATTER OF UNIQUE BROADBAND SYSTEMS, INC.

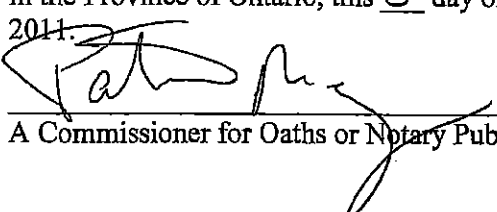
I, Alex Dolgonos, of 207 Arnoro Avenue, Thornhill, Ontario L4J 1C1, a beneficial owner of shares of UBS Broadband Systems, Inc.

SOLEMNLY DECLARE THAT:

1. I require within 10 days following the receipt by Unique Broadband Systems, Inc. (the "Corporation") or its transfer agent of this statutory declaration, a basic list setting out:
 - (a) the names of the holders of shares of the Corporation;
 - (b) the number of shares of each class and series owned by each holder; and
 - (c) the address of each shareholder.
2. I require within 10 days following the receipt by the Corporation of this statutory declaration, a list setting out the name and address of any known holder of an option or right to acquire shares in the Corporation.
3. No person will use a list obtained hereunder except in connection with:
 - (a) an effort to influence the voting of shareholders of the Corporation;
 - (b) an offer to acquire shares of the Corporation; or
 - (c) any other matter relating to the affairs of the Corporation.

AND I made this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath.

DECLARED before me at the City of Toronto,
in the Province of Ontario, this 3rd day of June,
2011.


A Commissioner for Oaths or Notary Public


Alex Dolgonos

Form 54-101F9 – Undertaking

Note: Terms used in this Form have the meanings given to them in National Instrument 54-101. The use of this Form is referenced in sections 2.5, 6.1 and 6.2 of National Instrument 54-101.

I, Alex Dolgonos, of 207 Arnoro Avenue, Thornhill, Ontario L4J 1C1

SOLEMNLY DECLARE AND UNDERTAKE THAT:

1. I require a list in the required format of the non-objecting beneficial owners of securities of Unique Broadband Systems Inc. on whose behalf intermediaries hold securities (a NOBO list), as shown on the records of the intermediaries.
2. I undertake that the information set out on the NOBO list will be used only for the purpose of
 - (a) Sending securityholder materials to NOBOs in accordance with National Instrument 101;
 - (b) An effort to influence the voting of securityholders of the reporting issuer;
 - (c) An offer to acquire securities of the reporting issuer; or
 - (d) Any other matter relating to the affairs of the reporting issuer

3. I undertake that, except as permitted under National Instrument 54-101, the NOBOs that are identified on the NOBO list as having chosen not to receive the materials, and that the materials sent shall include the following statement:

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

4. I acknowledge that I am aware that it is an offence to use a NOBO list for purposes other than in connection with:
 - (a) Sending securityholder materials to NOBOs in accordance with National Instrument 54-101;
 - (b) An effort to influence the voting of securityholders of the reporting issuer;
 - (c) An offer to acquire securities of the reporting issuer; or
 - (d) Any other matter relating to the affairs of the reporting issuer.

Per: _____

Alex Dolgonos

DATE: June 3, 2011

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED

AND IN THE MATTER OF THE A PLAN OF COMPROMISE OR ARRANGEMENT OF UNIQUE BROADBAND SYSTEMS INC.
(the "Applicant")

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

(PROCEEDING COMMENCED AT TORONTO)

AFFIDAVIT OF ROBERT ULICKI
(SWORN 4 JULY, 2011)

GOWLING LAFLEUR HENDERSON LLP
Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto ON M5X 1G5

E. Patrick Shea
LSUC No.: 39655K
Telephone: (416) 369-7399
Facsimile: (416) 862-7661

SOLICITORS FOR THE APPLICANT

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED

AND IN THE MATTER OF THE A PLAN OF COMPROMISE OR ARRANGEMENT OF UNIQUE BROADBAND SYSTEMS INC.

(the "Applicant")

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

(PROCEEDING COMMENCED AT TORONTO)

APPLICATION RECORD

GOWLING LAFLEUR HENDERSON LLP

Barristers and Solicitors
1 First Canadian Place
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E. Patrick Shea

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Facsimile: (416) 862-7661

SOLICITORS FOR THE APPLICANT