



PLAN

SOUND MARKETING CANADA INC.



Sound Marketing Canada Inc.

2024

Table of Contents

CORPORATE STRUCTURE	3
NAME AND INCORPORATION	5
INTERCORPORATE RELATIONSHIPS	7
GENERAL DEVELOPMENT OF THE BUSINESS COMPANY OVERVIEW	9
THREE-YEAR HISTORY	10
NARRATIVE DESCRIPTION OF THE BUSINESS THE MERCHANT MARKET	12
PROGRAMS	14
REVENUE MODELS	15
ECONOMIC DEPENDENCE	16
TRANSACTION PROCESSING PROPRIETARY TECHNOLOGY & SYSTEMS AFFINITY PARTNERS	18
NEW PRODUCTS AND TRENDS	19
FACILITIES EMPLOYEES	21
FOREIGN OPERATIONS	22
RISK AND UNCERTAINTIES	24
DIVIDENDS	26
CAPITAL STRUCTURE	27
MARKET FOR SECURITIES	29
DIRECTORS AND OFFICERS	30
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	32
TRANSFER AGENT AND REGISTRAR	33
TRADEMARKS	34
SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION	36
AUDIT COMMITTEE INFORMATION	37
CHARTER	38
COMPOSITION OF THE AUDIT COMMITTEE	40
EDUCATION AND EXPERIENCE / RELIANCE ON CERTAIN EXEMPTIONS	41
PRE-APPROVAL POLICIES AND PROCEDURES	43
AUDITORS SERVICE FEES	45
MATERIAL CONTRACTS SHAREHOLDER RIGHTS PLAN CONVERTIBLE DEBENTURE PAYABLE NON-CONVERTIBLE DEBENTURE PAYABLE LOAN PAYABLE	46
ADDITIONAL INFORMATION	49

CORPORATE STRUCTURE

Sound Marketing Canada Inc. operates as a digital marketing agency specializing in leveraging social media platforms to enhance business engagement and brand recognition. The company offers automated social media management services, optimizing client engagement through platforms like Facebook and Instagram. Their services extend to analytics, marketing tactics implementation, and brand loyalty improvement. Sound Marketing aims to minimize risk by securing adequate funding, reducing overhead costs, and building a solid customer base. Sound Marketing Canada Inc. focuses on driving sales and revenue for clients through performance-driven web design and optimization services. They facilitate online brand promotion and target a substantial share of online shoppers using Shopify. Their approach combines traffic generation with effective lead management and conversion strategies.

Board of Directors

- Role: Oversee corporate governance, strategic direction, and high-level decision-making.
- Responsibilities: Approve major policies, appoint executive officers, oversee financial health and compliance.
- Composition: Includes a mix of internal and external members, possibly with specialized committees (e.g., Audit Committee, Compensation Committee).

Executive Team

- CEO (Chief Executive Officer):
 - Role: Overall strategic leadership and decision-making.
 - Responsibilities: Company vision, major corporate decisions, managing overall operations and resources.
- COO (Chief Operating Officer):
 - Role: Oversee daily operational functions.
 - Responsibilities: Implementing business strategies, managing internal affairs, reporting to CEO.
- CFO (Chief Financial Officer):

- Role: Financial leadership.
- Responsibilities: Financial planning, managing company finances, financial reporting, compliance.
- CMO (Chief Marketing Officer):
 - Role: Lead marketing efforts.
 - Responsibilities: Marketing strategy, market research, brand management, advertising.
- CTO (Chief Technology Officer) / CIO (Chief Information Officer):
 - Role: Oversee technological and IT needs.
 - Responsibilities: Technology strategy, system management, digital innovation.

Departmental Heads

- Head of Sales and Marketing:
 - Role: Drive sales and marketing activities.
 - Responsibilities: Sales strategy, customer relationship management, marketing campaigns.
- Head of Human Resources:
 - Role: Manage human capital.
 - Responsibilities: Recruitment, training, performance management, employee relations.
- Head of Operations:
 - Role: Oversee operational activities.
 - Responsibilities: Process management, supply chain management, operational efficiency.
- Head of Customer Service:
 - Role: Lead customer support.
 - Responsibilities: Customer inquiries, support services, customer satisfaction.

Operational Teams

- Sales Team:

- Role: Generate revenue.
 - Responsibilities: Client acquisition, account management, sales targets.
- Marketing Team:
 - Role: Promote services.
 - Responsibilities: Campaign execution, content creation, digital marketing.
- Technical Team:
 - Role: Manage technology.
 - Responsibilities: Software development, IT support, system maintenance.
- Customer Support Team:
 - Role: Handle customer interactions.
 - Responsibilities: Respond to customer queries, resolve issues, maintain customer relations.

Support and Administrative Staff

- Role: Provide necessary support for smooth operations.
- Responsibilities: Administrative support, clerical tasks, facilities management.

External Partners and Consultants

- Role: Provide external expertise and services.
- Responsibilities: Legal advice, accounting services, business consulting.

Subsidiaries and Divisions (if applicable)

- Role: Operate semi-independently under the parent company.
- Responsibilities: Specialized business functions, regional operations.

This structure ensures that Sound Marketing Canada Inc. operates with a clear hierarchy and well-defined roles, fostering effective communication, accountability, and streamlined decision-making processes. It aligns with the company's objectives of leveraging digital marketing strategies and enhancing client engagement through social media platforms.

NAME AND INCORPORATION

1. Name of the Company:

- Official Name: Sound Marketing Canada Inc.
- This name is used in all legal, formal, and business communications.

2. Incorporation Details:

- Date of Incorporation: 2018-06-22
- Place of Incorporation: Ontario, Canada.
- Incorporation Certificate Number: 1085380-1
- The company is incorporated under the laws of the Province of Ontario and is subject to all applicable federal and provincial laws and regulations in Canada.

3. Registered Office:

- Address: 1761 Magenta Road, Pickering, Ontario, L1X 0E1, Canada.
- This address serves as the official legal address of the company for all correspondence and legal matters.

4. Governing Legislation:

- Sound Marketing Canada Inc. is governed by the Canada Business Corporations Act, along with any other relevant federal and provincial business legislation.

5. Nature of Business:

- Sound Marketing Canada Inc. is a digital marketing agency focusing on utilizing social media platforms for enhancing business engagement and brand recognition for its clients.
- The company offers a range of services including social media management, marketing strategy development, analytics, and customer engagement optimization.

6. Company Structure:

- Sound Marketing Canada Inc. operates with a structured hierarchy including a Board of Directors, an Executive Team, Departmental Heads, Operational Teams, and Support and Administrative Staff, to ensure effective management and operational efficiency.

7. Business Operations:

- The company's operations are primarily centered around providing digital marketing services, with a significant emphasis on leveraging social media platforms like Facebook and Instagram for business promotion and customer engagement.

INTERCORPORATE RELATIONSHIPS

As Sound Marketing Canada Inc., our intercorporate relationships are a cornerstone of our strategic operations and market presence. Our approach to cultivating and maintaining these relationships is guided by a commitment to synergistic partnerships, operational excellence, and mutual growth.

Subsidiaries:

We have strategically acquired and nurtured a number of subsidiary companies, each specializing in distinct aspects of digital marketing. These subsidiaries, while benefiting from the overarching strategy and resources of Sound Marketing Canada Inc., operate with a level of autonomy that allows for specialized focus and agility. For example, one subsidiary may concentrate on social media analytics, while another focuses on creative content development. This structure enables us to offer a comprehensive suite of digital marketing services to our clients.

Affiliated Companies:

Our affiliations extend to companies with complementary goals and visions in the digital marketing sphere. These affiliations are not merely financial investments but are partnerships aimed at collaborative growth, knowledge sharing, and joint service offerings. We actively engage in collaborative marketing efforts, technology sharing, and joint ventures with these affiliates, leading to a richer service offering for our clients.

Joint Ventures and Strategic Partnerships:

In the rapidly evolving digital marketing landscape, we believe in the power of collaboration and innovation. To this end, we actively seek and engage in joint ventures with companies that align with our vision and can help us explore new markets or technologies. Our strategic partnerships, particularly with technology firms and other marketing agencies, are vital in enhancing our service capabilities and expanding our market reach. These partnerships are carefully selected and nurtured to ensure they align with our core values and business objectives.

Operational Synergies:

We leverage operational synergies across our subsidiaries and affiliates to optimize resource utilization and service delivery. Shared resources, such as proprietary technology platforms, client management systems, and data analytics tools, are employed across the board to enhance efficiency and

effectiveness. Our integrated marketing efforts ensure that we present a unified and coherent brand message, both within our company and across our partner network.

Governance and Oversight:

Our governance structure is designed to ensure that while our subsidiaries and affiliates operate with a degree of independence, they remain aligned with our broader strategic goals. We exercise oversight through board representation, regular strategic reviews, and integrated financial planning. This governance model allows us to maintain a balance between strategic alignment and operational independence.

Compliance and Legal Considerations:

In all our intercorporate relationships, we adhere strictly to legal and regulatory requirements. This includes ensuring financial transparency, ethical business practices, and adherence to corporate governance standards. We recognize the importance of these practices not only as a legal obligation but as a cornerstone of trust and integrity in all our business dealings.

Financial Interactions:

Financial interactions between Sound Marketing Canada Inc. and our related entities are conducted with utmost transparency and in compliance with legal standards. This includes the management of inter-company loans, dividend policies, and equity investments. Our approach to consolidated financial reporting captures the financial performance of the entire corporate group, providing a clear and accurate picture of our financial health.

Strategic Advantages:

Our intercorporate relationships afford us a number of strategic advantages. These include enhanced market positioning through a diversified service offering, risk mitigation through shared knowledge and resources, and a strengthened competitive edge in the digital marketing industry. Through these relationships, we are better positioned to respond to market changes, capitalize on new opportunities, and deliver exceptional value to our clients.

Our approach to intercorporate relationships is integral to our business strategy. It enhances our ability to deliver comprehensive and innovative digital marketing services, strengthens our market position, and drives our continued growth and success in the industry.

GENERAL DEVELOPMENT OF THE BUSINESS COMPANY OVERVIEW

As Sound Marketing Canada Inc., we take pride in detailing the evolution and current standing of our business, emphasizing the strides we've made since inception and our vision for the future.

Founded in the vibrant and competitive landscape of digital marketing, our journey began with a singular focus: to harness the power of social media for business enhancement. Recognizing the burgeoning potential of platforms like Facebook and Instagram, we set out to help businesses amplify their online presence, engage effectively with their audiences, and ultimately, achieve substantial growth in their digital footprint.

In the early stages, our operations were primarily centered around social media management. We quickly identified the need for a more comprehensive approach and expanded our services to include a full spectrum of digital marketing solutions. This expansion was not just in terms of service offerings but also in our market reach. We delved into various aspects of digital marketing, including search engine optimization (SEO), content creation, analytics, and targeted advertising.

One of the key milestones in our development was the integration of advanced data analytics into our service portfolio. Understanding the critical role of data in shaping marketing strategies, we invested heavily in building robust analytics capabilities. This allowed us to offer our clients data-driven insights, enhancing the effectiveness of their marketing campaigns and driving better business outcomes.

As we grew, so did our team and expertise. We brought on board a diverse group of professionals, each an expert in their respective field, from creative content developers to data scientists, and SEO specialists. This diversity not only enriched our company culture but also enabled us to provide a holistic and innovative approach to digital marketing.

Our growth trajectory also included strategic partnerships and acquisitions. By aligning with other entities within the digital marketing space, we expanded our capabilities and tapped into new markets. These partnerships have been instrumental in providing us with a broader perspective and access to additional resources, further fueling our growth.

Today, Sound Marketing Canada Inc. stands as a comprehensive digital marketing agency, offering a suite of services that encompass everything from social media management to complex digital marketing strategies. Our client portfolio has grown significantly, now including a diverse range of businesses, from

small startups to large corporations. Our approach is always client-centric, focusing on understanding and meeting the unique needs and goals of each business we partner with.

Looking ahead, our vision is to continue evolving in line with the rapid changes in the digital marketing landscape. We are committed to staying ahead of industry trends, continually adapting our strategies and services to meet the ever-changing needs of the market. Innovation, client satisfaction, and measurable results remain at the core of our business philosophy.

The journey of Sound Marketing Canada Inc. has been one of continual growth, adaptation, and success. Our commitment to excellence, innovation, and client success has been the driving force behind our development and will continue to guide us into the future.

THREE-YEAR HISTORY

As Sound Marketing Canada Inc., reflecting on our three-year journey illuminates a path marked by strategic growth, adaptive learning, and continuous innovation. Our history is not just a record of our accomplishments but a testament to our resilience and dedication to excellence in the digital marketing realm.

Year One: Establishing Foundations

Our inaugural year was about laying the groundwork. We focused on building a robust infrastructure, both in terms of technology and human resources. Recognizing the transformative power of social media, we concentrated our efforts on developing expertise in this area. Our initial service offerings were centered around social media management, targeting small and medium-sized enterprises (SMEs) that were looking to expand their digital presence.

This first year was crucial for establishing our brand identity. We invested in creating a strong brand image that resonated with innovation and reliability. Building a client base required diligence and an unwavering commitment to quality. Each successful campaign added to our credibility and helped us gradually expand our clientele.

Year Two: Expansion and Diversification

The second year marked a period of significant expansion. Encouraged by our initial successes, we diversified our service offerings. This included the integration of SEO, content marketing, and data

analytics into our repertoire. We understood that to provide comprehensive digital marketing solutions, we needed to offer more than just social media management.

This was also the year we ventured into new markets. Recognizing the potential in diverse industries, we tailored our strategies to meet the unique demands of various sectors, including retail, healthcare, and technology. Our team grew in parallel with our services. We onboarded specialists in different domains of digital marketing, enriching our expertise and enhancing our capacity to deliver multifaceted marketing strategies.

Year Three: Consolidation and Innovation

Our third year was about consolidating our gains and pushing the boundaries of innovation. We focused on strengthening relationships with existing clients while also acquiring new ones. This involved not only providing consistently high-quality services but also innovating to keep pace with the rapidly evolving digital landscape.

We introduced more advanced tools and techniques, such as AI-driven analytics and programmatic advertising, to offer more targeted and effective marketing solutions. Our research and development team worked closely with the operations team to ensure these new tools were seamlessly integrated into our service offerings.

This was also a year of strategic partnerships. We collaborated with technology firms, creative agencies, and other marketing companies to enhance our service capabilities. These partnerships were instrumental in providing us with access to cutting-edge technology and diverse talent pools.

Looking Ahead

As we move forward, our focus remains on staying ahead of industry trends, continually adapting our strategies and services to meet the ever-changing needs of the market. Our commitment to innovation, client satisfaction, and delivering measurable results will continue to be the driving forces behind our growth and success.

The past three years have been a remarkable journey for Sound Marketing Canada Inc. From our humble beginnings to becoming a well-recognized name in the digital marketing industry, we have continuously strived to excel and exceed expectations. Our story is one of growth, learning, and unyielding pursuit of

excellence. As we look to the future, we are excited about the opportunities and challenges that lie ahead and remain committed to driving success for our clients and ourselves.

NARRATIVE DESCRIPTION OF THE BUSINESS THE MERCHANT MARKET

As Sound Marketing Canada Inc., our narrative is deeply rooted in the philosophy of connecting businesses with their audience in the most engaging and effective ways possible. Our journey began with a clear vision: to revolutionize the way businesses interact with their customers through innovative digital marketing strategies. This vision has driven our growth and shaped our identity in the competitive landscape of digital marketing.

Our Core Business: Digital Marketing Solutions

At the heart of Sound Marketing Canada Inc. lies our comprehensive suite of digital marketing services. We specialize in leveraging the power of social media to create meaningful connections between businesses and their customers. Our expertise extends to various facets of digital marketing, including Search Engine Optimization (SEO), Pay-Per-Click (PPC) advertising, content marketing, and email marketing.

Target Market and Clientele

Our target market encompasses a diverse range of businesses seeking to enhance their online presence and engage more effectively with their audience. We cater to small startups looking to establish their brand, as well as to larger corporations aiming to expand their digital outreach. Our clientele spans various industries, from retail and e-commerce to technology and healthcare, reflecting our ability to adapt and tailor our strategies to different market needs.

Service Innovation and Customization

Innovation is at the forefront of our service delivery. We understand that each business has unique needs and goals. Therefore, we emphasize creating customized marketing strategies that align with our clients' specific objectives. Our approach involves a thorough analysis of the client's market position, target audience, and competition to develop a tailored marketing plan that delivers results.

Technology and Analytics

We harness the latest technology and data analytics tools to provide our clients with insightful and actionable data. This data-driven approach enables us to optimize marketing campaigns for maximum effectiveness and return on investment. Our use of advanced analytics and AI-driven tools allows us to stay ahead of market trends and adapt our strategies in real-time.

Team and Expertise

Our team is our greatest asset. Comprising seasoned professionals from various fields of digital marketing, our team brings a wealth of knowledge and creativity to the table. From skilled SEO specialists and creative content creators to data analysts and strategy experts, our team works collaboratively to deliver comprehensive and innovative digital marketing solutions.

Growth and Expansion

Since our inception, we have witnessed significant growth, both in terms of our client base and our service offerings. Our expansion into new markets and industries is a testament to our versatility and commitment to meeting the evolving needs of the digital landscape. We have also formed strategic partnerships and collaborations, further enhancing our capabilities and market reach.

Commitment to Client Success

At Sound Marketing Canada Inc., client success is our success. We are committed to building long-term relationships with our clients, grounded in trust and mutual growth. Our focus on delivering measurable results, transparency in communication, and unwavering support has earned us a reputation as a reliable and results-driven digital marketing partner.

Looking Forward

As we look to the future, we are excited about the opportunities that lie ahead. We remain dedicated to exploring new avenues in digital marketing, embracing innovation, and continuously enhancing our services. Our goal is to remain at the forefront of the digital marketing industry, helping businesses thrive in the ever-changing digital world.

In essence, Sound Marketing Canada Inc. is more than just a digital marketing agency; we are a partner in our clients' growth and success. Our journey is an ongoing narrative of innovation, adaptation, and unwavering commitment to excellence in the world of digital marketing.

PROGRAMS

At Sound Marketing Canada Inc., we take pride in our comprehensive suite of programs designed to cater to the diverse needs of the modern merchant market. Our programs are meticulously crafted, reflecting our deep understanding of digital marketing dynamics and the unique challenges faced by businesses in various sectors.

Customized Digital Marketing Solutions

Our primary program offering is a customized digital marketing solution tailored to each client's specific needs. Recognizing that no two businesses are alike, we conduct an in-depth analysis of each client's market position, target audience, and competitors. This enables us to create a personalized strategy encompassing various aspects of digital marketing, such as SEO, social media marketing, content creation, and PPC advertising.

Social Media Management and Optimization

Given the centrality of social media in today's business landscape, we offer specialized programs in social media management and optimization. These programs are designed to enhance our clients' presence on platforms like Facebook, Instagram, LinkedIn, and Twitter. Our team of social media experts focuses on creating engaging content, managing posts, and interacting with audiences to build brand awareness and loyalty.

SEO and Content Marketing

Our SEO and content marketing program is a cornerstone of our digital marketing services. We understand that a strong online presence starts with being visible and accessible to the target audience. Our SEO experts work diligently to optimize our clients' websites and content, ensuring higher rankings in search engine results. The content marketing aspect focuses on creating high-quality, relevant content that resonates with the audience and establishes our clients as authorities in their field.

Data Analytics and Insights

Data is at the heart of all our marketing efforts. We offer comprehensive data analytics services, enabling businesses to gain critical insights into customer behavior, campaign performance, and market trends. Our analytics program helps clients make informed decisions, fine-tune their marketing strategies, and achieve better ROI.

Pay-Per-Click Advertising

For clients looking for immediate visibility and traffic, our Pay-Per-Click (PPC) advertising program offers the perfect solution. We create targeted ad campaigns on platforms like Google Ads and Bing Ads, ensuring that our clients' brands reach their audience efficiently and effectively. Our PPC experts continuously monitor and optimize these campaigns for maximum performance.

Email Marketing

Email marketing remains a powerful tool for businesses, and our email marketing program is designed to leverage this channel effectively. From crafting compelling email content to segmenting mailing lists and analyzing open rates, we ensure that email campaigns are a valuable asset in our clients' marketing arsenals.

Training and Consultation Services

Recognizing the need for ongoing learning in the ever-evolving field of digital marketing, we provide training and consultation services. These programs are aimed at empowering our clients with the knowledge and skills needed to manage some aspects of their digital marketing efforts internally.

E-commerce Marketing

For our clients in the e-commerce sector, we offer specialized e-commerce marketing programs. These programs are geared towards driving online sales through a combination of SEO, targeted advertising, social media marketing, and conversion rate optimization.

Future Endeavors and Innovation

Looking ahead, we at Sound Marketing Canada Inc. are committed to continuous innovation and expansion of our program offerings. We keep a close eye on emerging trends and technologies in digital marketing, ensuring that our services remain at the cutting edge and provide maximal value to our clients. Our programs at Sound Marketing Canada Inc. are the lifeblood of our operation. They are carefully designed to meet the varied needs of businesses in today's digital landscape, ensuring that each client we partner with can achieve their marketing goals and grow their business effectively.

REVENUE MODELS

Revenue Stream	Q1	Q2	Q3	Q4	Total
Social Media Management	50,000	55,000	60,000	65,000	230,000
SEO Services	30,000	35,000	40,000	45,000	150,000
Content Marketing	25,000	30,000	35,000	40,000	130,000
PPC Advertising Campaigns	40,000	45,000	50,000	55,000	190,000
Data Analytics and Reporting	20,000	25,000	30,000	35,000	110,000
Email Marketing	15,000	18,000	22,000	25,000	80,000
E-commerce Marketing Solutions	35,000	40,000	45,000	50,000	170,000
Training and Consulting	10,000	12,000	15,000	18,000	55,000
Other Services	5,000	6,000	7,000	8,000	26,000
Total Revenue	230,000	266,000	304,000	341,000	1,141,000

ECONOMIC DEPENDENCE

At Sound Marketing Canada Inc., we acknowledge the crucial role that economic dependence plays in the landscape of our business operations. This acknowledgment is not just a reflection of our market positioning but also a strategic approach to managing risks and leveraging opportunities in the dynamic world of digital marketing.

Understanding Economic Dependence

Economic dependence in our context refers to the extent to which our business relies on specific clients, market segments, or economic conditions. We recognize that over-reliance on any single client or a narrow market segment can pose significant risks. This dependence could potentially make us vulnerable to market fluctuations or changes in client preferences or budgets.

Diversification as a Strategy

To mitigate the risks associated with economic dependence, we have adopted diversification as a core strategy. This involves expanding our client base across various industries and business sizes. By catering to a wide range of sectors—from startups to established enterprises and from retail to technology—we spread our risk and reduce dependency on any single market segment.

Adapting to Market Trends

The digital marketing landscape is inherently subject to rapid changes and technological advancements. Our approach involves staying agile and adaptive to these changes. We continuously evolve our service offerings to align with the latest trends, ensuring that our business model remains relevant and resilient.

Client Relationships

We cherish and nurture relationships with all our clients, but we are cautious about becoming too reliant on any single client. Our client acquisition strategy is designed to build a balanced portfolio, where no single client contributes a disproportionate percentage of our revenue. This balance ensures stability and sustainability in our business operations.

Technological Innovation

In the realm of digital marketing, technology plays a pivotal role. We invest in cutting-edge technology to offer innovative services. However, we are mindful of the economic dependence that can arise from relying too heavily on specific technologies or platforms. To counter this, we maintain a diverse toolkit and are always ready to adapt to new technological advancements.

Economic Fluctuations and Global Events

Global economic conditions and unforeseen events, like the recent pandemic, can significantly impact our business. We have systems in place to monitor these macroeconomic factors closely. Our business

model incorporates flexibility to adjust to economic downturns or shifts, ensuring that we remain robust in the face of economic challenges.

Financial Prudence

Financial management plays a critical role in mitigating risks associated with economic dependence. We maintain a strong focus on financial health, with prudent budgeting, careful investment, and contingency planning. This fiscal responsibility enables us to navigate periods of economic uncertainty.

At Sound Marketing Canada Inc., we are acutely aware of the implications of economic dependence and have embedded strategies within our business model to address and manage these risks. Our commitment to diversification, adaptability, and financial prudence positions us to navigate the complexities of economic dependence effectively, ensuring long-term sustainability and growth in the ever-evolving digital marketing landscape.

TRANSACTION PROCESSING PROPRIETARY TECHNOLOGY & SYSTEMS

AFFINITY PARTNERS

At Sound Marketing Canada Inc., our approach to transaction processing, the deployment of proprietary technology and systems, and the cultivation of affinity partnerships are integral components of our operational model. These elements are not only pivotal in driving our business efficiency but also in enhancing the value we deliver to our clients.

Transaction Processing

In the realm of digital marketing, transaction processing is a critical function. Our approach is built on the pillars of speed, security, and accuracy. We employ state-of-the-art payment processing systems that facilitate swift and secure transactions for our clients, whether they are paying for our services or we are managing e-commerce transactions on their behalf. We understand the importance of reliable transaction processing systems in maintaining trust and we ensure compliance with all financial regulations and data protection laws. Our systems are designed to handle high volumes of transactions while minimizing the risk of errors or fraud.

Proprietary Technology and Systems

Innovation is at the heart of Sound Marketing Canada Inc. We invest heavily in developing proprietary technology and systems that give us a competitive edge in the digital marketing landscape. Our in-house technology suite includes advanced analytics tools, bespoke content management systems, and customized digital marketing platforms. These tools enable us to deliver personalized and effective marketing campaigns for our clients. Our proprietary systems are not just tools; they are reflections of our commitment to staying ahead in a technology-driven industry. They are continuously upgraded to keep pace with evolving market trends and client needs.

Affinity Partnerships

Affinity partnerships form a vital part of our strategic growth plan. We believe in the power of collaboration and mutual growth. Therefore, we have established partnerships with a range of entities, including software developers, content creators, and other marketing agencies. These partnerships enhance our service offerings and allow us to provide comprehensive digital marketing solutions. Our affinity partners are carefully selected based on shared values, complementary strengths, and a joint commitment to delivering excellence. Through these partnerships, we can offer our clients exclusive benefits, access to specialized skills, and innovative solutions that are not readily available in the market.

In our view, these three elements – transaction processing, proprietary technology, and affinity partnerships – are not standalone parts of our business. They are interconnected facets that collectively drive our operational efficiency and service excellence. Our approach to transaction processing ensures that we operate with financial integrity and efficiency. Our investment in proprietary technology underscores our commitment to innovation and tailored solutions. Lastly, our affinity partnerships reflect our belief in collaborative growth and value addition. Together, these elements form the bedrock of Sound Marketing Canada Inc., enabling us to deliver exceptional service to our clients and maintain our position as a leader in the digital marketing industry.

NEW PRODUCTS AND TRENDS

At Sound Marketing Canada Inc., staying ahead of the curve in terms of new products and trends is integral to our operational philosophy. Our commitment to innovation and adaptability drives us to

continually evolve and offer the latest solutions in digital marketing. Let's explore how we embrace new products and trends in our business model.

Embracing Emerging Technologies

We are keenly focused on incorporating emerging technologies into our service offerings. For instance, the growing relevance of artificial intelligence (AI) and machine learning (ML) in digital marketing is something we are actively integrating into our strategies. These technologies enable us to offer predictive analytics, enhanced customer segmentation, and personalized content delivery, providing our clients with a competitive edge.

Social Media Evolution

Social media platforms are constantly evolving, and we stay abreast of these changes to leverage new features and algorithms. For example, the rise of short-form video content on platforms like TikTok and Instagram Reels has opened new avenues for creative marketing strategies. We help our clients capitalize on these trends by creating engaging, platform-specific content that resonates with their target audience.

Voice Search Optimization

With the increasing use of voice-activated devices, we are focusing on optimizing content for voice search. This involves understanding the nuances of conversational language used in voice queries and ensuring that our clients' digital content is optimized for these trends.

E-commerce Integration

The e-commerce landscape is continuously evolving, and we are enhancing our capabilities in this area. This includes integrating advanced e-commerce analytics, improving user experience (UX) design for online stores, and employing sophisticated remarketing strategies.

Interactive Content

Interactive content has become a significant trend, and we are capitalizing on this by creating immersive and engaging experiences for users. This includes interactive infographics, quizzes, polls, and augmented reality (AR) experiences that enhance brand engagement and user retention.

Sustainability and Ethical Marketing

Acknowledging the growing consumer awareness around sustainability, we are incorporating eco-friendly and ethical marketing practices into our strategies. This not only resonates with the values of our clients and their customers but also positions our clients as responsible and forward-thinking brands.

Data Privacy and Security

With increasing concerns around data privacy, we are committed to implementing robust data protection and privacy measures. This involves staying updated with the latest regulations like GDPR and CCPA, and ensuring that all our marketing practices are compliant.

Mobile-First Approach

Recognizing the shift towards mobile usage, our strategies increasingly focus on a mobile-first approach. This includes optimizing websites and content for mobile devices, utilizing mobile-specific advertising strategies, and leveraging location-based marketing.

In summary, at Sound Marketing Canada Inc., our approach to new products and trends is dynamic and forward-looking. We constantly explore, adapt, and integrate emerging trends and technologies to ensure that our clients are always at the forefront of digital marketing innovation. Our goal is to not just keep pace with the evolving digital landscape but to be a step ahead.

FACILITIES EMPLOYEES

At Sound Marketing Canada Inc., our facilities and employees are central to our operational success and company ethos. We believe in providing a work environment that fosters creativity, collaboration, and efficiency, while also ensuring the well-being and professional growth of our team members.

Facilities

Our headquarters is situated in a prime location that is easily accessible to our employees and clients. The office space is designed to inspire creativity and productivity, featuring an open-plan layout that encourages collaboration and communication among team members. We have equipped our office with state-of-the-art technology and tools necessary for digital marketing, including high-speed internet, advanced software suites, and digital collaboration tools.

Understanding the importance of a balanced work environment, our facilities also include spaces for relaxation and recreation. These include a lounge area, a well-stocked pantry, and recreational zones with

activities like table tennis and comfortable seating for informal discussions. We believe that a comfortable and engaging workplace is key to employee satisfaction and productivity.

For our remote employees and those who work from home, we provide the necessary support and technology to ensure seamless communication and collaboration. This includes access to cloud-based collaboration tools, virtual meeting software, and digital project management systems.

Employees

Our team at Sound Marketing Canada Inc. is our most valuable asset. We boast a diverse group of professionals with expertise in various domains of digital marketing, from SEO specialists and content creators to data analysts and strategy experts. Our employees are not only skilled in their respective fields but are also committed to continuous learning and adapting to the ever-evolving digital marketing landscape.

We invest heavily in the professional development of our employees. This includes regular training sessions, workshops, and attendance at industry conferences. We encourage our employees to stay ahead of the latest trends and techniques in digital marketing, and we support their professional growth through various learning opportunities.

Our company culture is built on the principles of inclusivity, respect, and collaboration. We foster a work environment where ideas are freely shared, and creativity is encouraged. Our management style is transparent and approachable, promoting open communication across all levels of the organization.

Employee well-being is a priority for us. We offer competitive compensation packages, comprehensive health benefits, and flexible working arrangements to accommodate different needs and lifestyles. We also have initiatives in place to support the mental and physical well-being of our team, such as wellness programs and regular team-building activities.

At Sound Marketing Canada Inc., our facilities and employees are integral to our identity and success. We are committed to providing an optimal work environment and supporting our team in their professional and personal growth. Our goal is to not only be a leader in digital marketing services but also an employer of choice in the industry.

FOREIGN OPERATIONS

At Sound Marketing Canada Inc., our approach to foreign operations is an essential component of our strategic growth plan. We understand that the global digital marketplace offers vast opportunities, and our goal is to tap into these markets effectively, offering our innovative digital marketing services to a broader audience.

Establishment of International Offices

We have established satellite offices in key global markets to better serve our international clients. These offices are located in regions where we've identified significant growth potential for digital marketing services. Each office is staffed with local professionals who bring valuable insights into regional market trends and consumer behaviors, allowing us to tailor our strategies to local nuances.

Cultural Adaptation and Localization

Understanding and adapting to local cultures is crucial in our foreign operations. We ensure that our marketing campaigns are not only translated but also localized to resonate with the target audience. This involves adapting content, visuals, and overall marketing strategies to align with local preferences and cultural norms.

International Partnerships and Collaborations

To strengthen our presence in foreign markets, we actively seek partnerships with local firms. These partnerships enable us to combine our digital marketing expertise with the local know-how of our partners, resulting in more effective and culturally relevant campaigns.

Compliance with Local Regulations

Navigating the regulatory environment is a critical aspect of our foreign operations. We ensure strict compliance with local laws and regulations in every market we operate in. This includes adherence to data protection laws, consumer rights, and digital advertising standards.

Remote Teams and Telecommunication

Leveraging the power of technology, we have remote teams located in different parts of the world. These teams allow us to offer round-the-clock services to our international clients. We utilize advanced telecommunication tools and project management software to ensure seamless coordination and communication among our global teams.

Market Research and Continuous Learning

Continuous learning about emerging markets is integral to our foreign operations strategy. We conduct regular market research to stay abreast of global digital marketing trends, consumer behavior, and technological advancements. This ongoing research informs our strategies and helps us remain competitive in the global market.

Tailored Services for Global Clients

Our service offerings for international clients are tailored to meet the unique challenges and opportunities of global digital marketing. We offer a range of services from global SEO to international social media management, ensuring that our clients' brands have a strong online presence across different regions.

Future Expansion Plans

Looking ahead, we are committed to further expanding our foreign operations. This includes exploring new markets where digital marketing is in a nascent stage but poised for growth. Our expansion strategy is cautious yet ambitious, ensuring that we grow sustainably while maintaining the high quality of service that our clients expect from us.

RISK AND UNCERTAINTIES

Market Competition

The digital marketing industry is highly competitive, with constant entries of new firms and evolving service offerings from existing companies. We mitigate this risk by continually innovating our services, focusing on niche markets, and building strong client relationships.

Technological Changes

The rapid pace of technological advancement in digital marketing tools and platforms presents both an opportunity and a risk. We stay ahead of technological shifts through continuous research and development, and by investing in training our staff to adapt to new tools and methodologies.

Client Concentration

Reliance on a limited number of key clients can pose significant risks. To reduce this dependency, we actively diversify our client base and expand our market reach to various industries and geographical locations.

Regulatory Changes

Digital marketing is subject to regulatory environments that can vary significantly across regions and are often subject to change. We address this uncertainty by employing a dedicated legal team to ensure compliance with all current and upcoming regulations, especially concerning data protection and privacy laws.

Economic Fluctuations

The global economic climate can impact marketing budgets and client willingness to invest in digital marketing services. Our strategy includes flexible pricing models, diversified service offerings, and a reserve fund to buffer against economic downturns.

Cybersecurity Threats

As a digital-centric business, cybersecurity is a paramount concern. We invest in robust cybersecurity infrastructure and protocols, conduct regular security audits, and provide ongoing training to our employees on cybersecurity best practices.

Talent Acquisition and Retention

The success of our business is heavily reliant on the talent and expertise of our employees. To mitigate the risk of talent churn, we focus on employee engagement, competitive compensation packages, and opportunities for professional growth and development.

Changing Consumer Preferences

The digital marketing field is heavily influenced by changing consumer trends and behaviors. We maintain a proactive approach to understanding and anticipating consumer trends through continuous market research and data analytics.

Global Operations Risks

Expanding into international markets introduces risks such as cultural misalignment, foreign exchange volatility, and geopolitical factors. We manage these risks through thorough market analysis, local partnerships, and hedging strategies for currency risks.

Project Delivery and Client Satisfaction

Maintaining high standards in project delivery and client satisfaction is crucial. We address this through stringent quality control processes, regular client feedback mechanisms, and a flexible approach to project management.

DIVIDENDS

As Sound Marketing Canada Inc., our approach to dividends is guided by a policy that balances the dual objectives of rewarding our shareholders and reinvesting in our business for sustained growth. Our dividend policy is designed to provide our shareholders with a stable and predictable income while retaining sufficient funds to finance the future growth and development of our company.

Dividend Policy Description

Our dividend policy takes into consideration several key factors:

Profitability: We assess our profitability and cash flow to determine our ability to pay dividends.

Consistent profitability is a prerequisite for dividend distribution.

Growth Plans: We closely consider our strategic growth plans, including potential acquisitions, market expansions, and investment in new technologies. A portion of our profits is often reinvested into these growth areas.

Financial Stability: Maintaining financial stability and liquidity is crucial. We ensure that our dividend policy does not compromise our financial health and ability to respond to business opportunities or unforeseen challenges.

Market Conditions: We are mindful of the broader economic and market conditions which can influence our dividend decisions.

Regulatory Compliance: Compliance with legal and regulatory requirements regarding dividend distribution is strictly adhered to.

Dividend Distribution Table

Below is a hypothetical table that illustrates our dividend distribution over the past three years. Please note that these figures are illustrative and not reflective of actual payouts.

Year	Net Profit (CAD)	Total Dividends Paid (CAD)	Dividends per Share (CAD)	Retention Ratio
2020	1,500,000	300,000	0.50	80%

2021	2,000,000	400,000	0.60	80%
2022	2,500,000	500,000	0.75	80%

- Net Profit: The total profit earned by Sound Marketing Canada Inc. after all expenses and taxes.
- Total Dividends Paid: The aggregate amount of dividends paid out to shareholders.
- Dividends per Share: The amount paid to each shareholder per share owned.
- Retention Ratio: The percentage of net earnings retained in the company rather than paid out as dividends.

Our dividend policy at Sound Marketing Canada Inc. is carefully crafted to ensure shareholder satisfaction while supporting the company's long-term strategic objectives and financial stability. We believe in maintaining a fair and sustainable approach to dividend distribution, aligning our policies with the company's performance and future ambitions.

CAPITAL STRUCTURE

Equity Capital:

Equity capital forms the foundation of our financial framework. It includes:

- Common Stock: Our common stock is the primary source of equity capital, representing ownership shares in our company. Shareholders of common stock are entitled to dividends and have voting rights in corporate decisions.
- Preferred Stock: As part of our equity strategy, we also issue preferred stock. Preferred shareholders typically receive dividends before common stockholders and have priority over common stock in the event of liquidation. However, they usually do not have voting rights.
- Retained Earnings: Retained earnings, accumulated over the years, form a significant part of our equity capital. These are profits that have been reinvested in the business rather than distributed as dividends.

Debt Capital:

Debt financing is used to leverage our capital structure and fuel growth. Our debt capital includes:

- Long-Term Debt: This comprises loans and bonds with maturities exceeding one year. Long-term debt is used for major investments and expansion activities. It is structured to ensure manageable repayment schedules aligned with our cash flow projections.
- Short-Term Debt: This includes lines of credit and short-term loans, primarily used to manage working capital needs and short-term liquidity requirements.

Capital Structure Strategy:

Our capital structure strategy is guided by several key principles:

- Risk Management: We balance equity and debt to maintain a healthy debt-to-equity ratio, minimizing financial risk and ensuring long-term sustainability.
- Cost of Capital: Our goal is to optimize the cost of capital. Equity financing, while dilutive, does not carry the direct costs of debt. Conversely, debt financing, although cheaper than equity in terms of tax benefits, increases financial risk. We strike a balance between these two to achieve an optimal cost of capital.
- Financial Flexibility: We maintain financial flexibility to capitalize on growth opportunities and navigate market uncertainties. This involves keeping a portion of our capital resources readily accessible.
- Investor Expectations: We consider the expectations of our investors and shareholders in our capital structure decisions, aiming to deliver competitive returns while pursuing sustainable growth.

Monitoring and Adjustment:

Our capital structure is not static; it is regularly reviewed and adjusted in response to internal performance metrics and external market conditions. We stay attuned to market trends, interest rate changes, and our operational needs, making strategic adjustments to our capital structure as necessary.

In conclusion, the capital structure of Sound Marketing Canada Inc. is a carefully balanced and dynamic framework, designed to support our strategic goals, ensure financial health, and maximize shareholder value. We believe that our prudent approach to managing our capital structure is a key driver of our stability and growth.

MARKET FOR SECURITIES

At Sound Marketing Canada Inc., understanding and navigating the market for securities is a critical aspect of our financial strategy. As a company actively involved in the digital marketing sector, our approach to the securities market is both cautious and strategic, aiming to optimize investment opportunities and shareholder value.

Public Listing and Stock Exchange

Currently, Sound Marketing Canada Inc. is not publicly listed on any stock exchange. However, the possibility of an Initial Public Offering (IPO) and subsequent stock exchange listing is an ongoing consideration in our long-term strategic planning. This potential move would provide us with greater access to capital markets, enhance our corporate visibility, and potentially increase our market valuation.

Private Securities Market

Our securities are currently traded privately. This means that investment in our company is largely available to private investors, venture capitalists, and company insiders. The private nature of our securities allows us greater control over our shareholder base and provides a certain level of flexibility in our financial operations.

Investor Relations

Maintaining robust investor relations is crucial for us, especially considering the private nature of our securities. We are committed to transparency and regular communication with our investors, ensuring that they are well-informed about our financial performance, strategic decisions, and growth prospects. This approach helps in building and maintaining investor trust and confidence.

Regulatory Compliance

Compliance with regulatory standards is a cornerstone of our approach to the securities market. We adhere to the regulations set forth by financial authorities, which govern private securities and potential public offerings. Our compliance ensures that we operate within legal frameworks, minimizing risk for both the company and our investors.

Future Considerations for Public Trading

Looking towards the future, should we decide to go public, we recognize the significance of such a decision. Entering the public securities market would involve considerations such as market timing,

economic conditions, regulatory compliance, and readiness for the increased scrutiny and reporting requirements that come with being a publicly-traded company.

Shareholder Value Maximization

Irrespective of our position in the public or private securities market, our overarching goal remains the maximization of shareholder value. We continuously seek to enhance our company's performance, drive sustainable growth, and ensure that our financial strategies align with the interests of our shareholders.

The market for securities for Sound Marketing Canada Inc. is presently within the private domain, offering a level of control and flexibility suitable for our current operational strategy. As we grow and evolve in the dynamic digital marketing industry, we continually assess our position in the securities market, ensuring that our approach aligns with our long-term strategic goals and the best interests of our shareholders.

DIRECTORS AND OFFICERS

At Sound Marketing Canada Inc., our team of directors and officers is composed of individuals who are not only leaders in their fields but also dedicated to the vision and growth of our company. Their diverse expertise and collective experience are fundamental to our success and strategic direction.

Board of Directors:

Our Board of Directors comprises seasoned professionals who bring a wealth of knowledge from various industries. They are responsible for setting the strategic direction of the company and overseeing its overall governance. The Board ensures that the company adheres to high standards of ethical practices and corporate responsibility.

Chairperson of the Board: A veteran in the industry, the Chairperson brings years of experience and provides leadership to the Board. They play a crucial role in guiding the company's strategic decisions and ensuring effective governance.

Directors: Our Directors come from a range of backgrounds, including technology, finance, marketing, and business development. Their diverse perspectives contribute to a well-rounded approach to company governance and strategy.

Executive Officers:

Our executive team is responsible for the day-to-day operations and implementation of the strategies set by the Board.

- Chief Executive Officer (CEO): The CEO is the face of the company, steering the course of the business and making critical decisions that affect the future of Sound Marketing Canada Inc. They are responsible for leading the development and execution of long-term strategies with the goal of increasing shareholder value.
- Chief Financial Officer (CFO): The CFO manages the company's financial actions, including tracking cash flow, financial planning, and analyzing the company's financial strengths and weaknesses to propose corrective actions.
- Chief Operating Officer (COO): The COO oversees the company's ongoing operations and procedures. They are the company's second-in-command and responsible for the efficiency of the business.
- Chief Marketing Officer (CMO): The CMO heads the marketing efforts, crafting strategies to strengthen the company's market position and achieve desired business goals.
- Chief Technology Officer (CTO): Leading the technology department, the CTO is responsible for overseeing the development and dissemination of technology for external customers, vendors, and other clients to help improve and increase business.
- Other Key Officers: This includes roles like the Chief Information Officer (CIO), Chief Compliance Officer (CCO), and Chief Human Resources Officer (CHRO), each playing a vital role in their respective domains.

Commitment to Excellence:

Our directors and officers are deeply committed to the company's ethos of innovation, integrity, and excellence. They work collaboratively to ensure that Sound Marketing Canada Inc. not only achieves its financial and operational goals but also maintains its reputation as a leader in the digital marketing industry.

Regular training and development programs are in place for our leaders to stay ahead of industry trends and effectively manage the dynamic challenges of the digital marketing landscape. This commitment to

continuous improvement at the leadership level cascades down to every aspect of our operations, fostering a culture of excellence throughout the organization.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Disclosure of Interests:

- Any member of our management team or key stakeholders involved in a material transaction with the company is required to fully disclose their interest. This includes both direct and indirect interests, whether financial, personal, or professional.
- The disclosure is made to the Board of Directors and is documented thoroughly to maintain a record of all such interests.

Conflict of Interest Policy:

- We have a robust conflict of interest policy in place, which mandates that any executive or key stakeholder must abstain from decision-making processes where they have a personal interest. This ensures that all decisions are made in the best interest of the company and its shareholders.
- The policy also covers situations where family members or close associates are involved in transactions with the company, ensuring comprehensive coverage of potential conflicts.

Review by Independent Committee:

- Transactions involving management or key stakeholders are subject to review by an independent committee. This committee, typically comprised of board members who have no interest in the transaction, evaluates the fairness and integrity of the transaction.
- Their assessment focuses on ensuring that the transaction is conducted on arm's length terms and is in the best interest of the company and its shareholders.

Shareholder Approval:

- In cases where material transactions involve significant interests of management or key stakeholders, we may seek approval from our shareholders. This approach promotes transparency and gives our shareholders a voice in critical corporate decisions.
- Transactions of substantial magnitude are presented in shareholder meetings, along with detailed information about the interests involved and the implications for the company.

Regular Audits and Compliance Checks:

- Our internal audit team conducts regular audits to ensure compliance with our conflict of interest policy and other related procedures.
- We also ensure that our practices are in line with relevant laws and regulations governing corporate conduct and governance.

Training and Awareness:

- Regular training sessions are conducted to educate our management and staff about the importance of disclosure and handling conflicts of interest. This ensures that everyone is aware of their responsibilities and the company's ethical standards.

In conclusion, at Sound Marketing Canada Inc., the interest of management and others in material transactions is handled with utmost diligence, transparency, and adherence to ethical standards. We believe that maintaining these high standards is essential not only for legal compliance but also for fostering trust and confidence among our shareholders and the wider business community.

TRANSFER AGENT AND REGISTRAR

Transfer Agent:

- Our transfer agent plays a pivotal role in managing the logistics related to our issued stock. They are responsible for ensuring the accurate recording and transfer of our stock certificates.
- Key responsibilities include issuing and canceling stock certificates to reflect changes in ownership, processing and distributing dividends, and facilitating the exercise of stock options.
- The transfer agent acts as an intermediary between our company and our shareholders, especially during transactions such as sales or transfers of stock.
- They also handle lost, stolen, or destroyed certificates, ensuring that these situations are resolved smoothly and do not adversely impact shareholder rights.

Registrar:

- The registrar's primary role is to maintain the official list of shareholders for Sound Marketing Canada Inc. This involves recording any changes in stock ownership and ensuring that no more shares are issued than have been authorized.

- The registrar works closely with the transfer agent to verify the authenticity of stock ownership and to prevent issues like over-issuance of shares.
- They ensure that our shareholder records are accurate and up-to-date, a critical function for the effective management of our equity capital.
- The registrar is instrumental in providing accurate data for shareholder meetings, dividend payments, and corporate communications.

Collaboration Between Transfer Agent and Registrar:

- The transfer agent and registrar often collaborate to ensure seamless management of our stock and shareholder records. While their roles are distinct, their functions are complementary.
- This collaboration ensures that any changes in stock ownership recorded by the transfer agent are accurately reflected in the registrar's shareholder register.

Selection and Oversight:

- Sound Marketing Canada Inc. carefully selects its transfer agent and registrar based on their expertise, reliability, and efficiency. We ensure that they have robust systems in place to handle our shareholder records securely and accurately.
- Regular audits and compliance checks are conducted to ensure that these entities adhere to the highest standards of regulatory compliance and best practices in shareholder management.

Communicating with Shareholders:

- Both the transfer agent and registrar play significant roles in shareholder communication, particularly regarding transactions involving stock ownership and dividends.
- They are often the first point of contact for shareholders regarding their investment in Sound Marketing Canada Inc.

The transfer agent and registrar are key components of our corporate structure at Sound Marketing Canada Inc., ensuring the integrity and accuracy of our stock and shareholder records. Their roles are fundamental to maintaining shareholder trust and confidence, and they support the smooth functioning of our equity-related operations.

TRADEMARKS

Trademark Portfolio:

- We have developed a robust portfolio of trademarks, including our company name, logo, service marks, and any unique taglines or phrases associated with our services. These trademarks are a vital part of our brand identity, distinguishing our services in the marketplace.
- Our trademarks are carefully designed to encapsulate the essence of our brand and to resonate with our target audience. They are not just legal instruments but also central elements of our marketing and branding strategy.

Registration and Protection:

- Our trademarks are registered with the appropriate intellectual property offices in the jurisdictions where we operate. This registration provides legal protection against unauthorized use or infringement.
- We actively monitor the use of our trademarks to ensure they are not being misused or infringed upon by third parties. This includes monitoring online usage and domain names to prevent cybersquatting or other forms of digital infringement.

Global Trademark Strategy:

- As a company with international reach, we have a global trademark strategy. This involves registering our trademarks in key markets around the world, taking into account regional variations and legal requirements.
- This global approach ensures that our brand is protected and consistent across different geographies, which is essential for a company operating in the digital space.

Trademark Licensing:

- We may license our trademarks to trusted partners or affiliates as part of our business and marketing strategy. Such licensing agreements are carefully structured to maintain the integrity and value of our brand.
- Our licensing agreements are comprehensive, clearly outlining the terms of use, ensuring that our brand standards are maintained by our licensees.

Enforcement and Legal Action:

- In cases of trademark infringement, we take appropriate legal action to protect our intellectual property rights. This may include cease-and-desist letters, negotiation, or, if necessary, litigation.
- Our legal team works closely with intellectual property experts to handle such issues effectively and to safeguard our brand interests.

Innovation and Trademark Development:

- We continually innovate and evolve our brand, which may include developing new trademarks. Any new trademarks are created with a strategic vision, ensuring they align with our overall brand identity and business goals.

Trademarks are a critical asset for Sound Marketing Canada Inc. They are not only a legal shield but also a key element of our brand's identity and equity. Our proactive approach to trademark registration, protection, and enforcement reflects our commitment to maintaining the strength and integrity of our brand in the digital marketing landscape.

SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

Forward-looking statements in our communications, whether in reports, presentations, or discussions, are based on our current expectations, estimates, projections, beliefs, and assumptions, not on historical facts. These statements are often identified by the use of forward-looking terminology such as "believe," "expect," "anticipate," "plan," "estimate," "intend," and similar expressions or variations.

These forward-looking statements, by their nature, involve risks and uncertainties that could cause actual results to differ materially from those projected or implied. The digital marketing industry is dynamic and subject to rapid change, influenced by factors such as technological advancements, market trends, regulatory changes, and competitive dynamics. We continuously monitor these factors, but it's impossible to predict all variables that could impact our business.

Key areas where forward-looking statements may be used include, but are not limited to:

- Predictions of revenue, expenses, margins, profitability, or other financial items.
- Plans for expansion, acquisitions, or new service offerings.
- Projections about market trends and consumer behaviors.
- Expectations regarding regulatory and competitive landscapes.

We caution readers and stakeholders not to place undue reliance on these forward-looking statements, which are valid only as of the date they are made. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.

Our commitment to transparency means we strive to provide accurate and comprehensive information. However, stakeholders should be aware that while we believe our predictions are based on reasonable assumptions, there is no guarantee that our expectations will materialize or that our strategies will prove successful.

The forward-looking statements from Sound Marketing Canada Inc. are intended to provide stakeholders with a view of our future expectations and plans, but they should be considered with an understanding of the inherent uncertainties and risks in the rapidly evolving digital marketing landscape.

AUDIT COMMITTEE INFORMATION

- The Audit Committee is composed of a group of independent directors from our Board, each bringing expertise in finance, accounting, and corporate governance.
- Members of the Audit Committee are appointed based on their understanding of financial statements, experience in financial management, and knowledge of audit processes.
- The independence of the committee members is critical to ensure unbiased oversight of the company's financial reporting.

Responsibilities and Duties:

- Oversight of Financial Reporting: The primary responsibility of the Audit Committee is to oversee the integrity of the company's financial statements and reporting process. This includes reviewing quarterly and annual financial statements before they are published.
- Internal Controls and Risk Management: The committee assesses the effectiveness of our internal controls, including our financial, operational, and compliance controls, and risk management systems.

- **Audit Oversight:** The Audit Committee is responsible for overseeing the company's internal and external audit processes. This includes the selection and appointment of the external auditor, reviewing the audit plan, and ensuring the auditor's independence and performance.
- **Compliance with Legal and Regulatory Requirements:** The committee ensures that the company is in compliance with legal and regulatory requirements related to financial reporting. They monitor compliance with tax laws, accounting standards, and other relevant regulations.
- **Whistleblower Mechanism:** The Audit Committee oversees the implementation and effectiveness of the whistleblower policy, ensuring that employees can report violations or concerns about the company's financial practices without fear of retaliation.

Meetings and Reporting:

- The Audit Committee meets regularly, with additional meetings as needed to address specific issues.
- They report their findings and recommendations to the Board of Directors after each meeting, contributing to the Board's decision-making process regarding financial matters.
- The committee also prepares a report for inclusion in the company's annual report, summarizing its activities and findings for the fiscal year.

Continuous Review and Improvement:

- The Audit Committee continuously reviews and updates its charter and working procedures to align with best practices and regulatory changes.
- They engage in ongoing education to stay current on evolving accounting standards, regulatory requirements, and best practices in corporate governance.

Audit Committee of Sound Marketing Canada Inc. is a cornerstone of our corporate governance framework, providing critical oversight of our financial reporting processes, audits, and internal controls. Their work ensures that we maintain the highest standards of financial integrity and transparency, which is fundamental to our commitment to our shareholders and to the long-term success of our company.

CHARTER

1. Company Mission and Objectives:

- Our mission statement reflects our commitment to excellence in digital marketing. It defines our purpose and sets the direction for our strategic decisions.
- The charter outlines our primary business objectives, including our goals for growth, innovation, customer service excellence, and shareholder value.

2. Legal Structure:

- The charter specifies Sound Marketing Canada Inc.'s legal structure as a corporation, including its registration details and the jurisdiction under which it operates.
- It delineates the regulatory framework we adhere to, ensuring compliance with all relevant laws and regulations.

3. Governance Structure:

- Our charter describes the governance structure of the company, detailing the roles and responsibilities of the Board of Directors and the Executive Management team.
- It includes the composition of the Board, the frequency of meetings, and the processes for decision-making and oversight.

4. Shareholder Rights and Responsibilities:

- The charter outlines the rights and responsibilities of our shareholders. This includes voting rights, dividend policies, and procedures for shareholder meetings.
- It also details the process for issuing, transferring, and repurchasing company shares.

5. Committees and Their Functions:

- The charter establishes various committees, such as the Audit Committee, Compensation Committee, and Nominating Committee, each with specific roles and responsibilities.
- It provides guidelines on committee compositions, meeting frequencies, and reporting structures.

6. Ethical and Business Conduct Standards:

- Our charter includes a code of ethics and business conduct that applies to all employees, management, and the Board of Directors.
- It addresses issues like conflict of interest, corporate integrity, and compliance with laws.

7. Risk Management and Internal Control:

- The document details our approach to risk management, outlining the strategies for identifying, assessing, and mitigating business risks.
- It describes the internal control systems in place to ensure the accuracy and reliability of our financial reporting.

8. Amendment and Revision Procedures:

- The charter specifies the procedures for its amendment and revision, ensuring that it remains a dynamic document that can evolve with the company's growth and changes in the business environment.

9. Corporate Social Responsibility and Sustainability:

- The charter affirms our commitment to corporate social responsibility and sustainability, outlining our approach to environmental stewardship, community engagement, and ethical business practices.

COMPOSITION OF THE AUDIT COMMITTEE

1. Number of Members:

- The Audit Committee comprises [X number] of members, where 'X' is determined by the Board of Directors based on the size and complexity of the company's operations. Typically, this number ranges from three to five members.

2. Qualifications of Members:

- All members of the Audit Committee are independent directors, meaning they are free from any relationship that would interfere with their exercise of independent judgment as a committee member.
- Each member possesses a thorough understanding of financial statements and accounting principles relevant to Sound Marketing Canada Inc. At least one member is designated as a financial expert, having extensive accounting or financial management expertise.

3. Appointment and Term:

- Members of the Audit Committee are appointed by the Board of Directors, based on the recommendations of the Nominating Committee.

- The term of each member is typically one to three years, with provisions for staggered terms to ensure continuity.

4. Chairperson:

- The Audit Committee elects a chairperson from among its members. The chairperson is responsible for leading the committee, setting meeting agendas, and acting as a liaison between the committee and the Board of Directors.

5. Diversity and Inclusion:

- Sound Marketing Canada Inc. values diversity in its leadership structures. The composition of the Audit Committee reflects a commitment to diversity, including gender, race, and professional background, to bring a variety of perspectives and experiences.

6. External Advisors:

- The Audit Committee has the authority to retain external legal, accounting, or other advisors as it deems necessary to assist in the fulfillment of its responsibilities. The company provides for appropriate funding, as determined by the committee, for payment of compensation to these advisors.

7. Regular Meetings:

- The Audit Committee meets at least quarterly, with the authority to convene additional meetings as circumstances require. The committee meets privately with external auditors, without management present, to discuss matters pertaining to audit and internal control.

8. Responsibilities and Authority:

- The committee's responsibilities include oversight of the company's financial reporting process, selection and oversight of the independent auditor, reviewing financial statements, and overseeing internal control processes.
- The Audit Committee operates under a written charter that details its roles and responsibilities, which is reviewed and reassessed regularly for adequacy by the Board.

EDUCATION AND EXPERIENCE / RELIANCE ON CERTAIN EXEMPTIONS

Diverse Educational Backgrounds:

- Our team comprises individuals with varied educational backgrounds, including degrees in Marketing, Business Administration, Computer Science, Data Analytics, Communications, and other relevant fields.
- Continuous learning is encouraged, and many of our team members hold advanced degrees, certifications, and specialized training in their respective areas of expertise.

Industry Experience:

- We prioritize hiring professionals with substantial experience in digital marketing and related fields. Our team includes seasoned veterans with decades of experience as well as young professionals who bring fresh perspectives and innovative ideas.
- The diverse experience of our team members allows us to approach challenges creatively and develop solutions that are both innovative and practical.

Professional Development:

- Ongoing professional development is a cornerstone of our human resource strategy. We invest in training programs, workshops, and seminars to ensure that our team stays ahead of the latest industry trends and technological advancements.
- We also encourage our employees to participate in professional networks and industry associations to broaden their knowledge and skills.

Reliance on Certain Exemptions:

Regulatory Compliance:

- In our operations, we adhere to all relevant regulations and laws. However, like many businesses, there are instances where we may rely on certain regulatory exemptions. This is always done under careful legal advice and in full compliance with the law.
- For example, in areas such as data protection, we might leverage specific exemptions provided for marketing activities under certain conditions.

Strategic Use of Exemptions:

- When appropriate, we strategically use exemptions to optimize our operational efficiency and competitiveness. This could involve, for example, exemptions related to certain financial disclosures for privately held companies or specific marketing practices.

- Our reliance on any exemption is always balanced with our commitment to transparency, ethical practices, and corporate responsibility.

Ongoing Monitoring and Review:

- The regulatory landscape is dynamic, and we continuously monitor changes that may impact the exemptions we rely on. Our legal and compliance teams ensure that our practices remain in line with current laws and regulations.
- We conduct regular reviews of our reliance on exemptions to ensure that it aligns with our strategic goals and the evolving regulatory environment.

The education and experience of our team at Sound Marketing Canada Inc. form the backbone of our ability to provide high-quality digital marketing services. Simultaneously, our strategic reliance on certain regulatory exemptions is conducted with a careful assessment of legal compliance and ethical considerations, ensuring that we maintain our integrity and commitment to responsible business practices.

PRE-APPROVAL POLICIES AND PROCEDURES

1. Financial Expenditures and Investments:

- All significant financial expenditures and investments undergo a rigorous pre-approval process. This includes a detailed review of the proposed expenditure, an assessment of its alignment with our strategic goals, and a cost-benefit analysis.
- The process involves multiple levels of approval, depending on the size and nature of the expenditure. Larger investments require approval from senior management and, in some cases, the Board of Directors.

2. Project Initiatives and Contracts:

- New project initiatives, especially those that involve substantial resource allocation or represent a new strategic direction, are subject to pre-approval. This ensures alignment with our overall business objectives and resource capabilities.

- Contracts with clients, vendors, and partners also require pre-approval. This includes a review of the terms and conditions, risk assessment, and alignment with our business ethics and legal compliance requirements.

3. Compliance and Legal Matters:

- Any action or decision with potential legal implications is subjected to pre-approval by our legal department. This ensures compliance with laws, regulations, and internal policies.
- We have established specific thresholds and criteria for what constitutes a legal matter requiring pre-approval, covering areas such as contracts, intellectual property, data privacy, and employment law.

4. Human Resources Decisions:

- Significant HR decisions, including hiring, promotions, and terminations, are made following our pre-approval policies. These policies are designed to ensure fairness, compliance with employment laws, and alignment with our corporate culture and values.

5. Use of Proprietary and Sensitive Information:

- The use and dissemination of proprietary and sensitive information are controlled through a strict pre-approval process. This is critical for maintaining confidentiality and protecting our intellectual property.

6. Marketing and Public Communications:

- Our marketing campaigns and public communications, especially those that could significantly impact our brand image, undergo pre-approval. This process ensures that all public-facing materials are consistent with our brand message and comply with advertising standards.

7. IT and Security Protocols:

- Implementation of new IT systems, software, and security protocols requires pre-approval to ensure compatibility with our existing infrastructure and adherence to cybersecurity standards.

Continuous Review and Improvement:

- Our pre-approval policies and procedures are not static; they are regularly reviewed and updated to reflect changes in our business environment, regulatory landscape, and strategic objectives.

AUDITORS SERVICE FEES

1. Types of Auditor Services:

- **Audit Services:** These are the primary services offered by our auditors, which include the annual audit of our financial statements and reviews of our quarterly financial statements.
- **Audit-Related Services:** These services are typically assurance and related services that are reasonably related to the performance of the audit or review of our financial statements.
- **Tax Services:** Our auditors may also provide various tax services, including tax compliance, tax advice, and tax planning.
- **Other Services:** Occasionally, we might engage our auditors for other services that do not fall into the above categories, provided they do not compromise the auditors' independence and objectivity.

2. Fee Structure:

- The fee structure for auditor services is based on the complexity of the task, the resources required, and the urgency of the service.
- Audit fees are typically fixed fees agreed upon before the audit work begins, based on the scope and scale of our operations.
- Fees for audit-related and tax services are generally based on the nature of the task and the hours required to complete the service.
- For any other services, fees are negotiated based on the specific nature of the work.

3. Approval Process:

- All auditor service fees are subject to approval by our Audit Committee. This process ensures that the fees are reasonable and commensurate with the services provided.
- The Audit Committee reviews and pre-approves all auditing services and the terms thereof to ensure auditor independence.

4. Transparency and Disclosure:

- We disclose auditor service fees in our annual financial statements, offering transparency to our shareholders and stakeholders.

- The breakdown of fees across different categories of services is provided, ensuring clarity and openness.

5. Market Benchmarking:

- Regularly, we benchmark our auditor service fees against market rates to ensure that we are paying a competitive and fair price for these services.
- This benchmarking also helps in negotiations and in understanding industry standards for such services.

6. Relationship with Auditors:

- We maintain an arm's length relationship with our auditors to ensure their independence and objectivity.
- While we value their services, we are also committed to upholding the highest standards of financial integrity and transparency.

MATERIAL CONTRACTS SHAREHOLDER RIGHTS PLAN CONVERTIBLE

DEBENTURE PAYABLE NON-CONVERTIBLE DEBENTURE PAYABLE LOAN

PAYABLE

Material Contracts:

- Material contracts are significant agreements entered into by Sound Marketing Canada Inc. that have a substantial impact on our business operations and financial standing.
- These contracts may include agreements with major clients, suppliers, partnerships, joint ventures, and other significant operational or financial arrangements.
- We ensure that all material contracts are thoroughly reviewed by our legal team and are in compliance with applicable laws and regulations.
- Key aspects such as risk assessment, liability, performance clauses, termination conditions, and confidentiality are carefully scrutinized before finalization.
- Transparency with shareholders regarding material contracts is a priority. Relevant information, without breaching confidentiality clauses, is disclosed in our financial reports and shareholder meetings as required.

Shareholder Rights Plan:

- A shareholder rights plan, commonly known as a "poison pill", may be adopted as a strategy to protect the company from hostile takeover attempts.
- Under such a plan, existing shareholders are given the right to purchase additional shares at a discount if an individual or group acquires a significant portion of the company's shares. This dilutes the ownership interest of the new acquirer, making a takeover more difficult and expensive.
- Any decision to adopt a shareholder rights plan would involve a thorough assessment of its implications, balancing the protection of shareholder interests with the potential impact on stock market perception and corporate governance.
- Such a plan, if adopted, would be subject to shareholder approval and would be implemented in compliance with securities regulations and best practices.

Convertible Securities:

- Convertible securities, such as convertible bonds or convertible preferred shares, are financial instruments that Sound Marketing Canada Inc. may issue to raise capital. These securities can be converted into a predetermined number of common shares.
- The use of convertible securities is a strategic decision, influenced by factors such as current market conditions, interest rates, and our capital structure goals.
- Convertibles are an attractive option as they typically offer lower interest rates than regular bonds and provide potential upside to holders if the company's stock performs well.
- The terms of any convertible securities, including the conversion price, interest rate, and maturity date, are carefully structured to align with our financial strategy and market conditions.

In managing material contracts, considering shareholder rights plans, and issuing convertible securities, Sound Marketing Canada Inc. remains committed to prudent corporate governance, shareholder value maximization, and regulatory compliance. These components are managed as part of our broader corporate strategy, reflecting our commitment to long-term business sustainability and shareholder interests.

Debenture Payable:

- Debentures payable refer to a type of long-term debt instrument that we may issue to raise capital. These are unsecured and typically involve a fixed interest rate.
- Debentures are used to finance various business activities, including expansion, acquisition, or capital projects, providing us with the flexibility to invest in growth opportunities without diluting equity.
- The interest on these debentures is a fixed expense and is regularly serviced through our operational cash flows. We ensure that the terms of the debentures, including interest rates and maturity dates, align with our financial projections and cash flow management.

Non-Convertible Debenture Payable:

- Non-convertible debentures are a specific type of debenture that cannot be converted into company equity or stock. This type of debenture is purely a debt instrument and is preferred when we intend to strictly manage our equity levels.
- The interest rates on non-convertible debentures might be higher than convertible ones, reflecting the absence of a conversion option. However, they offer us the advantage of not diluting shareholder equity.
- We closely monitor the market conditions to decide the issuance of non-convertible debentures, ensuring that the timing and terms are favorable and align with our long-term financial strategy.

Loan Payable:

- Loans payable constitute the borrowings from financial institutions or other lenders. These loans can be short-term or long-term and are used for specific financing needs such as working capital, equipment purchase, or other operational requirements.
- The terms of each loan, including the interest rate, repayment schedule, and covenants, are negotiated to ensure they are sustainable and manageable within our financial framework.
- We maintain a strict policy of adhering to our repayment schedules and covenant conditions to uphold our creditworthiness and maintain healthy relationships with our lenders.

Risk Management and Compliance:

- A key aspect of managing these financial instruments is the continuous assessment and management of associated risks, including interest rate fluctuations and refinancing risks.

- We ensure compliance with all regulatory requirements related to debt instruments, including financial disclosures and reporting obligations.
- Our finance team works in close coordination with our executive management and the Board to regularly review our debt portfolio, ensuring it aligns with our overall financial strategy and market conditions.

Financial Flexibility:

- Maintaining financial flexibility is crucial for us. We balance our debt portfolio with our equity capital to ensure a healthy capital structure that supports both stability and growth.
- Our approach to managing debentures payable, non-convertible debentures, and loans payable reflects our commitment to financial prudence, risk management, and strategic capital allocation.

ADDITIONAL INFORMATION

1. Environmental, Social, and Governance (ESG) Initiatives:

- We are committed to sustainable business practices and prioritize environmental stewardship in our operations. Information on our initiatives related to reducing carbon footprint, promoting sustainability in digital marketing practices, and our corporate social responsibility (CSR) activities is available to stakeholders.
- Our ESG initiatives also cover our efforts in promoting diversity and inclusion within our workforce and our adherence to ethical business practices.

2. Research and Development (R&D):

- Innovation is at the heart of what we do. We invest in R&D to stay ahead in the rapidly evolving digital marketing landscape. Details about our ongoing research projects, technological advancements, and future areas of exploration are shared with relevant stakeholders.

3. Employee Development and Culture:

- We believe our employees are our greatest asset. Detailed information about our programs for employee development, training, and retention strategies is available. We also share insights into our company culture, values, and how we foster a collaborative and inclusive work environment.

4. Customer and Market Insights:

- Understanding our market and customers is crucial for our success. We provide additional information on market trends, customer feedback, and how we adapt our strategies to meet changing market needs.

5. Technological Infrastructure:

- As a digital marketing company, our technological infrastructure is key to delivering high-quality services. We provide information on our IT systems, data security measures, and how we leverage technology to benefit our clients.

6. Financial Health and Performance Metrics:

- Beyond standard financial statements, we offer detailed analyses of our financial health, including performance metrics, growth indicators, and future financial projections. This helps in providing a clearer picture of our financial stability and growth potential.

7. Risk Management Strategies:

- Detailed information on our risk management strategies, including how we identify, assess, and mitigate various business risks, is available to stakeholders. This encompasses financial risks, operational risks, and market-related risks.

8. Legal and Regulatory Compliance:

- We adhere to strict legal and regulatory standards. Information about our compliance policies, regulatory changes affecting our business, and how we manage legal risks is part of our commitment to transparency.

9. Future Plans and Strategic Direction:

- We provide insights into our strategic planning, including long-term goals, upcoming initiatives, and how we plan to navigate future challenges and opportunities in the digital marketing industry.

10. Stakeholder Engagement:

- Our approach to stakeholder engagement, including how we communicate with shareholders, clients, and the wider community, is an open book. We believe in building strong relationships based on trust and open communication.

In summary, at Sound Marketing Canada Inc., we strive to provide a holistic view of our business operations, going beyond the basic financial and operational information. Our aim is to engage

stakeholders with a comprehensive understanding of our business, our commitment to sustainable and ethical practices, and our vision for the future.