



# NOTICE OF SPECIAL MEETING OF COMMON SHAREHOLDERS

August 31, 2020

and

## Information Circular

Dated July 21, 2020

These materials are important and require your immediate attention. If you have questions or require assistance with voting your shares, you may contact our solicitation agent:

Laurel Hill Advisory Group

North American Toll-Free Number: 1-877-452-7184

Calls Outside North America: 416-304-0211

Email: [assistance@laurelhill.com](mailto:assistance@laurelhill.com)



## Dear Shareholders:

You are invited to attend a special meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares (the "**Common Shares**") in the capital of Alaris Royalty Corp. (the "**Company**" or "**Alaris**") to be held by way of virtual-only audio webcast at 11:00 a.m. (Calgary time) on August 31, 2020.

**At the Meeting you will be asked to consider, and, if thought advisable, to approve a proposed plan of arrangement (the "Arrangement") under Section 192 of the Canada Business Corporations Act to convert Alaris into a publicly-traded income trust named Alaris Equity Partners Income Trust (the "Trust").**

The accompanying notice of special meeting (the "**Notice of Meeting**") and the management information circular (the "**Information Circular**") contain a detailed description of the Arrangement and set forth the actions to be taken by you at the Meeting. You should carefully consider all relevant information in the Notice of Meeting and the Information Circular and consult with your financial, legal or other professional advisors if you require assistance.

### The Arrangement

Upon completion of the Arrangement, the Trust will indirectly own all the shares of the Company which will continue to carry on the same activities that the Company carried on prior to the Arrangement and all of the directors of the Company will serve as the trustees of the Trust. The current officers of the Trust are the same individuals who are currently the officers of the Company, each of whom will continue in such roles with the Trust following completion of the Arrangement. The Arrangement, if approved, will result in Shareholders (other than Dissenting Shareholders and Non-Eligible US Shareholders) transferring their Common Shares to the Trust for an equivalent number of units of the Trust ("**Trust Units**").

Subject to the completion of the Arrangement and no material change in Alaris' expected cashflow, it is expected that the Trust's distribution will increase over the Company's current quarterly dividend by \$0.02 per quarter (\$0.08 on an annualized basis). Otherwise management expects that the Trust's distribution policy will remain consistent with the Company's current dividend policy and, assuming completion of the Arrangement, that the Trust's first distribution will be payable to Unitholders of record on September 30, 2020, at the increased amount of \$0.31 per Trust Unit for the quarter ended September 30, 2020 (\$1.24 per Trust Unit on an annualized basis) and paid on or about October 15, 2020.

The after-tax return from an investment in Trust Units to Unitholders subject to Canadian income tax will depend, in part, on the composition of the Trust's income for Canadian income tax purposes from which distributions on the Trust Units will be paid (portions of which may be fully or partially taxable or may constitute tax-deferred distributions which are not subject to tax at the time of receipt but reduce a Unitholder's cost base in the Trust Units for tax purposes). Management intends to determine the composition of the Trust's income for Canadian income tax purposes with the intent of maximizing ultimate value to Unitholders.

### Board Recommendation & Anticipated Benefits

**THE BOARD OF DIRECTORS OF ALARIS (THE "BOARD") HAS UNANIMOUSLY DETERMINED THAT THE ARRANGEMENT IS FAIR TO SHAREHOLDERS AND IN THE BEST INTERESTS OF ALARIS AND UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE ARRANGEMENT RESOLUTION.**

The Board made its determination based upon consultation with its legal and financial advisors and, in part, on the Fairness Opinion received from Acumen Capital Finance Partners Limited, as described in the Information Circular. The Board's determination is based on numerous factors described more fully in the accompanying Information Circular and includes (among others) the following anticipated benefits that the Company believes will enhance long-term Shareholder value:

- a materially simplified cross-border investment structure involving fewer foreign jurisdictions, which should reduce compliance and other administrative costs and the Company's exposure to changes in foreign laws;
- increasing the amount of cash available for distribution to Unitholders;
- allowing Alaris to comply with applicable US legislation while maintaining an internal efficiency substantially consistent with Alaris' current structure; and
- reducing Alaris' exposure to foreign, non-US legislative and economic changes, thus enabling Alaris to operate in a more certain environment.

### Voting Requirements

To be effective, 66 $\frac{2}{3}$ % of the votes cast by Shareholders (either at the virtual Meeting or by proxy) must approve the Arrangement Resolution. Both the Court of Queen's Bench of Alberta and the Toronto Stock Exchange must also approve the Arrangement. If the Arrangement is approved by the requisite majority of Shareholders at the Meeting, the Arrangement is expected to be completed on or about September 1, 2020. Holders of an aggregate of 1,991,867 Common Shares, including all directors, executive officers and certain other Shareholders of the Company, representing approximately 5.6% of the outstanding Common Shares, have indicated their intention to vote all of the Common Shares beneficially owned by them in favour of the Arrangement Resolution.

### Letter of Transmittal

Enclosed with the Information Circular and instrument of proxy is a BLUE Letter of Transmittal containing complete instruction on, among other things, how to exchange your Common Shares for Trust Units as well as certain other certifications. The Letter of Transmittal will be sent to registered Shareholders only. Non-registered (beneficial) Shareholders should contact their brokers, investment dealer, bank, trust company or other intermediary to complete all applicable certifications on their behalf. The applicable Shareholder certifications by registered Shareholders must be delivered to Computershare Investor Services Inc. no later than 5:00 p.m. (Calgary time) on the second Business Day immediately before the Effective Date.

If you are a Beneficial Shareholder and have received these materials from your broker, investment dealer, bank, trust company or other intermediary, please complete and return the Form of Proxy or other authorization form provided to you by your broker, investment dealer, bank, trust company or other intermediary in accordance with the instructions provided herein. Failure to do so may result in your Common Shares being ineligible to vote at the Meeting.

Subject to applicable Law relating to unclaimed property, any share certificate formerly representing Common Shares that is not deposited with all other documents as required pursuant to the terms of the Arrangement on or before the day that is no later than the day prior to the third anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature and, for greater certainty, the right of the Shareholder to receive the Trust Units or the cheque representing the Shareholder's pro rata share of the cash proceeds from the sale of such Trust Units, as the case may be, together with all dividends, distributions, loans or cash payments thereon held for such Shareholder, shall be deemed to be surrendered.

### Shareholder Questions

If you have any questions or need assistance to vote your Common Shares or make the certifications contemplated in the accompanying BLUE Letter of Transmittal, please contact the Company's solicitation agent **Laurel Hill Advisory Group**, by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com), or by telephone at 1-877-452-7184 (North American toll-free number) or 416-304-0211 (Outside North America).

The Information Circular contains a detailed description of the Arrangement, as well as detailed information about the Company and the Trust. Please give this material your careful consideration and, if you require assistance, we urge you to consult your financial, legal, tax or other professional advisors.

**Virtual Meeting**

Given the unprecedented impact of the coronavirus disease 2019 (COVID-19) pandemic and out of an abundance of caution and concern for our Shareholders, employees, other stakeholders and community as a whole, we have decided to hold the Meeting by way of a virtual only format via a live audio webcast at <https://web.lumiagm.com/260607551>. Shareholders will all have an equal opportunity to participate in real time at the virtual Meeting, regardless of their geographic location. Shareholders will have the opportunity to ask questions and vote on important matters. For information about how to attend and vote at the virtual Meeting, see pages 7 through 11 of the Information Circular. Whether or not you plan to participate in the Meeting, we urge you to vote and submit your voting instruction or Form of Proxy in advance of the Meeting.

All capitalized terms not otherwise defined in this letter shall have the meaning ascribed thereto in the accompanying Information Circular.

On behalf of Alaris, I would like to thank all Shareholders for their ongoing support as we work towards completion of the Arrangement.

Yours very truly,

(signed) "*Stephen King*"

Stephen King

President and Chief Executive Officer

July 21, 2020

## TABLE OF CONTENTS

Q&A ON PROXY VOTING .....	7
NOTICE OF SPECIAL MEETING OF SHAREHOLDERS OF ALARIS ROYALTY CORP.....	12
SUMMARY .....	14
INFORMATION CIRCULAR.....	23
GLOSSARY OF TERMS.....	23
CURRENCY AND EXCHANGE RATES .....	29
FORWARD-LOOKING STATEMENTS AND NON-IFRS MEASURES .....	29
INFORMATION FOR UNITED STATES SHAREHOLDERS .....	30
DOCUMENTS INCORPORATED BY REFERENCE .....	32
THE ARRANGEMENT .....	32
INFORMATION CONCERNING THE TRUST.....	53
DECLARATION OF TRUST AND DESCRIPTION OF TRUST UNITS.....	55
INFORMATION CONCERNING ACQUIRECO .....	70
INFORMATION CONCERNING THE COMPANY .....	70
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	74
CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS .....	81
RISK FACTORS.....	87
EXPERTS.....	90
INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICER AND SENIOR OFFICERS .....	90
INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON.....	91
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS.....	91
SOLICITATION OF PROXIES .....	91
MANAGEMENT CONTRACTS .....	92
OTHER MATTERS.....	92
ADDITIONAL INFORMATION .....	92
EFFECTIVE DATE .....	92
DIRECTORS APPROVAL.....	92
CONSENT OF ACUMEN CAPITAL FINANCE PARTNERS LIMITED .....	93
CONSENT OF FELESKY FLYNN LLP .....	94
CONSENT OF GREENBERG TRAUIG, LLP .....	95
APPENDIX A – ARRANGEMENT RESOLUTION	
APPENDIX B – FAIRNESS OPINION	
APPENDIX C – ARRANGEMENT AGREEMENT	
APPENDIX D – INTERIM ORDER	
APPENDIX E – TRUST OPTION PLAN	
APPENDIX F – TRUST RTU PLAN	
APPENDIX G – AUDITED BALANCE SHEET OF THE TRUST	
APPENDIX H – PRO-FORMA FINANCIAL STATEMENTS OF THE TRUST	
APPENDIX I – SECTION 190 OF THE <i>CANADA BUSINESS CORPORATIONS ACT</i>	

## **YOUR VOTE COUNTS**

### **REGISTERED SHAREHOLDERS**

If your Common Shares are registered in your own name, you are a registered Shareholder.

You will have received a form of proxy from Alaris' transfer agent, Computershare Investor Services Inc. Please vote using the proxy control number provided online at [www.investorvote.com](http://www.investorvote.com) or via the phone Toll Free 1-866-732-VOTE (8683). Alternatively, please complete, sign and mail your form of proxy in the postage prepaid envelope provided or fax it to the number indicated on the form. To vote in real time at the virtual Meeting or appoint someone else to attend and vote as your proxyholder at the Meeting, see pages 7 through 11 of the Information Circular.

### **NON-REGISTERED (BENEFICIAL) SHAREHOLDERS**

If your Common Shares are held in a brokerage account or through a trustee, a financial institution or another nominee, you are a Beneficial Shareholder.

You will have received a request for voting instructions from your broker, investment dealer, bank, trust company or other intermediary (collectively, your "**Intermediary**"). Follow the instructions on your voting instruction form to vote by telephone, internet or fax, or complete, sign and mail the voting instruction form in the postage prepaid envelope provided. If you plan to attend the virtual Meeting and wish to vote in real time, please follow the instructions on the enclosed voting form to appoint yourself instead of the management nominees to vote at the virtual Meeting. Beneficial Shareholders must take the necessary steps to appoint themselves if they wish to vote in real time at the virtual Meeting. For more information, please refer to the information on pages 9 and 10 of the Information Circular.

**If you have any questions or need assistance to vote your Common Shares or make the Shareholder certifications contemplated in the accompanying BLUE Letter of Transmittal, please contact the Company's solicitation agent Laurel Hill Advisory Group, by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com), or by telephone at 1-877-452-7184 (North American toll-free number) or 416-304-0211**

## Q&A ON PROXY VOTING

This Information Circular is dated July 21, 2020, and all information is as at this date, unless otherwise indicated. All capitalized terms not otherwise defined in this Q&A shall have the meanings ascribed thereto in "Glossary of Terms" contained in this Information Circular.

### 1. Q: *What am I voting on?*

A: Shareholders are voting on the Arrangement in order to convert the Company into a publicly-traded income trust.

### 2. Q: *Who is entitled to vote?*

A: Shareholders of record as at the close of business on the "record date" of July 17, 2020, are entitled to vote. **Only Shareholders whose names have been entered in the register of Common Shares at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting. Shareholders who acquire Common Shares after the Record Date will not be entitled to vote such Common Shares at the Meeting.**

Each Shareholder is entitled to one vote per share on those items of business identified in the Notice of Special Meeting of Shareholders. There will be a quorum present at the Meeting if two Persons are present at the Meeting holding or representing by proxy in the aggregate not less than 10% of the Common Shares entitled to be voted at the Meeting.

### 3. Q: *How do I vote?*

If you are a registered Shareholder, you may vote in real time at the virtual Meeting or using one of the voting methods on the enclosed Form of Proxy. You may use the enclosed Form of Proxy appointing the Persons named in the proxy or some other Person you choose, who need not be a Shareholder, to represent you as proxyholder and vote your Common Shares at the Meeting. If your Common Shares are held in the name of a nominee, please see the information under Q. 16 of this section for voting instructions.

If you have any questions or need assistance to vote your Common Shares, please contact Laurel Hill by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com), or by telephone at 1-877-452-7184 (North American toll-free number) or 416-304-0211 (Outside North America).

### 4. Q: *What if I plan to attend and vote at the virtual Meeting?*

A: The Meeting will be held in a virtual-only format via live audio webcast. Shareholders will not be able to attend the Meeting in person. However, registered Shareholders (and duly appointed proxyholders) will be permitted to participate at the virtual Meeting and will be able to vote in real time, if they are connected to the internet and comply with all of the requirements set forth below in this Information Circular.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the names of their brokers, investment dealers, banks, trust companies or other intermediaries, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity.

To vote live at the Meeting, a registered Shareholder should not complete or return the Form of Proxy. Your vote will be taken and counted at the Meeting, so long as you are connected to the internet and are properly logged into the live webcast. The login procedures are set forth below:

- Login online at <https://web.lumiagm.com/260607551>
- We recommend that you log in at least 30 minutes before the Meeting starts
- Click "Login" and then enter your control number located on the Form of Proxy and the Meeting password, "alaris2020"

For duly appointed proxyholders, you must log in to the virtual Meeting at <https://web.lumiagm.com/260607551> and enter the Appointee Identification Number details you were provided and the Meeting password, "alaris2020".

Only registered Shareholders are entitled to vote at the Meeting. If your Common Shares are held in the name of a nominee and you wish to vote online at the Meeting, please see the information under Q. 16 for voting instructions on how to appoint yourself or someone else to attend the Meeting and vote in real-time.

As the Meeting is being held by virtual only format, it is important that registered Shareholders and duly appointed proxyholders wishing to attend the Meeting remain connected to the internet at all times during the Meeting in order to vote when balloting commences. It is

your responsibility to ensure connectivity for the duration of the Meeting.

**5. Q: Who is soliciting my proxy?**

A: This Information Circular is furnished in connection with the solicitation of proxies by the management of Alaris to be used at the Meeting. Alaris has retained Laurel Hill to assist it in connection with communicating to Shareholders in respect of the Arrangement. In connection with these services, Laurel Hill will receive an aggregate base fee of \$50,000 plus reasonable out-of-pocket expenses, including those incurred in outreach to Shareholders, and additional fees as determined from time to time. In addition, Alaris may retain the services of a managing solicitor dealer to form and manage a soliciting dealer group or other solicitation agents to solicit proxies in connection with the Meeting on terms and conditions, including the payment of fees and reimbursement of expenses, as are customary in such retainer agreements. All costs of the solicitation for the Meeting will be borne by Alaris. As at the date hereof, other than Laurel Hill, Alaris has not made a decision to engage soliciting dealers or other proxy solicitation agents to encourage the return of completed proxies and to solicit proxies in favour of the matters to be considered at the Meeting. Alaris may however do so and, if it does, the costs in respect of such services would be paid by Alaris in respect of the Meeting. Alaris will not reimburse Shareholders, nominees or agents for the cost incurred in obtaining authorization to execute Forms of Proxy from their principals. Additionally, Alaris may utilize Broadridge's QuickVote™ service to assist Beneficial Shareholders that are NOBOs with voting their Common Shares. NOBOs may be contacted by Laurel Hill to conveniently obtain a vote directly over the phone.

No Person, other than Laurel Hill, has been authorized to give any information or make any representation in connection with the Arrangement or any other matters to be considered at the Meeting other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

**6. Q: What if I sign the Form of Proxy enclosed with this Information Circular?**

A: Signing or using one of the other voting methods listed on the enclosed Form of Proxy gives authority to Stephen W. King or Darren Driscoll, each of whom is an officer of Alaris, or to another Person who need not be a Shareholder, you have appointed, to vote your Common Shares at the Meeting according to your voting

directions. If you do not provide voting directions, the officers of Alaris or other Person designated on the Form of Proxy will vote FOR the proposed Arrangement, unless you have appointed another Person to represent you.

**7. Q: Can I appoint someone other than the officers designated in the Form of Proxy to vote my Common Shares?**

A: Yes, write the name of this Person, who need not be a Shareholder, in the blank space provided in the Form of Proxy. You will also need to include an 8-digit Appointee Identification Number (AIN) in the space provided. Alternatively, you can appoint someone online by visiting [www.proxyvote.com](http://www.proxyvote.com), entering the 16-digit control number located on your Form of Proxy and following the instructions under the appointee section of the web page. It is important to ensure that any other Person you appoint is provided with the AIN which will allow them entry into the virtual Meeting.

**8. Q: What do I do with my completed proxy?**

A: Return it to Alaris' transfer agent, Computershare Investor Services Inc., in accordance with the instructions on the enclosed Form of Proxy, so that it arrives no later than 11:00 a.m. (Calgary Time) on Thursday, August 27, 2020. This will ensure that your vote is recorded.

**9. Q: If I change my mind, can I revoke or recast my proxy after I have given it?**

A: Yes. If you change your mind and wish to revoke your proxy, in addition to revocation in any other manner permitted by Law, you may prepare a written statement to this effect. The statement must be signed by you or your attorney as authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney of the corporation duly authorized. Only registered Shareholders may revoke a proxy. Beneficial Shareholders will need to contact their Intermediary and follow its instructions to revoke their vote. If you wish to recast your original vote, you may submit a later dated proxy to revoke any prior vote received. This statement must be delivered to the Corporate Secretary of Alaris at the following address no later than 11:00 am (Calgary time) on Thursday, August 27, 2020 or to the chairman of the Meeting on the day of the Meeting, prior to its commencement or prior to the continuation of any adjournment of the Meeting:



Alaris Royalty Corp.  
 Suite 250, 333-24th Avenue SW  
 Calgary, Alberta T2S 3E6  
 Mike Ervin, Chief Legal Officer and Corporate  
 Secretary  
 Fax: 403-228-0906

**10. Q: How will my Common Shares be voted if I give my proxy?**

A: The Persons named on the Form of Proxy must vote for or against or withhold from voting your Common Shares in accordance with your directions, or you can let your proxyholder decide for you. **In the absence of such directions, proxies appointing the officers of Alaris named in the Form of Proxy will be voted in favor of the Arrangement.**

**11. Q: What if amendments are made to these matters or if other matters are brought before the Meeting?**

A: **The Persons named in the Form of Proxy will have discretionary authority with respect to amendments or variations to matters identified in the Notice of Special Meeting of Shareholders of Alaris Royalty Corp. and with respect to other matters which may properly come before the Meeting.**

At the time of printing this Information Circular, management of Alaris knows of no such amendment, variation or other matter expected to come before the Meeting. If any other matters properly come before the Meeting, the Persons named in the Form of Proxy will vote on them in accordance with their best judgment.

**12. Q: How many Common Shares are entitled to vote?**

A: As of the Record Date, there were 35,583,883 Common Shares and no Non Voting Shares issued and outstanding. Each registered Shareholder has one vote for each Common Share held at the close of business on the Record Date.

The rights, privileges and restrictions attached to the Common Shares are more fully described in Schedule 2 of the 2020 Circular, which is incorporated by reference in this Information Circular.

To the knowledge of the directors and officers of Alaris, as of the Record Date, no one Person or entity beneficially owned, directly or indirectly, or exercised control or direction over more than 10% of the issued and outstanding Common Shares.

**13. Q: How will the votes be counted?**

A: The Arrangement Resolution will be determined by way of online voting poll.

**14. Q: Who counts the votes?**

A: Alaris' transfer agent, Computershare Investor Services Inc., counts and tabulates the proxies and the votes cast in real time at the Meeting. This is done independently of Alaris to preserve the confidentiality of the individual Shareholder votes. Proxies are referred to Alaris only in cases where a Shareholder clearly intends to communicate with management or when it is necessary to do so to meet the requirements of applicable Law.

**15. Q: If I need to contact the transfer agent, how do I reach them?**

A: For general Shareholder inquiries, you can contact the transfer agent by mail at:

Computershare Investor Services Inc.  
 Proxy Department  
 8th Floor, 100 University Avenue  
 Toronto, Ontario M5J 2Y1

**or by telephone:** within Canada and the United States (toll-free) 1-800-564-6253, and from all other countries (direct dial) 514-982-7555.

**or by fax:** within Canada and the United States (toll-free) 1-888-453-0330, and from all other countries (direct dial) 514-982-7635.

**or online:** [www.investorcentre.com/service](http://www.investorcentre.com/service) where you will find useful FAQs, phone numbers and a secure online contact form.

**16. Q: If my Common Shares are not registered in my name but are held in the name of an Intermediary, how do I vote them?**

A: If Common Shares are listed in an account statement provided to you by an Intermediary, then in almost all cases those Common Shares will not be registered in your name on the records of Alaris. Such Common Shares will likely be registered under the name of your Intermediary or its agent. In Canada, the vast majority of shares are registered under the name of CDS & Co. (the registration name for CDS, which acts as nominee for many Canadian brokerage firms).

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called "OBOS" for Objecting Beneficial Owners) and those who do not object to the

issuers of the securities they own knowing who they are (called "NOBOs" for Non-Objecting Beneficial Owners).

The Company will not be delivering proxy related materials directly to NOBOs. As required by Canadian securities legislation, you will have received from your nominee either a request for voting instructions or a Form of Proxy for the number of Common Shares you hold.

For your Common Shares to be voted, please follow the voting instructions provided by your nominee. **Every nominee will have its own mailing procedures and provide its own return instructions, which should be carefully followed by you to ensure that your Common Shares are voted at the Meeting.** Common Shares that are held by an Intermediary on behalf of a client can only be voted (for or against or withheld from voting on resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting shares for their clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate Person well in advance of the Meeting.**

The various Intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy that an Intermediary supplies to a Beneficial Shareholder is identical to the Form of Proxy that Alaris provides to registered Shareholders. However, the Intermediary's form of proxy is limited to instructing the registered Shareholder (who will be the Intermediary) how to vote on behalf of the Beneficial Shareholder. Most Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of Common**

**Shares must be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. Additionally, Alaris may utilize Broadridge's QuickVote™ service to assist Beneficial Shareholders that are NOBOs with voting their Common Shares. NOBOs may be contacted by Laurel Hill to conveniently obtain a vote directly over the phone.**

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the names of their brokers, investment dealers, banks, trust companies or other intermediaries, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity.

Since Alaris does not have unrestricted access to the names of its Beneficial Shareholders, if you attend the Meeting, Alaris may have no record of your shareholdings or of your entitlement to vote unless your nominee has appointed you as proxyholder. Therefore, if you wish to vote in real time at the virtual Meeting, insert your own name in the space provided on the request for voting instructions or Form of Proxy and return same by following the instructions provided. Following that, you will need to visit [www.computershare.com/Alaris](http://www.computershare.com/Alaris) and enter your information there. You will get an email after the voting deadline on August 27, 2020 at 11:00 a.m. (Calgary Time) which will contain your Appointee Identification Number (AIN) to vote your shares at the Meeting. To gain entry into the Meeting, you will need to provide your 8-digit AIN. Alternatively you can appoint someone online by visiting [www.proxyvote.com](http://www.proxyvote.com), entering the 16-digit control number located on your Form of Proxy or voting instruction form and follow the instructions under the appointee section of the web page. You can indicate on the form how you wish your Common Shares to be voted. If you wish to give voting discretion, do not otherwise complete the form as your vote will be taken at the Meeting. Duly appointed proxyholders shall be entitled to vote in real time at the virtual Meeting, provided they remain connected to the internet and have properly logged into the Meeting using the instructions set forth above under Question 4.

**17. Q: What if I would like to ask a question at the virtual Meeting?**

A: Only registered Shareholders and duly-appointed proxyholders will be able to ask questions at the Meeting. If you are a registered Shareholder, you can ask your question in real time at the virtual Meeting by entering the question in the text box entitled "Ask a Question" (if you are properly logged into the Meeting and remain connected to the internet. See the response to Question 4 above for instructions on how to log into the live audio webcast). You can also submit a question prior to the Meeting by writing to the Corporate Secretary at:

Alaris Royalty Corp.  
 Suite 250, 333-24th Avenue SW  
 Calgary, Alberta T2S 3E6  
 Attention: Mike Ervin  
 Chief Legal Officer and Corporate Secretary  
 or by email at: mervin@alarisroyalty.com

**18. Q: Will the Company utilize Notice-and-Access for delivery of materials for the Meeting?**

The Company has elected to use the "notice-and access" provisions under National Instrument 51-102 – *Continuous Disclosure Obligations* and National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (the "**Notice-and-Access Provisions**") with respect to delivering materials for the Meeting to its Shareholders. The Notice-and-Access Provisions are a set of rules developed by the CSA that reduce the volume of materials that the Company must physically mail to Shareholders by allowing the Company to post the Information Circular and related materials online.

All Shareholders entitled to receive the Meeting materials will receive a notice-and-access notification (the "**N&A Notice**") along with a Form of Proxy or voting instruction form.

Electronic copies of this Notice, the Information Circular and a Form of Proxy will be available on Alaris' website at [www.alarisroyalty.com/investors](http://www.alarisroyalty.com/investors) and under Alaris' profile on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders are reminded to review these online materials before voting. Electronic copies of the Meeting materials will be available on Alaris website for a period of at least one year.

For more information about the notice-and-access procedures, please call Broadridge Investor Communication Solutions at 1-855-887-2244.

Shareholders may choose to receive paper copies of the Meeting materials by mail at no cost. In order for Shareholders to receive the paper copies of the Meeting materials in advance of any deadline for the submission of voting instructions and the date of the Meeting, it is recommended that requests be made as soon as possible but not later than 8 Business Days prior to the proxy cut-off date, which is 11:00 a.m. (Calgary time) on August 27, 2020. If you do request the Meeting materials, please note that another voting instruction form will not be sent; please retain your current one for voting purposes.

Requests for Meeting materials can be made to Broadridge Investor Communication Solutions by: visiting [www.proxyvote.com](http://www.proxyvote.com) or calling 1-877-907-7643 (within North America) and entering the 16-digit control number located on the enclosed Form of Proxy or voting instruction form. If you do not have a control number, please call toll free at 1-855-887-2243 or 1-905-507-5450 (outside North America). If you have any questions about notice-and-access please call 1-855-887-2244.



## NOTICE OF SPECIAL MEETING OF SHAREHOLDERS OF ALARIS ROYALTY CORP.

THE SPECIAL MEETING OF SHAREHOLDERS (THE "MEETING") OF ALARIS ROYALTY CORP. ("ALARIS" OR THE "COMPANY") WILL BE HELD THE 31<sup>ST</sup> DAY OF AUGUST, 2020 AT 11:00 A.M. BY WAY OF VIRTUAL AUDIO WEBCAST AT [HTTPS://WEB.LUMIAGM.COM/260607551](https://web.lumiagm.com/260607551) AND WILL HAVE THE FOLLOWING PURPOSES:

1. To consider pursuant to an order of the Court of Queen's Bench of Alberta dated July 21, 2020 (the "**Interim Order**") and, if thought advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**") the full text of which is set forth in Appendix A of the accompanying information circular and proxy statement dated July 21, 2020 (the "**Information Circular**"), to approve a plan of arrangement (the "**Arrangement**") under Section 192 of the Canada Business Corporations Act ("**CBCA**") providing for, among other things, the conversion of the Company to a trust named Alaris Equity Partners Income Trust, all as more particularly described in the Information Circular.
2. To transact any other business properly before the Meeting as may properly be brought before the Meeting or any adjournment(s) thereof.

The specific details of the matters proposed to be put before the Meeting are described in the Information Circular accompanying and forming part of this Notice. All capitalized terms not otherwise defined in this Notice shall have the meanings ascribed thereto in "Glossary of Terms" contained in this Information Circular.

Given the unprecedented impact of the coronavirus disease 2019 (COVID-19) pandemic and out of an abundance of caution and concern for our Shareholders, employees, other stakeholders and the community as a whole, we have decided to hold the Meeting by way of a virtual-only format via a live audio webcast at <https://web.lumiagm.com/260607551>. Shareholders will all have an equal opportunity to participate at the virtual Meeting, regardless of their geographic location. At the Meeting, Shareholders will have the opportunity to ask questions and vote via live webcast. Beneficial Shareholders (as defined in the Information Circular) may attend the Meeting through the live webcast, but will not have the ability to vote virtually or ask questions. For information about how to attend and vote at the virtual Meeting, see pages 7 through 11 of the Information Circular. Whether or not you plan to participate in the Meeting, we urge you to vote and submit your voting instruction or Form of Proxy in advance of the Meeting.

Furthermore, as permitted by Canadian securities regulators, the Company is sending Meeting-related materials to Shareholders using "notice-and-access" provisions under National Instrument 51-102 – *Continuous Disclosure Obligations* and National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*. This means that, rather than receiving paper copies of the Meeting materials in the mail, Shareholders will have access to them online. All Shareholders entitled to receive the Meeting materials will receive a notice-and-access notification (the "**N&A Notice**") along with a Form of Proxy or voting instruction form. Electronic copies of this notice of special meeting, the Information Circular, a Form of Proxy, the N&A Notice and the BLUE Letter of Transmittal will be available on Alaris' website at [www.alarisroyalty.com/investors](http://www.alarisroyalty.com/investors) and under Alaris' profile on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders are reminded to review these online materials before voting. Electronic copies of the Meeting materials will be available on Alaris' website for a period of at least one year.

Shareholders may choose to receive paper copies of the Meeting materials by mail at no cost. In order for Shareholders to receive the paper copies of the Meeting materials in advance of any deadline for the submission of voting instructions and the date of the Meeting, it is recommended that requests be made as soon as possible but not later than 8 Business Days in advance of the proxy cut-off date, which is 11:00 am (Calgary time) August 27, 2020. If you do request the Meeting materials, please note that another voting instruction form will not be sent; please retain your current one for voting purposes. Requests for Meeting materials can be made to Broadridge Investor Communication Solutions by: visiting [www.proxyvote.com](http://www.proxyvote.com) or calling 1-877-907-7643 (within North America) and entering the 16-digit control number located on

the enclosed Form of Proxy or voting instruction form. If you do not have a control number, please call toll free at 1-855-887-2243 or 1-905-507-5450 (outside North America). If you have any questions about notice-and-access please call 1-855-887-2244.

Shareholders who own Common Shares of Alaris as at July 17, 2020 (the "**Record Date**") will be entitled to vote at the Meeting. The number of eligible votes that may be cast at the Meeting is 35,583,883 being the total number of Common Shares outstanding on the Record Date.

Only Shareholders whose names have been entered in the register of Common Shares at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting. Shareholders who acquire Common Shares after the Record Date will not be entitled to vote such Common Shares at the Meeting.

Whether or not you plan to attend the virtual Meeting, please vote using the enclosed instrument of proxy or voting instruction in accordance with the instructions provided. For your vote to be recorded, your proxy must be received by Computershare Investor Services Inc., no later than 11:00 a.m. (Calgary time) on August 27, 2020.

Pursuant to the Interim Order, only registered Shareholders have the right to dissent with respect to the Arrangement Resolution and, if the Arrangement becomes effective, to be paid the fair value of their Common Shares in accordance with the provisions of Section 190 of the CBCA, as modified by the Interim Order. A registered Shareholder wishing to exercise rights of dissent with respect to the Arrangement must send to Alaris a written objection to the Arrangement Resolution. Such written objection must be received by Alaris c/o its counsel Burnet, Duckworth & Palmer LLP, 2400, 525-8 Avenue SW, Calgary, Alberta, Canada T2P 1G1, Attention: Joanne Luu, by 4:00 p.m. (Calgary time) on the second last Business Day prior to the Meeting. A Shareholder's right to dissent is more particularly described in the Information Circular and a copy of the Interim Order and the text of Section 190 of the CBCA are set forth in Appendices D and I, respectively, to the Information Circular.

Failure to strictly comply with the requirements set forth in Section 190 of the CBCA, as modified by the Interim Order, may result in the loss of any right of dissent. Beneficial Shareholders whose Common Shares registered in the name of an Intermediary who wish to dissent should be aware that only the registered Shareholders are entitled to dissent. Accordingly, a Beneficial Shareholder desiring to dissent must make arrangements for the Common Shares beneficially owned by such Shareholder to be registered in the Shareholder's name prior to the time the written objection to the Arrangement Resolution is required to be received by Alaris or, alternatively, make arrangements for the registered Shareholder to dissent on the Beneficial Shareholder's behalf. It is strongly suggested that any Shareholder wishing to dissent seek independent legal advice, as the failure to strictly comply with the provisions of the CBCA, as modified by the Interim Order, may prejudice such Shareholder's right to dissent.

Under applicable US securities Laws and pursuant to the terms of the Declaration of Trust, the Trust cannot distribute Trust Units to any US Shareholder that is a Non-Eligible US Shareholder. Consequently, Trust Units otherwise distributable to a Non-Eligible US Shareholder under the Arrangement will be issued and delivered on their behalf to the Sale Trustee, as agent for such Non-Eligible US Shareholders. Such Trust Units will be sold on behalf of such Non-Eligible US Shareholders over the facilities of the TSX or by private sale. Each Non-Eligible US Shareholder will receive a pro rata share of the cash proceeds from the sale of such Trust Units sold by the Sale Trustee (less other expenses and any applicable withholding taxes) in lieu of Trust Units. None of the Company, the Trust, the Sale Trustee or the Depositary will have any liability for any such proceeds received or the remittance thereof to such Shareholders.

If you have any questions or need assistance to vote your Common Shares or make the elections and certifications contemplated in the accompanying BLUE Letter of Transmittal, please contact the Company's solicitation agent Laurel Hill Advisory Group, by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com), or by telephone at 1-877-452-7184 (North American toll-free number) or 416-304-0211 (Outside North America).

Registered Shareholders should complete, sign, date and return by hand, courier or registered mail the enclosed BLUE Letter of Transmittal, together with the certificate(s) representing the registered Shareholder's Common Shares, and applicable certifications in the enclosed envelope addressed to Computershare Investor Services Inc., at the applicable address set forth therein. Beneficial Shareholders should contact their financial intermediary to address such matters on their behalf.



## SUMMARY

*The following is a summary of certain information contained elsewhere in this Information Circular. This summary is not intended to be complete and is qualified in its entirety by reference to the more detailed information contained elsewhere in this Information Circular. Shareholders should read the more detailed information and financial data and statements about the Company, the Trust and the Arrangement contained elsewhere in, or incorporated by reference into, this Information Circular. Terms with initial capital letters used in this summary are defined in the "Glossary of Terms".*

### Information Concerning the Meeting

At the Meeting, Shareholders will be asked to consider and vote on the Arrangement Resolution. The Meeting will be held on August 31, 2020 at 11:00 a.m. (Calgary time) by way of virtual audio webcast at <https://web.lumiagm.com/260607551>. Shareholders of record at the close of business on July 17, 2020 will be entitled to vote at the Meeting or any adjournment or postponement thereof.

### The Arrangement

The purpose of the Arrangement is to convert the Company into a publicly-traded income trust. The Arrangement, if approved, will result in Shareholders (other than Dissenting Shareholders and Non-Eligible US Shareholders) transferring their Common Shares to the Trust for an equivalent number of Trust Units.

Upon completion of the Arrangement, the Trust will indirectly own all the shares of the Company which will continue to carry on the same activities that the Company carried on prior to the Arrangement and all of the directors of the Company will serve as the Trustees of the Trust. The current officers of the Trust are the same individuals who are currently the officers of the Company and will continue in such roles with the Trust immediately following completion of the Arrangement.

### Recommendation of the Board

The Board has unanimously determined that the Arrangement is fair to the Shareholders and in the best interests of the Company. Accordingly, the Board has unanimously approved the Arrangement and unanimously recommends that the Shareholders vote in favour of the Arrangement Resolution. See "*The Arrangement – Recommendation of the Board*".

### Reasons for the Arrangement

In evaluating the Arrangement, the Board consulted with the Company's management as well as the legal and financial advisors retained by the Company and considered a variety of factors, including those listed below. The Board based its recommendation upon the totality of the information presented to and considered by it in light of its knowledge of the business, financial condition and prospects of the Company, after taking into account the advice of financial and legal advisors and the advice and input of management.

The following summary of the information and factors considered by the Board is not intended to be exhaustive but includes a summary of the material information and factors considered in contemplation of the Arrangement. In view of the variety of factors and the amount of information taken into account in connection with the consideration of the Arrangement, the Board did not find it practicable to, and did not, quantify or otherwise attempt to assign any relative weight to each of the specific factors considered in reaching its conclusions and recommendations.

- the income trust structure is expected to result in a materially simplified cross-border investment structure involving fewer foreign jurisdictions, which is expected to reduce the Trust's compliance and administrative costs and exposure to changes in foreign Laws, including foreign tax Laws;
- the income trust structure is expected to increase the amount of cash available for distribution to Unitholders, while at the same time reducing the Payout Ratio;

- the Trust will continue to operate on the same fundamentals that contributed to Alaris' success, being:
  - focusing on a portfolio of Partner opportunities;
  - providing stable cash flows through diverse Partner businesses;
  - striving for operational excellence; and
  - maintaining financial strength and flexibility;
- it is anticipated that the reorganization of Alaris' activities and undertakings into an income trust structure may attract new investors;
- Alaris will continue to make Partner investments and expand Alaris' activities and undertakings, further enhancing potential value for the Unitholders;
- cash distributions to Unitholders are anticipated to provide an attractive return without impairing the ability of the Trust to sustain its existing investments and other opportunities;
- it is anticipated that the combined value of distributions plus the market value of the Trust Units will be greater on both a pre-tax and after-tax basis than the combined value of dividends that could otherwise be paid on the Common Shares plus the market value of the Common Shares;
- the conclusions set out in the Fairness Opinion;
- that the Arrangement Resolution must receive the approval of at least two-thirds of the votes cast by Shareholders, voting in real time or by proxy at the virtual Meeting;
- that the Arrangement is subject to Court approval, which will consider, among other things, the fairness and reasonableness of the Arrangement to Shareholders;
- that Shareholders will be afforded a right to dissent and to demand repurchase of their Common Shares for fair value through the exercise of Dissent Rights if the Arrangement is approved and consummated;
- although the Trust will be a "SIFT trust" for purposes of the Tax Act, the consequences to the Trust and Unitholders are not expected to be adverse (as compared to the status of unitholders of a publicly traded trust that is not a SIFT trust) because the Trust is not expected to earn income that would result in the Trust being subject to tax under the SIFT Trust Rules. Management anticipates that all distributions to Unitholders will be funded by sources that are not subject to tax under the SIFT Trust Rules. For Unitholders who are Residents and not exempt from tax under the Tax Act, expected Trust distributions will generally be taxed in the hands of a Unitholder as foreign-sourced ordinary income (e.g. interest on foreign debt), as capital gains, as taxable dividends from a Canadian corporation, or a combination of the foregoing depending on the composition of the particular distribution except for certain expected distributions which will constitute tax-deferred distributions which are not subject to tax at the time of receipt but reduce a Unitholder's adjusted cost base in the Trust Units for tax purposes. For Unitholders who are Non-Residents, these distributions which otherwise would be included in the income of such Unitholder (determined in accordance with the Tax Act) will generally be subject to Canadian withholding tax at rates applicable to trust distributions;
- that the trust structure simplifies and reduces the administrative burden of Alaris' current organizational structure, which is expected to result in cost savings and decreased governance risk (including by reducing Alaris' exposure to legislative and economic changes of a third country, thereby providing greater operational certainty); and
- that the trust structure will comply with applicable US legislation while maintaining an internal efficiency substantially consistent with Alaris' current structure.

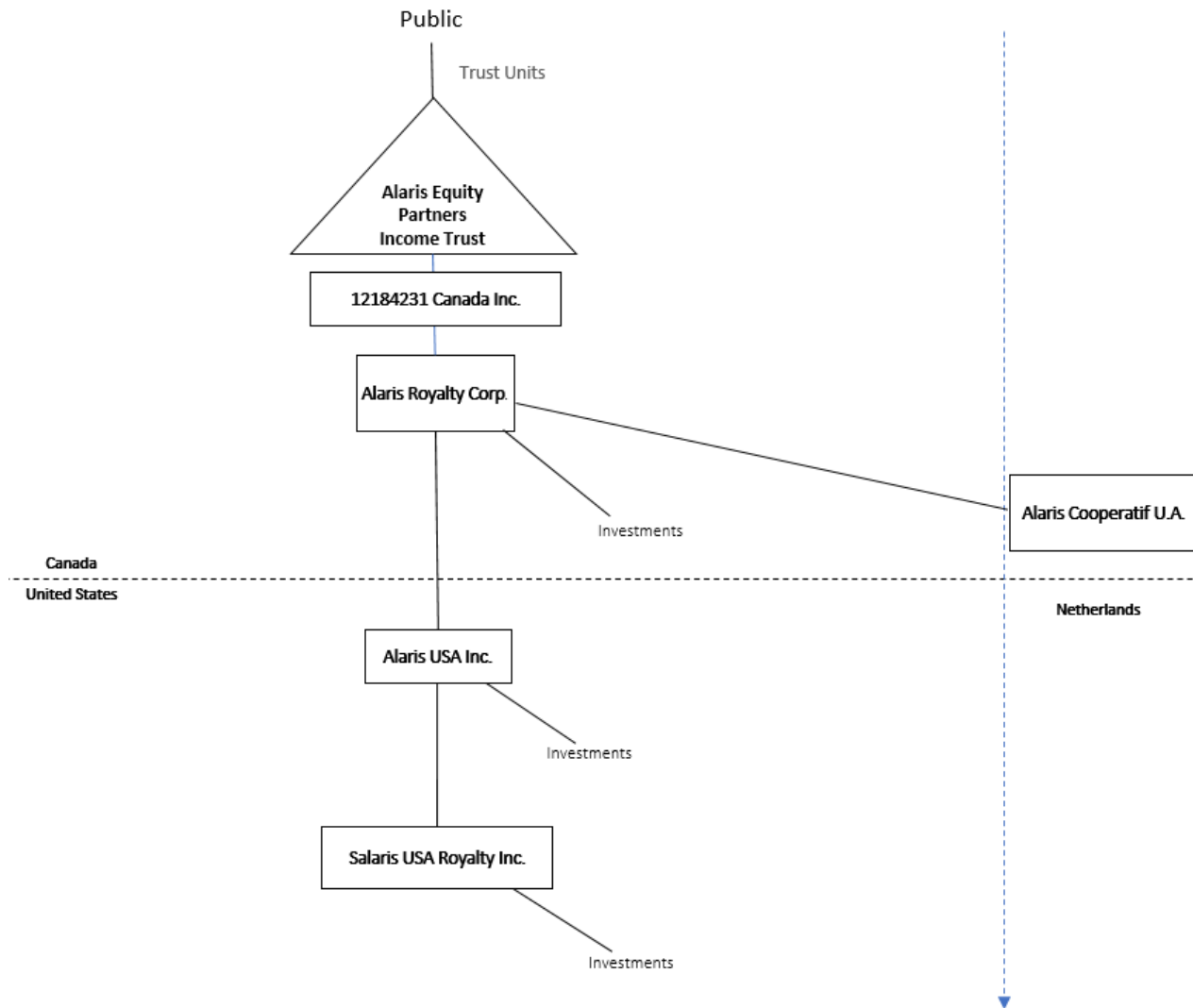
See "*The Arrangement – Reasons for the Arrangement*".

### Fairness Opinion

The Board has retained Acumen to advise it with respect to the Arrangement and to provide its opinion as to the fairness, from a financial point of view, of the consideration to be received by Shareholders pursuant to the Arrangement. Acumen has provided the Board with the Fairness Opinion which states that, on the basis of the assumptions, qualifications and limitations summarized therein, in the opinion of Acumen, as of July 17, 2020, the consideration to be received by Shareholders (other than Non-Eligible US Shareholders) pursuant to the Arrangement is fair, from a financial point of view, to Shareholders. A copy of the Fairness Opinion is attached to this Information Circular as Appendix B. See "*The Arrangement – Fairness Opinion*".

### Arrangement Steps

On the Effective Date, each of the events described under the heading "*The Arrangement – General Description of the Arrangement*" will, except as otherwise expressly provided, be deemed to occur. The following diagram illustrates the structure of the Trust upon completion of the Arrangement:



### Effect of the Arrangement on Shareholders

Under the Arrangement, each Common Share held by Shareholders (other than Dissenting Shareholders and Non-Eligible US Shareholders) will be transferred to the Trust in consideration for one Trust Unit.



### **Effect of the Arrangement on the Outstanding Convertible Debentures**

Holders of Convertible Debentures may receive Common Shares, in among other scenarios, by conversion at the option of the holder at any time prior to the close of business on the earlier of maturity of the Convertible Debentures and the Business Day immediately preceding the date specified by Alaris for redemption of the Convertible Debentures, at the conversion price of \$24.25 per share, subject to adjustment on the occurrence of certain events. In connection with the Arrangement, and pursuant to the successor provisions contained in the Convertible Debenture Indenture and the Supplemental Convertible Debenture Indenture, the Trust will assume, as successor to and co-obligor jointly and severally with Alaris, the covenants and obligations of Alaris under the Convertible Debenture Indenture and the Convertible Debentures. Provided the Arrangement is completed, holders of Convertible Debentures will thereafter be entitled to receive Trust Units, rather than Common Shares, on conversion or redemption after the Effective Time. All other terms and conditions of the Convertible Debenture Indenture will continue to apply.

### **Effect of the Arrangement on Equity Compensation Plans**

Pursuant to the Arrangement, the Trust will adopt the Trust Option Plan and each Option will be exchanged for one Trust Option where each Trust Option will have the same exercise price, expiry date and vesting date as such Option, and each such Option so exchanged will be cancelled.

Pursuant to the Arrangement, each RSU will be exchanged for one Trust RTU where each Trust RTU will have the same vesting and expiry date as such RSU and each such RSU so exchanged will be cancelled.

The form of the Trust Option Plan and RTU Plan are set forth in Appendices E and F, respectively, attached hereto.

### **Effect of the Arrangement on Shareholders with Respect to US Investment Company Act and ERISA Matters**

If approved, the Arrangement will result in an exchange of Common Shares held by US Shareholders for Trust Units, except in limited circumstances where Common Shares are held by Non-Eligible US Shareholders. The Declaration of Trust provides for certain terms and conditions in respect of US Investment Company Act matters and ERISA matters which are substantially similar to the terms and conditions attached to the current Common Shares, including certain provisions that are designed to ensure the Trust's compliance with, or exemptions from, the US Investment Company Act and the Plan Asset Rules. Specifically, the terms of the Declaration of Trust provides the Trust with the ability to require a holder of Trust Units to redeem or arrange for the sale of such Trust Units if they were acquired in contravention of the US Investment Company Act and the ERISA restrictions described herein under "*Information Concerning the Trust – Declaration of Trust and Description of Trust Units – Ownership and Transfer Restrictions Applicable to all Unitholders*". Under applicable US securities Laws and the terms of the Declaration of Trust, the Trust cannot distribute Trust Units to any US Shareholders that are Non-Eligible US Shareholders. Consequently, Trust Units otherwise distributable to a Non-Eligible US Shareholder under the Arrangement will be issued and delivered on their behalf to the Sale Trustee, as agent for such US Shareholder. Such Trust Units will be sold on behalf of such Non-Eligible US Shareholders over the facilities of the TSX or by private sale. Each Non-Eligible US Shareholder will receive a pro rata share of the cash proceeds from the sale of such Trust Units sold by the Sale Trustee (less any applicable withholding taxes) in lieu of Trust Units. None of the Company, the Trust, the Sale Trustee or the Depositary will have any liability for any such proceeds received or the remittance thereof to such Non-Eligible US Shareholders.

Dealers will be notified of the need to prevent purchases by Persons located in the United States or US Persons that are Non-Eligible US Shareholders during the 40 days following Closing. These procedures are intended to prevent existing US holders who are Non-Eligible US Shareholders and cashed out from circumventing the reorganization by purchasing Trust Units in the secondary markets. If the Arrangement is approved by the requisite majority of Shareholders at the Meeting, the Effective Date is expected to be on or about September 1, 2020.

### **The Arrangement Agreement**

The Company, the Trust and AcquireCo, entered into the Arrangement Agreement dated July 20, 2020, which provides for the implementation of the Plan of Arrangement under Section 192 of the CBCA. The Arrangement Agreement contains certain covenants of each of the Company, the Trust and AcquireCo. The Closing of the Arrangement is subject to a number of conditions, including, among other things, the approval of the Arrangement Resolution, the acceptance of the Arrangement and subsequent listing of the Trust Units and Convertible Debentures on the TSX, the receipt of all third

party consents and approvals and the approval of the Arrangement by the Court. See "*The Arrangement – The Arrangement Agreement*".

### **Approvals Required for the Completion of the Arrangement**

#### *Shareholder Approval*

At the Meeting, Shareholders will be asked to consider and vote on the Arrangement Resolution, the full text of which is set out in Appendix A. Pursuant to the Interim Order, the Arrangement Resolution must be approved by the affirmative vote of two-thirds of the votes cast by the Shareholders, attending the virtual Meeting or represented by proxy at the virtual Meeting.

#### *Court Approval*

Subject to the terms of, and satisfaction or waiver of the conditions precedent set forth in, the Arrangement Agreement, and if the Arrangement Resolution is approved by the Shareholders at the Meeting in the manner required by the Interim Order, the Company will make an application to the Court for the Final Order.

As set forth in the Interim Order, the hearing in respect of the Final Order is expected to take place at 3:30 p.m. (Calgary time) on August 31, 2020, or as soon thereafter as counsel may be heard, at the Court by way of video conference. At the hearing, any Shareholder and any other interested party who wishes to participate or to be represented or to present evidence or argument may do so, subject to filing with the Court and serving upon the Company a notice of appearance, together with any evidence or materials that such party intends to present to the Court not later than five (5) Business Days prior to the hearing setting out such Shareholder's or other interested party's address for service by ordinary mail and indicating whether such Shareholder or other interested party intends to support or oppose the application or make submissions. Service of such notice shall be effected by service upon the solicitors for the Company, Suite 2400, 525-8th Ave SW Calgary, AB T2P 1G1, Attention: Joanne Luu.

The Court has broad discretion under the CBCA when making orders with respect to an arrangement and the Court will consider, among other things, the fairness of the Arrangement to the Shareholders (and any other party as the Court determines appropriate). The Court may approve the Arrangement, either as proposed or as amended, in any manner the Court may direct. However, it is a condition of the Arrangement that the Final Order be satisfactory in form and substance to each of the parties to the Arrangement Agreement.

#### *TSX Approval*

The Common Shares are listed on the TSX under the symbol "AD". The Convertible Debentures are listed on the TSX under the symbol "AD.DB". The closing price for the Common Shares on the TSX on June 19, 2020, the last trading day prior to the announcement of Alaris' intention to pursue a trust conversion was \$12.45 per Common Share and the closing price on July 20, 2020, the last trading day prior to the date of this Information Circular, was \$11.71 per Common Share. The closing price for Convertible Debentures on the TSX on June 19, 2020, the last trading day prior to the announcement of Alaris' intention to pursue a trust conversion, was \$85.96 per Convertible Debenture and the closing price on July 20, 2020, the last trading day prior to the date of this Information Circular, was \$85.00 per Convertible Debenture. The Arrangement is conditional upon receiving the final acceptance of the TSX for the listing of the Trust Units issuable in connection with the Arrangement (including Trust Units issuable pursuant to the terms of the Trust Options, the Trust RTUs and the Convertible Debentures) as well as the Convertible Debentures being approved for listing on the TSX. The TSX has conditionally accepted the listing of the Trust Units under the symbol "AD.UN" and the Convertible Debentures will remain listed under the symbol "AD.DB", subject in both cases to the Company fulfilling all of the requirements of the TSX. The completion of the Arrangement is subject to the Company and the Trust, as applicable, fulfilling all of the requirements of the TSX. Following completion of the Arrangement, the Common Shares will be delisted from the TSX.

#### *Completion of the Arrangement*

If the Final Order is obtained on August 31, 2020 in form and substance satisfactory to each party to the Arrangement Agreement, and all other conditions specified are satisfied or waived, the Company expects the Effective Date will be on or about September 1, 2020 or as soon as practicable thereafter.

## Dissent Rights

Shareholders are entitled to exercise Dissent Rights in respect of the Arrangement by providing written notice of dissent to the Company, delivered c/o Burnet, Duckworth & Palmer LLP, Suite 2400, 525-8th Ave SW Calgary, AB T2P 1G1, Attention: Joanne Luu no later than 4:00 p.m. (Calgary time) on the second last Business Day preceding the Meeting (or, if the Meeting is postponed or adjourned, the second last Business Day preceding the date of the reconvened or postponed Meeting), in the manner described under the heading "*The Arrangement – Dissent Rights*". If a Shareholder dissents in respect of the Arrangement, and the Arrangement is completed, the Dissenting Shareholder is entitled to be paid the "fair value" of the Common Shares held by such Dissenting Shareholder determined as of the close of business on the Business Day before the Arrangement Resolution is adopted. Shareholders should carefully read the section in this Information Circular entitled "*The Arrangement – Dissent Rights*" if they wish to exercise Dissent Rights.

## Information Concerning the Trust

The Trust is an unincorporated, open-ended income trust established pursuant to the Declaration of Trust under the Laws of the Province of Alberta. The Trust has been formed to succeed, through its ownership of the Company, the activities and undertakings of the Company following the Arrangement and to seek, through its Subsidiaries, to provide long-term equity capital to companies for whom traditional private equity capital or debt is not typically available or attractive, namely privately-held companies whose owners want to retain long-term control of their businesses with a focus on: (a) providing long-term capital to a diversified group of profitable, well-managed private companies around the world (with a focus on North America); and (b) generating predictable, increasing cash flows which are expected to provide a stable and predictable distribution to Unitholders. See "*Information Concerning the Trust*".

## Distribution Policy

Subject to the completion of the Arrangement and no material change in Alaris' expected cashflow, it is expected that the Trust's distribution will increase over the Company's current quarterly dividend by \$0.02 per quarter (\$0.08 on an annualized basis). Otherwise management expects that the Trust's distribution policy will remain consistent with the Company's current dividend policy and, assuming completion of the Arrangement on or before September 30, 2020, it is expected the Trust's first distribution will be payable to Unitholders of record on September 30, 2020 at the increased amount of \$0.31 per Trust Unit for the quarter ended September 30, 2020 (\$1.24 per Trust Unit on an annualized basis) and paid on or about October 15, 2020.

The after-tax return from an investment in Trust Units to Unitholders subject to Canadian income tax will depend, in part, on the composition of the Trust's income for Canadian income tax purposes from which distributions on the Trust Units will be paid (portions of which may be fully or partially taxable or may constitute tax-deferred distributions which are not subject to tax at the time of receipt but reduce a Unitholder's cost base in the Trust Units for tax purposes). Management intends to determine the composition of the Trust's income for Canadian income tax purposes with the intent of maximizing ultimate value to Unitholders.

## Certain Canadian Federal Income Tax Considerations

This Information Circular contains a summary of certain Canadian federal income tax considerations generally applicable to Shareholders under the Arrangement and to Unitholders holding Trust Units. The following comments are qualified in their entirety by the summary in the Information Circular. Shareholders should consult with their tax advisors regarding the tax implications of the Arrangement and holding Trust Units. See "*Certain Canadian Federal Income Tax Considerations*" below. The discussion herein does not address non-Canadian tax implications, other than United States federal income tax considerations. See below under "*Certain United States Federal Income Tax Considerations*".

The Canadian federal income tax consequences of the transactions comprising the Arrangement generally will result in a Shareholder who is a Resident realizing a capital gain (or a capital loss) equal to the amount by which the aggregate FMV of the Trust Units received on completion of the Arrangement exceeds (or is exceeded by) the aggregate ACB of such Shareholder's Common Shares and any reasonable costs of disposition. A disposition or deemed disposition of a Trust Unit by a Unitholder who is a Resident, whether on redemption or otherwise, will generally result in the Unitholder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition exceed (or are exceeded by) the aggregate of the Unitholder's adjusted cost base of the Trust Unit and any reasonable costs of disposition.

A holder of a Common Share or Trust Unit who is a Non-Resident generally will not be subject to Canadian tax in respect of any capital gain realized on a disposition of the holder's Common Share or Trust Unit (whether on sale, on redemption or by virtue of capital distributions on a Trust Unit in excess of a Unitholder's ACB or otherwise) unless such property constitutes "taxable Canadian property" for purposes of the Tax Act of the holder and no relief is available to the holder under the provisions of an income tax convention between Canada and the holder's jurisdiction of residence.

A Unitholder who is a Resident generally will be required to include in income for a particular taxation year the portion of the net income of the Trust for a taxation year, including net realized taxable capital gains, that is paid or is payable to the Unitholder in the Unitholder's particular taxation year whether such portion is received in cash, additional Trust Units or otherwise. All amounts that the Trust pays or credits, or is deemed to pay or credit, to a Unitholder who is a Non-Resident, which otherwise would be included in the income of such Unitholder (determined in accordance with the Tax Act), will generally be subject to Canadian withholding tax at a rate of 25% of the gross amount thereof, unless such rate is reduced under an applicable income tax convention.

Provided the Trust is a "mutual fund trust" within the meaning of the Tax Act at the Effective Time, the Trust Units will be, at such time, "qualified investments" under the Tax Act for a trust governed by a Deferred Income Plan.

The Trust is expected to be a "SIFT trust" (as defined in the Tax Act). However, its income and distributions should only be subject to the SIFT Trust Rules to the extent of its non-portfolio earnings. Based on representations made by AcquireCo, the Company and the Trust to Canadian Tax Counsel, Canadian Tax Counsel understands that all of the Trust's expected income should comprise income or gains, none of which should be non-portfolio earnings. As a result, the SIFT Trust Rules should have no adverse application to the Trust and its Unitholders.

See "*Certain Canadian Federal Income Tax Considerations*".

#### **Risk Factors**

There are a number of risk factors associated with the Arrangement, including the conditions precedents and third party approvals that must be satisfied for the Arrangement to be completed. In addition, there are a number of risk factors associated with the Trust, including those relating to distributions, the status of the Trust, restrictions on redemptions, potential volatility of the market price of Trust Unit prices, the nature of investment, the availability of cash flow and dilution. See "*Risk Factors*".



IN THE COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL DISTRICT OF CALGARY

IN THE MATTER OF SECTION 192 OF THE CANADA BUSINESS CORPORATIONS ACT, R.S.C. 1985, c. C-44, AS AMENDED AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING ALARIS ROYALTY CORP., ALARIS EQUITY PARTNERS INCOME TRUST, 12184231 CANADA INC. AND THE SECURITYHOLDERS OF ALARIS ROYALTY CORP.

NOTICE OF APPLICATION

**NOTICE IS HEREBY GIVEN** that an application (the "**Application**") has been filed with the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") on behalf of Alaris Royalty Corp. ("**Alaris**") with respect to a proposed arrangement (the "**Arrangement**") under section 192 of the *Canada Business Corporations Act* ("**CBCA**"), involving Alaris and the holders ("**Shareholders**") of common shares (the "**Common Shares**") of Alaris, Alaris Equity Partners Income Trust and 12184231 Canada Inc., which Arrangement is described in greater detail in the Information Circular and proxy statement of Alaris dated July 21, 2020 (the "**Information Circular**"), accompanying this Notice of Application. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the accompanying Information Circular. At the hearing of the Application, Alaris intends to seek:

- (a) a declaration that the terms and conditions of the Arrangement and the procedures relating thereto are fair to Shareholders and other affected persons, both from a substantive and procedural perspective;
- (b) an order approving the Arrangement pursuant to the provisions of section 192 of the CBCA;
- (c) a declaration that registered Shareholders shall have the right to dissent in respect of the Arrangement pursuant to section 190 of the CBCA as modified by the interim order of the Court dated July 21, 2020;
- (d) a declaration that the Arrangement will, upon the filing of Articles of Arrangement pursuant to the provisions of section 192 of the CBCA, become effective in accordance with its terms and will be binding; and
- (e) such other and further orders, declarations and directions as the Court may deem just.

**AND NOTICE IS FURTHER GIVEN** that the Court has been advised that its order approving the Arrangement, if granted, will constitute the basis for an exemption from the registration requirement of the United States Securities Act of 1933, as amended, pursuant to Section 4(a)(2) of the US Securities Act and Rule 506(b) thereunder, and similar exemptions under applicable state securities laws, with respect to the issuance of the trust units of the Trust issuable to the Qualified US Shareholders pursuant to the Arrangement.

**AND NOTICE IS FURTHER GIVEN** that the said Application was directed to be heard before a Justice of the Court of Queen's Bench of Alberta, Calgary Courts Centre, 601 – 5th Street S.W., Calgary, Alberta, T2P 5P7, by video conference on the 31st day of August, 2020 at 3:30 p.m. (Calgary time) or as soon thereafter as counsel may be heard. Any Shareholder or any other interested party desiring to support or oppose the Application, may appear at the time of the hearing in person or by counsel for that purpose. **Any Shareholder or any other interested party desiring to appear at the hearing is required to file with the Court of Queen's Bench of Alberta, Judicial District of Calgary, and serve upon Alaris on or before 12:00 p.m. (Calgary time) on August 25, 2020 (or the Business Day that is five (5) Business Days prior to the date of the Meeting if it is not held on August 31, 2020), a notice of intention to appear, including an address for service in the Province of Alberta, together with any evidence or materials which are to**

**be presented to the Court.** Service on Alaris is to be effected by delivery to the solicitors for Alaris at the address below. If any Shareholder or any other interested party does not attend, either in person or by counsel, at that time, the Court may approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, without any further notice.

**AND NOTICE IS FURTHER GIVEN** that no further notice of the Application will be given by Alaris and that in the event the hearing of the Application is adjourned, only those persons who have appeared before the Court for the Application at the hearing shall be served with notice of the adjourned date.

**AND NOTICE IS FURTHER GIVEN** that the Court, by Order dated July 21, 2020 (the "**Interim Order**") has given directions as to the calling and holding of the meeting of Shareholders for the purpose of such Shareholders voting upon the special resolution to approve the Arrangement and has directed that registered Shareholders shall have the right to dissent with respect to the Arrangement in accordance with the provisions of section 190 of the CBCA, as amended by the Interim Order.

**AND NOTICE IS FURTHER GIVEN** that a copy of the said Application and other documents in the proceedings will be furnished to any Shareholder or other interested party requesting the same by the under mentioned solicitors for Alaris upon written request delivered to such solicitors as follows:

Burnet, Duckworth & Palmer LLP  
Suite 2400, 525 – 8th Avenue S.W.  
Calgary, Alberta T2P 1G1

Attention: Joanne Luu

**DATED** at the City of Calgary, in the Province of Alberta, this 21st day of July, 2020.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
ALARIS ROYALTY CORP.**

(signed) "*Stephen King*"  
Stephen King  
President and Chief Executive Officer

## INFORMATION CIRCULAR

### GLOSSARY OF TERMS

*In this Information Circular, unless the context otherwise requires, the following words and phrases shall have the meanings set forth below:*

"**2020 Circular**" means the Company's Information Circular dated March 20, 2020 in connection with the annual meeting of Shareholders held on May 6, 2020.

"**ACB**" means adjusted cost base for the purposes of the Tax Act.

"**Accredited Investor**" means an "accredited investor" within the meaning of Rule 501(a) of Regulation D adopted pursuant to the US Securities Act.

"**AcquireCo**" means 12184231 Canada Inc., a corporation incorporated under the CBCA.

"**AcquireCo Common Shares**" means the class A common shares in the capital of AcquireCo.

"**Acumen**" means Acumen Capital Finance Partners Limited.

"**Affiliate**" has the meaning ascribed thereto in the *Securities Act* (Alberta).

"**AIF**" means the annual information form of Alaris for the year ended December 31, 2019 dated March 30, 2020.

"**Alaris**", the "**Company**", "**we**", "**us**", or "**our**" means Alaris Royalty Corp., a corporation existing under the CBCA.

"**Articles of Arrangement**" means the articles of arrangement of Alaris in respect of the Arrangement, to be filed with the Director after the Final Order is made, which shall include the Plan of Arrangement.

"**Arrangement**" means and refers to the arrangement pursuant to Section 192 of the CBCA set forth in the Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion of the Arrangement Agreement.

"**Arrangement Agreement**" means the arrangement agreement dated July 20, 2020 among the Trust, AcquireCo and the Company, pursuant to which such parties have proposed to implement the Arrangement, attached as Appendix C.

"**Arrangement Resolution**" means the special resolution approving the Arrangement to be considered at the Meeting, substantially in the form set out in Appendix A.

"**associate**" has the meaning ascribed thereto in the *Securities Act* (Alberta).

"**Beneficial Shareholder**" means a Shareholder who holds its Common Shares through an Intermediary or who otherwise does not hold its Common Shares in its own name.

"**Beneficial Unitholder**" means a Unitholder who holds its Trust Units through an Intermediary or who otherwise does not hold its Trust Units in its own name.

"**Board**" or "**Board of Directors**" means the board of directors of Alaris as it may be comprised from time to time.

"**Board of Trustees**" means the board of Trustees of the Trust as it may be comprised from time to time.

"**Broadridge**" means Broadridge Financial Solutions, Inc.

"**Business Day**" means any day on which Canadian chartered banks are open for business in Calgary, Alberta, other than a Saturday, a Sunday or statutory holiday.

"**Canadian Tax Counsel**" has the meaning given to it under the heading "*Certain Canadian Federal Income Tax Considerations*" in this Information Circular.

"**CBCA**" means the *Canada Business Corporations Act*, including the regulations promulgated thereunder, as amended.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**Certificate of Arrangement**" means the certificate of arrangement issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement.

"**Certification Deadline**" means 5:00 p.m. (Calgary time) on the second Business Day immediately preceding the date of the Effective Date.

"**Closing**" means the completion of the Arrangement pursuant to the Plan of Arrangement.

"**Common Shares**" means the voting common shares in the capital of Alaris.

"**Computershare**" means Computershare Investor Services Inc.

"**Convertible Debenture Indenture**" means the trust indenture dated as of June 11, 2019 between Alaris and the Convertible Debenture Trustee.

"**Convertible Debenture Trustee**" means Computershare Trust Company of Canada and its successors, or any other trustee appointed pursuant to the Convertible Debenture Indenture.

"**Convertible Debentures**" means the outstanding 5.5% convertible unsecured subordinated debentures of Alaris due June 30, 2024, which debentures are convertible into Common Shares at a price of \$24.25 per Common Share and were issued pursuant to the Convertible Debenture Indenture.

"**Court**" means the Court of Queen's Bench of Alberta, Judicial District of Calgary.

"**COVID-19**" means the 2019 coronavirus disease caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2).

"**CSA**" means the Canadian Securities Administrators.

"**Declaration of Trust**" means the Declaration of Trust of the Trust dated as of May 31, 2020, as amended and restated on July 20, 2020, and as amended, or amended and restated, from time to time.

"**Deferred Income Plan**" means a trust governed by a registered retirement savings plan ("RRSP"), registered retirement income fund ("RRIF"), registered disability savings plan ("RDSP"), deferred profit sharing plan ("DPSP"), registered education savings plan ("RESP") or a tax-free savings account ("TFSA"), all as defined for purposes of the Tax Act.

"**Depository**" means Computershare or such other Person that may be appointed by Alaris and the Trust to act as depository in connection with the Arrangement.

"**Director**" means the Director appointed pursuant to Section 260 of the CBCA.

"**Dissent Rights**" means the rights of dissent provided for in the Plan of Arrangement.

"**Dissenting Shareholders**" means registered Shareholders who validly exercise, and do not withdraw, their Dissent Rights, immediately prior to the Effective Time.

"**Distribution Date**" means, in respect of a Distribution Period, a Business Day on or about the 15th day following the end of the applicable Distribution Period or such date as may be determined from time to time by the Trustees.

"**Distribution Period**" means the period for which distributions may be declared by the Trust, as determined from time to time by the Trustees, which may be each calendar quarter or month or other such period as determined by the Trustees from time to time, in each case from and including the first day thereof to and including the last day thereof, whether or not such day is a Business Day.

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

"**Effective Time**" means the time on the Effective Date at which the Arrangement is effective.

"**Eligible US Shareholder**" means a US Shareholder that has submitted a properly completed Qualified US Shareholder Certification in accordance with the Letter of Transmittal on or before the Certification Deadline, confirming to the satisfaction of Alaris and the Trust in their sole discretion that such US Shareholder is a Qualified US Shareholder and who Alaris and the Trust have no reason to believe is not a Qualified US Shareholder.



"ERISA" means the United States *Employment Retirement Income Security Act of 1974*, as amended from time to time.

"ERISA Person" means any Person that is or is acting on behalf of an ERISA Plan.

"ERISA Plan" means an "employee benefit plan" (within the meaning of Section 3(3) of ERISA) that is subject to Part 4 of Subtitle B of Title I of ERISA, a plan, individual retirement account or other arrangement that is subject to Section 4975 of the *US Tax Code*, an entity whose underlying assets are deemed to include "plan assets" of any such plan, account or arrangement pursuant to the Plan Asset Rules, and any other retirement or benefit plan that is not subject to Title I of ERISA or Section 4975 of the *US Tax Code* but is subject to Similar US Law.

"Exchangeable Securities" means any securities of any trust, limited partnership or corporation other than the Trust that are convertible or exchangeable directly for Trust Units without the payment of additional consideration therefor and, for greater certainty, does not include the Trust Options, Trust RTUs or similar securities.

"Fairness Opinion" means the fairness opinion of Acumen Capital Finance Partners Limited to the Board to the effect that, as of July 17, 2020, the consideration to be received by the Shareholders (other than Non-Eligible US Shareholders) pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders.

"Final Order" means the order of the Court approving the Arrangement, as such order may be amended by the Court (with the consent of each of the parties to the Arrangement Agreement, acting reasonably) at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended (on condition that such amendment is satisfactory to each of the parties to the Arrangement Agreement, acting reasonably) on appeal;

"FMV" means fair market value.

"Form of Proxy" means the form of proxy enclosed with this Information Circular.

"GAAP" means generally accepted accounting principles in Canada (including IFRS) as in effect from time to time and as adopted by the Trustees;

"Governmental Entity" means (a) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission (including any securities commission or similar regulatory authority), board, bureau, ministry, agency or instrumentality, domestic or foreign, (b) any subdivision, agent or authority of any of the above, (c) any quasigovernmental body, professional body or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, or (d) any stock exchange.

"Independent Trustee" means, at any time, a Trustee who, in relation to the Trust, is "independent" for purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

"Information Circular" means this management information circular and proxy statement of Alaris, together with all schedules and appendices hereto, and documents incorporated by reference herein.

"Interim Order" means the interim order of the Court dated July 21, 2020 containing declarations and directions with respect to the Arrangement and the Meeting and issued pursuant to the application of Alaris, a copy of which is attached as Appendix D to this Information Circular, as such order may be affirmed, amended or modified by any court of competent jurisdiction.

"Intermediary" has the meaning ascribed thereto under the heading "*The Arrangement – Shareholder Certifications – Beneficial Holders*" in this Information Circular.

"Law" or "Laws" means, with respect to any Person, any and all applicable law (including statutory and common law), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling, published administrative policy, or other similar requirement, whether domestic or foreign, enacted, adopted, incorporated by reference, promulgated or applied by a Governmental Entity, in each case having the force of law and that is binding upon or applicable to such Person or its business, undertaking, property or securities.

"Laurel Hill" means Laurel Hill Advisory Group, solicitation and information agent to Alaris.

"**Letter of Transmittal**" means the BLUE letter of transmittal, including all Shareholder Certifications set forth therein, accompanying this Information Circular.

"**Meeting**" means the special meeting of Shareholders to be held by way of virtual audio webcast at 11:00 a.m. (Calgary time) on the Meeting Date to consider, the Arrangement and any other matters that may properly be brought before the Meeting, and any adjournment(s) thereof.

"**Meeting Date**" means August 31, 2020.

"**Monthly Limit**" has the meaning given to it under the heading "*Information Concerning the Trust – Declaration of Trust and Description of Trust Units – Redemption Right*" in this Information Circular.

"**Notice**" means the Notice of Special Meeting of Shareholders of Alaris Royalty Corp. accompanying this Information Circular.

"**Non-Eligible US Shareholder**" means a US Shareholder that is not an Eligible US Shareholder.

"**Non-Eligible US Shareholder Certification**" means the certification attached as Appendix D to the Letter of Transmittal.

"**Non-Resident**" means a Person who, at all relevant times, is not, and is not deemed to be, resident in Canada for purposes of the Tax Act.

"**Non-US Shareholder Certification**" means the certification attached as Appendix A to the Letter of Transmittal.

"**Non-Voting Shares**" means the non-voting common shares in the capital of Alaris.

"**Option Plan**" means Alaris' share option plan, as more particularly described in the 2020 Circular incorporated by reference herein.

"**Options**" means stock options issued or authorized for issuance pursuant to the Option Plan.

"**Partner**" and "**Partners**" means a corporation, partnership or other entity with which Alaris has directly or indirectly entered into financing arrangements, as more particularly described in the AIF incorporated by reference herein.

"**Payout Ratio**" refers to total cash dividends or distributions paid out by Alaris or the Trust, as applicable, during a specified period divided by the net cash from operating activities Alaris or the Trust, as applicable, generated for the period.

"**Person**" includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representatives, estate group, body corporate, corporation, unincorporated association or organizations, Governmental Authority, syndicate or other entity, whether or not having legal status.

"**Plan Asset Regulations**" mean the plan asset regulations of the US Department of Labor, 29 C.F.R. Sec. 2510.3-101.

"**Plan Asset Rules**" mean the principles for identifying the assets of an ERISA Plan as set forth in the Plan Asset Regulations and Section 3(42) of ERISA and described below under the heading "*The Arrangement – Effect of the Arrangement on Shareholders with Respect to US Investment Company Act and ERISA Matters*" in this Information Circular.

"**Plan of Arrangement**" means the plan of arrangement, attached to the Arrangement Agreement in the form of Schedule A thereto, subject to any amendments or variations made in accordance with the terms thereof.

"**Qualified Institutional Buyer**" means a "qualified institutional buyer" as defined in Rule 144A under the US Securities Act.

"**Qualified Purchaser**" means a "qualified purchaser" within the meaning of Section 2(a)(51)(A) of the US Investment Company Act.

"**Qualified US Shareholder**" means a Shareholder that is: (i) (A) located in the United States, (B) a US Person or (C) receiving Trust Units for the account or benefit of US Persons; (ii) an Accredited Investor; (iii) a Qualified Purchaser and, if applicable, a Qualified Institutional Buyer; and (iv) not acting on behalf of any ERISA Person.

"**Qualified US Shareholder Certification**" means a Qualified US Shareholder Certification (QIB) or Qualified US Shareholder Certification (Non-QIB), as applicable.

"**Qualified US Shareholder Certification (Non-QIB)**" means a certification provided by a Person located in the United States or US Person confirming his or her status as an Eligible US Shareholder that is not also a Qualified Institutional Buyer.

"**Qualified US Shareholder Certification (QIB)**" means a certification provided by a Person located in the United States or US Person confirming his or her status as an Eligible US Shareholder that is also a Qualified Institutional Buyer.

"**Record Date**" means July 17, 2020.

"**Redemption Date**" has the meaning set out in the Declaration of Trust.

"**Redemption Notes**" means unsecured subordinated promissory notes of the Trust, any limited partnerships that may be a Subsidiary of the Trust from time to time, a trust all of the units of which, or a corporation all of the shares of which, are owned directly or indirectly by the Trust or another entity that would be consolidated with the Trust under GAAP, as determined by the Trustees at the time of issuance and having a maturity date, interest rate and other terms determined by the Trustees at the time of issuance.

"**Regulation S**" means Regulation S under the US Securities Act.

"**Resident**" means an individual (including a trust) or corporation who is a resident of Canada for purposes of the Tax Act, or a partnership that is a "Canadian partnership" for purposes of the Tax Act.

"**RSU Plan**" means Alaris' RSU plan, as more particularly described in the 2020 Circular incorporated by reference herein.

"**RSUs**" mean restricted share units issued or authorized for issuance pursuant to the RSU Plan.

"**RTU Plan**" means the restricted trust unit plan of the Trust to be adopted as of the Effective Time.

"**Sale Trustee**" means the Depository or such other Person as Alaris and the Trust may select prior to the Effective Date.

"**SEC**" means the United States Securities and Exchange Commission.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators and accessible at [www.sedar.com](http://www.sedar.com).

"**Senior Credit Facility**" means the Company's senior syndicated credit facility under the credit agreement dated March 28, 2018 between the Company and the lender thereto, as amended, or amended and restated from time to time.

"**Shareholder Certifications**" means collectively the Non-US Shareholder Certification, the Qualified US Shareholder Certification (QIB), the Qualified US Shareholder Certification (Non-QIB) and the Non-Eligible US Shareholder Certification and each is a Shareholder Certification.

"**Shareholders**" means the holders of Common Shares.

"**SIFT Trust Rules**" means the provisions in the Tax Act that apply to a SIFT trust, as defined in the Tax Act.

"**Similar US Law**" means any state or local Law that would have the same effect as ERISA Section 3(42) and the Plan Asset Regulations as to cause the underlying assets of the Trust to be treated as assets of an investing entity by virtue of its investment (or any beneficial interest) in the Trust and thereby subject the Trust to Laws or regulations that are similar to the fiduciary or prohibited transaction provisions contained in Title I of ERISA or Section 4975 of the US Tax Code.

"**Special Voting Units**" means the special voting units of the Trust to be received by the holders of Exchangeable Securities and authorized under the Declaration of Trust.

"**Subsidiary**" has the meaning set out in the *Securities Act* (Alberta).

"**Supplemental Convertible Debenture Indenture**" means the first supplemental debenture indenture to be entered into among the Trust, Alaris and the Convertible Debenture Trustee evidencing the Trust's assumption, as successor to and

co-obligor jointly and severally with Alaris, of the covenants and obligations of Alaris under the Convertible Debenture Indenture and the Convertible Debentures.

"**Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1. (5th Supp), including the regulations from time to time promulgated thereunder.

"**Trust Option**" means an option or right to purchase Trust Units granted by the Trust in replacement of Options pursuant to the Arrangement and the Trust Option Plan.

"**Trust Option Plan**" means the unit option plan of the Trust to be adopted as of the Effective Time.

"**Trust Property**" means, at any particular time, any and all assets of the Trust, including all proceeds therefrom.

"**Trust RTU**" means a restricted trust unit granted by the Trust under the RTU Plan, including those restricted trust units issued in replacement of RSUs pursuant to the Arrangement.

"**Trust Unit**" means a unit of the Trust (other than a Special Voting Unit) authorized and issued under the Declaration of Trust for the time being outstanding and entitled to the benefits and subject to the limitations set forth in the Declaration of Trust.

"**Trustees**" means, as of any particular time, all of the trustees holding office under and in accordance with the Declaration of Trust, in their capacity as trustees hereunder, and "**Trustee**" means any of them.

"**TSX**" means the Toronto Stock Exchange.

"**United States**" or "**US**" means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia.

"**Unitholder**" means the holders of Trust Units.

"**US Exchange Act**" means the United States *Exchange Act of 1934*, as amended, and the rules, regulations and orders promulgated thereunder.

"**US Investment Company Act**" means the United States *Investment Company Act of 1940*, as amended, and the rules, regulations and orders promulgated thereunder.

"**US Person**" has the meaning given to that term in Rule 902 of Regulation S promulgated under the US Securities Act.

"**US Securities Act**" means the United States *Securities Act of 1933*, as amended, and the rules, regulations and orders promulgated thereunder.

"**US Shareholder**" means a Shareholder that is a US Person.

"**US Tax Code**" means the United States *Internal Revenue Code of 1986*, as amended, and the rules, regulations and orders promulgated thereunder.

"**Voting Unitholders**" means, collectively, holders of Voting Units, and "**Voting Unitholder**" means any one of them.

"**Voting Units**" means, collectively, the Trust Units and the Special Voting Units, and "**Voting Unit**" means any one of them.

## CURRENCY AND EXCHANGE RATES

All dollar references in this Information Circular (and any documents incorporated by reference in the Information Circular) are in Canadian dollars, unless otherwise indicated. The following table sets forth, for each of the periods indicated, the period end daily average exchange rate, the average exchange rate and the high and low daily average exchange rates of one United States dollar in exchange for Canadian dollars, as reported by the Bank of Canada.

	Six Months Ended June 30		Year ended December 31		
	2020	2019	2019	2018	2017
Rate at End of Period	\$1.3628	\$1.3087	\$1.2988	\$1.3642	\$1.2545
Average Rate During Period	\$1.3651	\$1.3336	\$1.2988	\$1.2957	\$1.2986
High	\$1.4496	\$1.3600	\$1.3600	\$1.3642	\$1.3743
Low	\$1.2970	\$1.3087	\$1.2988	\$1.2288	\$1.2128

The daily average exchange rate on July 20, 2020, as reported by the Bank of Canada, for the conversion of one United States dollar was \$1.3543.

## FORWARD-LOOKING STATEMENTS AND NON-IFRS MEASURES

### *Forward-Looking Statements*

This Information Circular, including the Appendices hereto, contains forward-looking statements and forward-looking information (together, "**forward-looking statements**") as defined under applicable Canadian securities Law. Statements other than statements of historical fact contained in this Information Circular may be forward-looking statements, including, without limitation, statements regarding: (a) the impact, effects and benefits of the Arrangement; (b) the timing of the Final Order and Effective Date; (c) the timing of the delisting of the Common Shares and the listing of the Trust Units; (d) the satisfaction of the conditions to listing the Trust Units; and (e) declaration and payment of distributions (or equivalents) and the amounts thereof.

Many of these statements can be identified by looking for words such as "believe", "expects", "will", "should", "plan", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof.

By their nature, forward-looking statements require Alaris to make assumptions and are subject to inherent risks and uncertainties. In addition to other factors and assumptions which may be identified in this Information Circular (including the documents incorporated by reference), assumptions have been made in respect of such forward-looking statements regarding, among other things: (a) the receipt of required approvals; (b) satisfaction of the conditions to listing the Trust Units and the conditions precedent in the Arrangement Agreement; (c) general economic conditions and the performance of the Canadian, US and global economics over the next 24 months; (d) interest rates not rising in a material way over the next 12 to 24 months; (e) the ongoing impact of COVID-19 on Alaris, its Partners and the broader Canadian, US and global economies; (f) the recovery of any Partners affected by COVID-19; (g) the general performance and financial condition of Alaris' Partners; (h) Partners' ability to continue to pay distributions and other amounts to Alaris; and (i) the Canadian-US exchange rate over the next 6 to 12 months.

There can be no assurance that the assumptions, plans, intentions or expectations upon which these forward-looking statements are based will occur. Forward-looking statements are subject to risks, uncertainties and assumptions and should not be read as guarantees or assurances of future performance. The actual results of the Company, its Partners or the Trust could differ materially from those anticipated in the forward-looking statements contained herein as a result of certain risk factors, including, without limitation, the following risk factors, and those contained elsewhere in this Information Circular: a failure to obtain required Court, Shareholder and regulatory approvals for the Arrangement; a failure to realize the benefits of the Arrangement; a failure to satisfy the conditions for listing the Trust Units on the TSX; how many of Alaris' Partners will experience a slowdown or temporary closure of their business, and the length of time of such slowdown or temporary closure, as a result of COVID-19; the ability of Alaris' Partners and, correspondingly, Alaris and the Trust to meet performance expectations for 2020 and beyond as a result of COVID-19; the dependence of Alaris and the Trust on the Partners; reliance on key personnel; general economic conditions, including the ongoing impact of COVID-19 on the Canadian, US and global economies; failure to complete or realize the anticipated benefit of Alaris' financing arrangements with the Partners; a failure to obtain required regulatory approvals on a timely basis or at all; changes in legislation and regulations and the interpretations thereof; risks relating to the Partners and their businesses, including, without limitation,

a material change in the operations of the Partners or the industries they operate in; inability to close additional Partner contributions; inability to realize proceeds from any redemptions in a timely fashion on anticipated terms or at all; a change in the ability of the Partners to continue to pay Alaris' preferred distributions; fluctuations of dividends or distributions; restrictions on the potential growth of Alaris or the Trust as a consequence of the payment by Alaris or the Trust of substantially all of its operating cash flow; a change in the unaudited information of a Partners provided to the Company; and a failure to realize the benefits of any concessions or relief measures provided by Alaris to any Partners. Accordingly, readers are cautioned not to place undue reliance on any forward-looking statements contained in this Information Circular. Statements containing forward-looking statements reflect management's current beliefs and assumptions based on information in its possession on the date of this Information Circular. Although management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct.

The information contained in this Information Circular, including the information set forth under "*Risk Factors*" herein and in the AIF, identifies additional factors that could affect the operating results and performance of the Company and the Trust and other forward-looking statements contained herein.

Alaris has included the above summary of assumptions and risks related to forward-looking statements in this Information Circular and in the documents incorporated by reference herein in order to provide investors with a more complete perspective on Alaris' and, after the Arrangement, the Trust's, current and future operations. Such information is not exhaustive and may not be appropriate for other purposes. Alaris does not undertake to update any forward-looking statements, whether written or oral, that may be made, from time to time, by the organization or on its behalf, except as required by Law.

Shareholders should consult their tax advisors with respect to the tax consequences of the Arrangement, including any associated filing requirements and the effects of owning and disposing of Trust Units.

### ***Non-IFRS Measures***

The term Payout Ratio (used under "*The Arrangement – Reasons for the Arrangement*") is a financial measure used in this Information Circular that is not a standard measure under International Financial Reporting Standards ("**IFRS**"). Alaris' method of calculating Payout Ratio may differ from the methods used by other issuers. Therefore, the Company's Payout Ratio may not be comparable to similar measures presented by other issuers. The term Payout Ratio should only be used in conjunction with the Company's annual audited financial statements that are incorporated by reference into this Information Circular and copies of which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **INFORMATION FOR UNITED STATES SHAREHOLDERS**

### ***US Investment Company Act Considerations and Restrictions***

Given the nature of the Trust's undertaking after the completion of the Arrangement, and absent an exemption under the US Investment Company Act, the Trust may be deemed to be an "investment company" as defined in the US Investment Company Act. The US Investment Company Act, among other things, prohibits foreign investment companies from publicly offering their securities in the United States. However, the Trust will rely on an exemption under Section 3(c)(7) of the US Investment Company Act, which provides that a company is excluded from the definition of an "investment company", and is therefore excluded from regulation under the US Investment Company Act, if its securities have only been issued (A) outside the United States to non-US Persons in offshore transactions in reliance on Regulation S or (B) to Persons that are: (I)(a) located in the United States, (b) US Persons, or (c) acquiring securities for the account or benefit of Persons located in the United States or US Persons, and that are (II) Qualified Purchasers, and (III) it does not make, or propose to make, a public offering of its securities in the United States. Consequently, to comply with the Section 3(c)(7) exemption, for so long as the Trust may be deemed to be an "investment company" as defined in the US Investment Company Act, the Trust will issue Trust Units only: (A) outside the United States to non-US Persons in offshore transactions in reliance on Regulation S or (B) to Persons that are: (I)(a) located in the United States, (b) US Persons, or (c) acquiring securities for the account or benefit of Persons located in the United States or US Persons, and that are (II) Qualified Purchasers, and (III) the Trust will not make, or propose to make, a public offering of its securities in the United States. Generally, Qualified US Shareholders that hold Trust Units may not resell Trust Units in the United States or to US Persons, or for the account or benefit of Persons located in the United States or US Persons. For a more complete description of the

restrictions affecting the Common Shares, see "*Ownership and Transfer Restrictions*" in the AIF incorporated by reference herein.

***ERISA Restriction of No Ownership by Plans***

The Trust will prohibit investment in Trust Units by "benefit plan investors" as well as other similar investors, and, therefore, notwithstanding anything that might be contained herein to the contrary, transfers of Trust Units to such investors will also be prohibited. For these purposes, "benefit plan investors" are "employee benefit plans" (within the meaning of Section 3(3) of ERISA) subject to Part 4 of Subtitle B of Title I of ERISA, plans (including individual retirement accounts and other arrangements) subject to Section 4975 of the US Tax Code, and entities whose underlying assets are deemed to include "plan assets" under the Plan Asset Rules. Other benefit plans that are not subject to the Plan Asset Rules, such as the plans of churches or Governmental Entities or other non-US plans, may be subject to Laws or regulations that are similar in effect to the Plan Asset Rules, the fiduciary responsibility requirements of ERISA or the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the US Tax Code, and, therefore, will be treated by the Trust as benefit plan investors. For a more complete discussion of the prohibition on investment by and transfers to benefit plan investors, see "*Ownership and Transfer Restrictions*" in the AIF incorporated by reference herein.

## DOCUMENTS INCORPORATED BY REFERENCE

Information concerning Alaris has been incorporated by reference in this Information Circular from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Legal Officer and Corporate Secretary of Alaris, at the Alaris' head office located at 250, 333 – 24 Avenue SW, Calgary, Alberta T2S 3E6, telephone (403) 228-0873, or on SEDAR at [www.sedar.com](http://www.sedar.com).

The following documents filed by the Company with the securities commission or similar authority in each of the provinces of Canada are specifically incorporated by reference into, and form an integral part of, this Information Circular:

- (a) the AIF;
- (b) the 2020 Circular;
- (c) the unaudited interim condensed consolidated financial statements of the Company as at and for the three months ended March 31, 2020 and 2019, together with the notes thereon;
- (d) audited consolidated financial statements of the Company as at for the years ended December 31, 2019 and 2018, together with the notes thereto and the auditor's report thereon;
- (e) management's discussion and analysis for unaudited interim condensed consolidated financial statements referred to in paragraph (c) above; and
- (f) management's discussion and analysis for the audited consolidated financial statements referred to in paragraph (d) above.

Any statement contained in this Information Circular or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded, for purposes of this Information Circular, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set out in the document that it modifies or supersedes. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Information Circular. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Any documents of the types referred to in the preceding paragraphs (a) through (f) (excluding confidential material change reports, if any), as well as business acquisition reports filed by the Company with the securities regulatory authorities in any of the provinces of Canada after the date of this Information Circular and prior to the Meeting shall be deemed to be incorporated by reference into this Information Circular.

## THE ARRANGEMENT

### Purpose and Structure of the Arrangement

The purpose of the Arrangement is to convert the Company into a publicly-traded income trust. The Arrangement, if approved, will result in Shareholders (other than Dissenting Shareholders and Non-Eligible US Shareholders) transferring their Common Shares to the Trust for an equivalent number of Trust Units. Trust Units otherwise distributable to a Non-Eligible US Shareholder under the Arrangement will be issued and delivered on their behalf to the Sale Trustee, as agent for such US Shareholder. Such Trust Units will be sold on behalf of such Non-Eligible US Shareholders over the facilities of the TSX or by private sale. Each Non-Eligible US Shareholder will receive a pro rata share of the cash proceeds from the sale of such Trust Units sold by the Sale Trustee (less any applicable withholding taxes) in lieu of Trust Units.

Upon completion of the Arrangement, the Trust will indirectly own all the shares of the Company which will continue to carry on the same activities that the Company carried on prior to the Arrangement and all of the directors of the Company



will serve as the Trustees of the Trust. The current officers of the Trust and the officers of the Trust immediately following completion of the Arrangement will be the same individuals who currently act as officers of the Company.

Subject to the completion of the Arrangement and no material change in Alaris' expected cashflow, it is expected that the Trust's distribution will increase over the Company's current quarterly dividend by \$0.02 per quarter (\$0.08 on an annualized basis). Otherwise it is expected that the Trust's distribution policy will remain consistent with the Company's current dividend policy and, assuming completion of the Arrangement on or before September 30, 2020, it is expected the Trust's first distribution will be payable to Unitholders of record on September 30, 2020 at the increased level of \$0.31 per Trust Unit for the quarter ended September 30, 2020 (\$1.24 per Trust Unit on an annualized basis) and paid on or about October 15, 2020.

The after-tax return from an investment in Trust Units to Unitholders subject to Canadian income tax will depend, in part, on the composition of the Trust's income for Canadian income tax purposes from which distributions on the Trust Units will be paid (portions of which may be fully or partially taxable or may constitute tax-deferred distributions which are not subject to tax at the time of receipt but reduce a Unitholder's cost base in the Trust Units for tax purposes). Management intends to determine the composition of the Trust's income for Canadian income tax purposes with the intent of maximizing ultimate value to Unitholders. See "*Information Concerning the Trust – Declaration of Trust and Description of Trust Units – Distribution Policy*".

The mandates and policies of the Trust in respect of governance matters will be substantially similar to those of the Company. For a description of corporate governance matters relating to the Company, see "*Statement of Corporate Governance Practices*" in the 2020 Circular, which is incorporated by reference in this Information Circular. See also "*Information Concerning the Trust – Declaration of Trust and Description of Trust Units – Trust Governance*".

Pursuant to the Arrangement and the Supplemental Convertible Debenture Indenture, the Trust will agree to become bound by the terms of the Convertible Debenture Indenture and the Convertible Debentures as successor to and co-obligor jointly and severally with Alaris, and all rights with respect to the conversion or redemption of the Convertible Debentures, as applicable, shall be in respect of Trust Units in lieu of Common Shares, and subject to any subsequent adjustments to the conversion price in respect thereof, the principal amount of Convertible Debentures shall be convertible into Trust Units at a conversion price of \$24.25 per Trust Unit. See "*The Arrangement – Effect of the Arrangement on the Outstanding Convertible Debentures*".

Pursuant to the Arrangement, the Trust will adopt the Trust Option Plan and each Option will be exchanged for one Trust Option where each Trust Option will have the same exercise price, expiry date and vesting date as such Option, and each such Option so exchanged will be cancelled. Pursuant to the Arrangement, each RSU will be exchanged for one Trust RTU where each Trust RTU will have the same vesting and expiry date as such RSU and each such RSU so exchanged will be cancelled. See "*The Arrangement – Effect of the Arrangement on Equity Compensation Plans*".

### **Background to and Reasons for the Arrangement**

As part of its regular risk management strategy, management regularly reviews Alaris' corporate structure for efficiency and compliance and governance risks. In 2019, in response to, among other matters, increasing governance and compliance pressure on cross-border financing structures, Alaris undertook a review of alternative structures in order to: (a) reduce the complexity and costs of its structure; (b) increase its distributions while reducing its Payout Ratio; and (c) reduce ongoing compliance and governance risks, all while maintaining a similar overall tax rate for the Company. During 2019 and into the first half of 2020 the Company engaged various advisors to assist it with its review. After careful consideration of a number of alternatives, including, maintaining its current structure, management proposed an income trust structure to the Board for consideration to achieve the above-noted goals.

As an initial step, in order to mitigate the potential adverse effects of the changes noted above, Alaris formed the Trust on May 31, 2020 (as a wholly-owned Subsidiary of Alaris) which, through a series of transactions, would be used (and has been used) by Alaris to replace the functions currently served by the Company's Dutch Subsidiary, Alaris Coöperatief U.A., such that the Company could immediately reduce its exposure to non-North American cross border legislative and regulatory requirements and reduce certain associated compliance and governance risks.

Throughout this process, management provided updates to the Board regarding the anticipated potential benefits of converting to an income trust, which benefits included those set forth below under "*Reasons for the Arrangement*", at Board meetings held in May and June of 2020. Following such board meetings, and in consultation with the Board, the Company announced its intention to pursue an income trust structure, which announcement was made on June 22, 2020. In such announcement, the Company noted that the planned conversion is part of the Company's plan to enhance securityholder value and for continued prudent growth and will help simplify the Company's existing cross-border investment structure and that cash flow generated by the activities and undertakings of Alaris will be distributed to Alaris securityholders (as Unitholders) in accordance with a trust distribution policy which is expected to result in after tax cash distribution amounts that are similar to the amounts distributed to Shareholders under the current dividend policy of the Company.

On July 17, 2020, the Board along with representatives of senior management of Alaris, together with the Company's outside legal counsel and Acumen, met to receive Acumen's opinion as to the fairness of the consideration to be received by Shareholders (other than Non-Eligible US Shareholders) under the Arrangement, and to review the terms of the Arrangement Agreement, the Plan of Arrangement and related matters. At the July 17, 2020 meeting, the Board, along with representatives of management and the Company's legal advisors provided a detailed summary of the Arrangement, and the terms and conditions of the Arrangement Agreement and certain other ancillary agreements. After such review, which was followed by certain questions that were responded to, Acumen delivered its formal presentation to the Board with respect to its analysis of the proposed Arrangement and subsequent to the same, provided its verbal fairness opinion and advised that the consideration to be received by Shareholders (other than Non-Eligible US Shareholders) under the Arrangement was fair, from a financial point of view, to the Shareholders, subject to various assumptions, qualifications and limitations that would be contained in its written Fairness Opinion, set forth as Appendix "B" to this Information Circular.

After Acumen's presentation and delivery of its verbal fairness opinion, representatives of Acumen and senior management of Alaris departed the meeting so that the Board could continue to discuss and deliberate on the Arrangement in the presence of the Company's external legal counsel. Upon discussion, deliberation and review, and after consulting with its legal advisors and considering the risks and the potential benefits of the Arrangement as set forth below under "*Reasons for the Arrangement*", the Board unanimously:

- determined that the Arrangement is fair to Shareholders and in the best interests of the Company; and
- resolved to recommend to Shareholders that they vote in favour of the Arrangement Resolution.

### **Recommendation of the Board**

**The Board has unanimously determined that the Arrangement is fair to the Shareholders and in the best interests of the Company. Accordingly, the Board has unanimously approved the Arrangement and unanimously recommends that the Shareholders vote in favour of the Arrangement Resolution.**

In reaching its determination and making its recommendation set out above, the Board considered a number of factors, including the Fairness Opinion, the mechanics, structure and timing of implementation of the Arrangement, the availability of rights for Shareholders to dissent from the Arrangement, and the requirement that the Arrangement be approved by two-thirds of the Common Shares voted in real time or by proxy at the virtual Meeting as well as the other matters described below under "*Reasons for the Arrangement*".

Each member of the Board, as well as each officer and certain other Shareholders of the Company, intends to vote all Common Shares held or controlled by him or her, directly or indirectly, in favour of the Arrangement Resolution. As at the date hereof, the directors and officers of the Company, beneficially owned, directly or indirectly, or exercised control or direction over, an aggregate of 1,722,562 Common Shares, representing approximately 4.8% of the Company's issued and outstanding Common Shares.

### **Reasons for the Arrangement**

In evaluating the Arrangement, the Board consulted with the Company's management as well as the legal and financial advisors retained by the Company and considered a variety of factors, including those listed below. The Board based its recommendation upon the totality of the information presented to and considered by it in light of its knowledge of the

business, financial condition and prospects of the Company, after taking into account the advice of financial and legal advisors and the advice and input of management.

The following summary of the information and factors considered by the Board is not intended to be exhaustive but includes a summary of the material information and factors considered in contemplation of the Arrangement. In view of the variety of factors and the amount of information taken into account in connection with the consideration of the Arrangement, the Board did not find it practicable to, and did not, quantify or otherwise attempt to assign any relative weight to each of the specific factors considered in reaching its conclusions and recommendations.

- the income trust structure is expected to result in a materially simplified cross-border investment structure involving fewer foreign jurisdictions, which is expected to reduce the Trust's compliance and administrative costs and exposure to changes in foreign Laws, including foreign tax Laws;
- the income trust structure is expected to increase the amount of cash available for distribution to Unitholders, while at the same time reducing the Payout Ratio;
- the Trust will continue to operate on the same fundamentals that contributed to Alaris' success, being:
  - focusing on a portfolio of Partner opportunities;
  - providing stable cash flows through diverse Partner businesses;
  - striving for operational excellence; and
  - maintaining financial strength and flexibility;
- it is anticipated that the reorganization of Alaris' activities and undertakings into an income trust structure may attract new investors;
- Alaris will continue to make Partner investments and expand Alaris' activities and undertakings, further enhancing potential value for the Unitholders;
- cash distributions to Unitholders are anticipated to provide an attractive return without impairing the ability of the Trust to sustain its existing investments and other opportunities;
- it is anticipated that the combined value of distributions plus the market value of the Trust Units will be greater on both a pre-tax and after-tax basis than the combined value of dividends that could otherwise be paid on the Common Shares plus the market value of the Common Shares;
- the conclusions set out in the Fairness Opinion;
- that the Arrangement Resolution must receive the approval of at least two-thirds of the votes cast by Shareholders, voting in real time or by proxy at the virtual Meeting;
- that the Arrangement is subject to Court approval, which will consider, among other things, the fairness and reasonableness of the Arrangement to Shareholders;
- that Shareholders will be afforded a right to dissent and to demand repurchase of their Common Shares for fair value through the exercise of Dissent Rights if the Arrangement is approved and consummated;
- although the Trust will be a "SIFT trust" for purposes of the Tax Act, the consequences to the Trust and Unitholders are not expected to be adverse (as compared to the status of unitholders of a publicly traded trust that is not a SIFT trust) because the Trust is not expected to earn income that would result in the Trust being subject to tax under the SIFT Trust Rules. Management anticipates that all distributions to Unitholders will be funded by sources that are not subject to tax under the SIFT Trust Rules. For Unitholders who are Residents and not exempt from tax under the Tax Act, expected Trust distributions will generally be taxed in the hands of a Unitholder as foreign-sourced ordinary income (e.g. interest on foreign debt), as capital gains, as taxable dividends from a Canadian corporation, or a combination of the foregoing depending on the composition of the particular distribution except for certain expected distributions which will constitute tax-deferred distributions

which are not subject to tax at the time of receipt but reduce a Unitholder's adjusted cost base in the Trust Units for tax purposes. For Unitholders who are Non-Residents, these distributions which otherwise would be included in the income of such Unitholder (determined in accordance with the Tax Act) will generally be subject to Canadian withholding tax at rates applicable to trust distributions;

- that the trust structure simplifies and reduces the administrative burden of Alaris' current organizational structure, which is expected to result in cost savings and decreased governance risk (including by reducing Alaris' exposure to legislative and economic changes of a third country, thereby providing greater operational certainty); and
- that the trust structure will comply with applicable US legislation while maintaining an internal efficiency substantially consistent with Alaris' current structure.

The Board also considered potential risks concerning the Arrangement in connection with its deliberations, including the following:

- the risk that the required approval of Shareholders is not obtained at the Meeting;
- the risk that management's attention will be diverted, including from other strategic opportunities and operational matters, while working toward the completion of the Arrangement;
- the risk that the Arrangement may not be completed despite the parties' efforts or that completion of the Arrangement may be unduly delayed, even if the required approval of Shareholders is obtained, including the possibility that conditions to the parties' obligations to complete the Arrangement may not be satisfied, and the potential for resulting disruptions to the Company and its Shareholders and other stakeholders;
- the fact that the Company has incurred and will continue to incur significant transaction costs and expenses in connection with the Arrangement, regardless of whether the Arrangement is completed;
- the taxation to Unitholders of distributions and the composition of such distributions as set out herein;
- the matters described under "*Forward-Looking Statements and Non-IFRS Measures*"; and
- the matters described under "*Risk Factors*".

The foregoing discussion of factors considered by the Board is not meant to be exhaustive but includes the material factors considered by the Board in approving the Arrangement. The Board concluded that the potentially negative factors associated with the Arrangement were outweighed by the potential benefits that the Board expects the Company and its Shareholders to achieve as a result of the Arrangement. Accordingly, the Board unanimously approved the Arrangement.

### **Fairness Opinion**

In connection with the evaluation by the Board of the Arrangement, the Board received the Fairness Opinion to the effect that, as of July 17, 2020, the consideration to be received by Shareholders (other than Non-Eligible US Shareholders) pursuant to the Arrangement is fair, from a financial point of view, to Shareholders. The Fairness Opinion was only one of many factors considered by the Board in evaluating the Arrangement and was not determinative of the views of the Board with respect to the Arrangement. **The following summary of the Fairness Opinion is qualified in its entirety by reference to the full text of the Fairness Opinion attached as Appendix B to this Information Circular. Shareholders should read the Fairness Opinion in its entirety.**

Acumen was engaged by the Board as a financial advisor to the Board through an engagement agreement dated as of June 26, 2020 (the "**Engagement Agreement**"). Pursuant to the Engagement Agreement, Acumen agreed to provide, among other things, financial analysis and advice with respect to the Arrangement and to deliver a fairness opinion to the Board if requested.

At the meeting of the Board held on July 17, 2020, Acumen delivered an oral opinion, subsequently confirmed in writing by the Fairness Opinion, that, as at such date, and subject to the assumptions, limitations and qualifications set forth in the Fairness Opinion, the consideration to be received by Shareholders (other than Non-Eligible US Shareholder) pursuant to the Arrangement is fair, from a financial point of view, to Shareholders.

The full text of the Fairness Opinion, which sets forth among other things, assumptions made, matters considered, information reviewed and limitations on the review undertaken by Acumen in connection with the Fairness Opinion, is attached as Appendix B to this Information Circular. **The Fairness Opinion was provided solely for use of the Board in connection with their evaluation of the consideration to be received by Shareholders (other than Non-Eligible US Shareholder) pursuant to the Arrangement from a financial point of view and the Fairness Opinion may not be relied upon by any other Person. The Fairness Opinion is not and is not intended to be and does not constitute a recommendation as to how Shareholders should vote in respect of the Arrangement Resolution.**

The Engagement Agreement provides for the payment to Acumen of a fixed fee in respect of the preparation and delivery of the Fairness Opinion. Acumen's fees are not contingent on the completion of the Arrangement, or any other transaction of the Company or on the conclusions reached therein. In addition, Acumen is to be reimbursed for its reasonable out-of-pocket expenses and is to be indemnified by the Company in certain circumstances.

Acumen has not provided any financial advisory services or participated in any financing involving the Company, the Trust or any of their respective associates or Affiliates within the past twenty-four months, other than services provided under the Engagement Agreement, described in the Fairness Opinion, in connection with Alaris' current normal course issuer bid, or in respect of the public offering of the Convertible Debentures.

There are no other understandings, agreements, or commitments between Acumen and any of the interested parties with respect to any current or future business dealings which would be material to the Fairness Opinion.

### **General Description of the Arrangement**

The following description of certain material provisions of the Plan of Arrangement is a summary only, is not comprehensive and is qualified in its entirety by reference to the full text of the Plan of Arrangement, a copy of which is attached as Schedule A of Appendix C.

The Company, the Trust and AcquireCo, have entered into the Arrangement Agreement dated July 20, 2020, which provides for the implementation of the Plan of Arrangement pursuant to Section 192 of the CBCA. Generally, pursuant to the Plan of Arrangement, Shareholders (other than Dissenting Shareholders and Non-Eligible US Shareholders) will become Unitholders and will no longer own Common Shares. Trust Units otherwise distributable to a Non-Eligible US Shareholder under the Arrangement will be issued and delivered on their behalf to the Sale Trustee, as agent for such US Shareholder. Such Trust Units will be sold on behalf of such Non-Eligible US Shareholders over the facilities of the TSX or by private sale. Each Non-Eligible US Shareholder will receive a pro rata share of the cash proceeds from the sale of such Trust Units sold by the Sale Trustee (less any applicable withholding taxes) in lieu of Trust Units. None of the Company, the Trust, the Sale Trustee or the Depositary will have any liability for any such proceeds received or the remittance thereof to such Shareholders. The Arrangement will become effective on the date of filing of the Final Order and the Articles of Arrangement and related documents in the form prescribed by the CBCA with the Director.

To effect the Arrangement: (i) the Company has formed the Trust and holds one Trust Unit; and (b) the Trust has incorporated AcquireCo.

The following is a general description of each of the events that will be deemed to occur on the Effective Date, except as otherwise expressly provided, in the order set forth below without further act or formality:

### **Subdivision of Initial Trust Unit**

- (a) the one Trust Unit issued to the Company upon formation of the Trust shall be subdivided into that number of Trust Units as is equal to the quotient obtained by dividing (i) the FMV of the initial Trust Unit at the Effective Time by (ii) the volume weighted average price of the Common Shares on the TSX over the five (5) consecutive trading days immediately prior to the Effective Date, determined by dividing the aggregate sale price of all Common Shares sold on the TSX over such period by the total number of Common Shares so sold, and such additional Trust Units resulting from such subdivision shall be outstanding as fully paid and non-assessable Trust Units and held by Alaris;

### Purchase and Cancellation of Initial Trust Units

- (b) each issued and outstanding Trust Unit, other than one Trust Unit, held by the Company (as subdivided as set forth above) shall be transferred and assigned by the Company to the Trust (free and clear of any Encumbrances (as defined in the Plan of Arrangement)) for cancellation (and shall upon such transfer and assignment be cancelled) in exchange for the issuance by the Trust to the Company of a non-interest bearing demand promissory note (the "**AT NIB Note 2**") in the principal amount equal to the FMV of such purchased and cancelled Trust Units;

### Dissenting Shareholders

- (c) the Common Shares held by Dissenting Shareholders who have validly exercised, and not withdrawn, Dissent Rights shall be deemed to have been transferred and assigned to AcquireCo (free and clear of any Encumbrances) for an amount to be determined and paid in the manner and in accordance with Article 4 of the Plan of Arrangement;

### Transfer of Common Shares to the Trust

- (d) each outstanding Common Share (other than Common Shares held by Dissenting Shareholders) (such Common Shares, the "**AT ARC Common Shares**") shall be transferred and assigned to the Trust (free and clear of any Encumbrances) in exchange for the issuance by the Trust of one fully paid and non-assessable Trust Unit, provided that, and notwithstanding the foregoing, Non-Eligible US Shareholders shall not receive Trust Units. Instead, Trust Units that would otherwise be issuable to Non-Eligible US Shareholders will be issued and delivered to the Sale Trustee for sale pursuant to Section 3.3 of the Plan of Arrangement;

### Purchase for Cancellation of Trust Unit held by Alaris

- (e) the remaining one issued and outstanding Trust Unit held by the Company (after the purchase for cancellation of such Trust Units as set forth above) shall be transferred and assigned to the Trust, free and clear of any Encumbrances) for cancellation (and shall upon such transfer and assignment be cancelled) in consideration for an increase to the principal amount of the AT NIB Note 2 for an amount equal to the FMV of such purchased and cancelled Trust Unit;

### Disposition by the Trust to AcquireCo of AT ARC Common Shares

- (f) the Trust shall transfer and assign all of the AT ARC Common Shares held by the Trust to AcquireCo in consideration for the issuance by AcquireCo to the Trust of: (i) that number of AcquireCo Common Shares as is equal to the number of outstanding AT ARC Common Shares; and (ii) a non-interest-bearing promissory note of AcquireCo (the "**AcquireCo NIB Note**"), payable on demand, with a principal amount equal to the sum of the aggregate principal amount of the AT NIB Note 1 and the aggregate principal amount of the AT NIB Note 2;

### Repayment of AT NIB Note 1 and AT NIB Note 2

- (g) the Trust shall repay and satisfy all amounts outstanding and payable to the Company under the AT NIB Note 1 and AT NIB Note 2 by transferring and assigning to the Company the AcquireCo NIB Note, and repaying any remaining balance in cash;

### Convertible Debentures

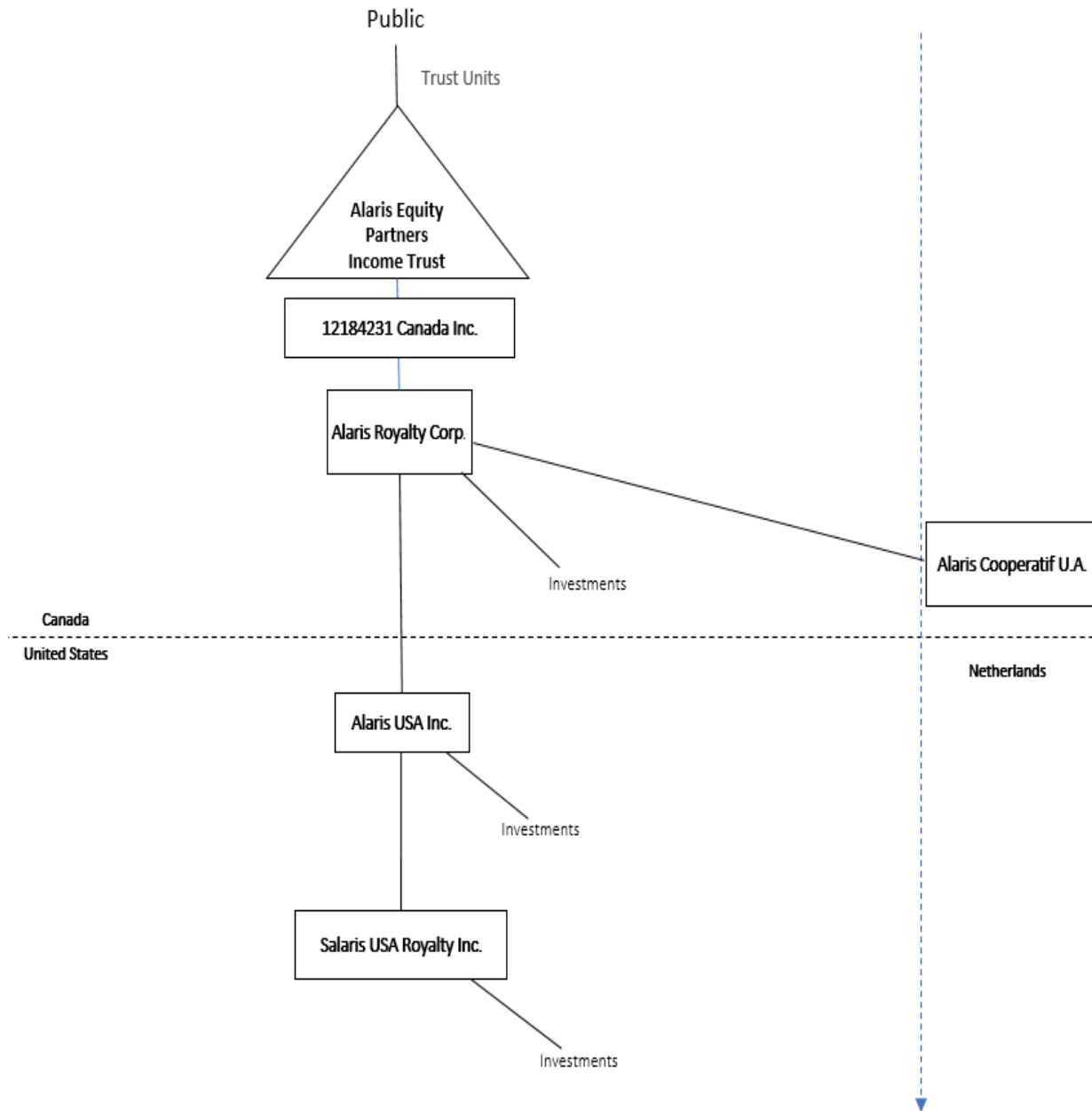
- (h) the Trust shall, among other things, assume, as successor to the Company and as co-obligor jointly and severally with the Company, all the covenants and obligations of the Company under the Convertible Debenture Indenture including without limitation all the covenants and obligations of the Company under the Convertible Debentures, and the Supplemental Convertible Debenture Indenture will become effective;

## Equity Compensation Plans

- (i) the Trust Option Plan shall become effective and each Option shall be exchanged for one Trust Option and each such Trust Option will have the same terms and conditions as such exchanged Option, and each such Option so exchanged will be cancelled; and
- (j) the RTU Plan shall become effective and each RSU shall be exchanged for one Trust RTU and each such Trust RTU will have the same terms and conditions as such exchanged RSU, and each such RSU so exchanged will be cancelled.

## Structure Following Completion of the Arrangement

The following chart illustrates the organizational structure of the Trust, including all material Subsidiaries, following the implementation of the Arrangement.



Alaris expects that after the Arrangement, it will take necessary steps and actions to wind up and dissolve Alaris Cooperatief U.A., its Dutch Subsidiary, in an orderly manner.

### **Fractional Units**

No fractional Trust Units shall be issued pursuant to the Arrangement. If a former holder of Common Shares is entitled to a fractional Trust Unit, such Trust Units shall be rounded to the nearest whole number (with halves of Trust Units rounded down), on condition that each former Beneficial Shareholder shall be entitled to the benefit of only one adjustment in respect of each of such holder's Trust Units.

### **Effect of the Arrangement on Shareholders**

Under the Arrangement, each Common Share held by Shareholders (other than Dissenting Shareholders and Non-Eligible US Shareholders) will be transferred to the Trust in consideration for one Trust Unit. Trust Units otherwise distributable to a Non-Eligible US Shareholder under the Arrangement will be issued and delivered on their behalf to the Sale Trustee, as agent for such Non-Eligible US Shareholder. Such Trust Units will be sold on behalf of such Non-Eligible US Shareholders over the facilities of the TSX or by private sale. Each Non-Eligible US Shareholder will receive a pro rata share of the cash proceeds from the sale of such Trust Units sold by the Sale Trustee (less any applicable withholding taxes) in lieu of Trust Units. None of the Company, the Trust, the Sale Trustee or the Depositary will have any liability for any such proceeds received or the remittance thereof to such Shareholders.

### **Effect of the Arrangement on the Outstanding Convertible Debentures**

Holders of Convertible Debentures may receive Common Shares, in among other scenarios, by conversion at the option of the holder at any time prior to the close of business on the earlier of maturity of the Convertible Debentures and the Business Day immediately preceding the date specified by Alaris for redemption of the Convertible Debentures, at the conversion price of \$24.25 per share, subject to adjustment on the occurrence of certain events. In connection with the Arrangement, and pursuant to the successor provisions contained in the Convertible Debenture Indenture and the Supplemental Convertible Debenture Indenture, the Trust will assume, as successor to and co-obligor jointly and severally with Alaris, the covenants and obligations of Alaris under the Convertible Debenture Indenture and the Convertible Debentures. Provided the Arrangement is completed, holders of Convertible Debentures will thereafter be entitled to receive Trust Units, rather than Common Shares, on conversion or redemption after the Effective Time. All other terms and conditions of the Convertible Debenture Indenture will continue to apply. The Trust has received conditional approval from the TSX for the listing of the Convertible Debentures and the Trust Units to be issued on conversion of the Convertible Debentures.

### **Effect of the Arrangement on Equity Compensation Plans**

Directors, officers and employees of Alaris and its Affiliates are currently eligible to participate in the Option Plan and RSU Plan. In connection with the Arrangement, all outstanding Options and RSUs will be exchanged for equivalent Trust Options and Trust RTUs, as applicable, such that participants will be entitled to receive Trust Units in lieu of Common Shares thereunder and otherwise in accordance with the applicable terms and conditions that existed prior to completion of the Arrangement.

The form of the Trust Option Plan and RTU Plan are set forth in Appendices E and F, respectively, attached hereto.

### **Effect of the Arrangement on Shareholders with Respect to US Investment Company Act and ERISA Matters**

Given the nature of the Trust's undertaking after the completion of the Arrangement, the Trust may be deemed to be an "investment company" as defined in the US Investment Company Act and subject to the rules and regulations thereof. The US Investment Company Act, among other things, prohibits foreign investment companies from offering their securities in the United States, which would prohibit the Trust from accessing the United States capital markets to fund its future growth. In addition to the restriction set forth in the Declaration of Trust with respect to Non-Eligible US Shareholders as described below under "*Information Concerning the Trust – Declaration of Trust and Description of Trust Units – Ownership and Transfer Restrictions Applicable to all Unitholders*", by completing the Arrangement in the manner described herein with respect to Non-Eligible US Shareholders, the Trust will be able to rely on the exemption provided in Section 3(c)(7) of the US Investment Company Act, which provides that a company is excluded from the definition of an



"investment company", and therefore excluded from regulation under the US Investment Company Act, if its securities have only been issued: (A) outside the United States to non-US Persons in offshore transactions in reliance on Regulation S; or (B) to Persons that are: (I)(a) located in the United States, (b) US Persons, or (c) acquiring securities for the account or benefit of Persons located in the United States or US Persons, and that are (II) Qualified Purchasers, and (III) it does not make, or propose to make, a public offering of its securities in the United States. Therefore, by completing the Arrangement in the manner described herein, the Trust will be able to access the United States capital markets, which will provide the Trust with greater flexibility in funding its future growth. In addition, by completing the Arrangement in the manner described herein with respect to Non-Eligible US Shareholders, it will ensure that the Trust will not be subject to the Plan Asset Rules, which will allow the Trust greater flexibility in expanding its activities and undertakings in Canada and the United States.

If approved, the Arrangement will result in an exchange of Common Shares held by US Shareholders for Trust Units, except in limited circumstances where Common Shares are held by Non-Eligible US Shareholders. The Declaration of Trust provides for certain terms and conditions in respect of US Investment Company Act matters and ERISA matters which are substantially similar to the terms and conditions attached to the current Common Shares, including certain provisions that are designed to ensure the Trust's compliance with the US Investment Company Act and the Plan Asset Rules. Specifically, the terms of the Declaration of Trust provides the Trust with the ability to require a holder of Trust Units to sell such Trust Units if they were acquired in contravention of the US Investment Company Act and the ERISA restrictions set forth below under "*Information Concerning the Trust – Declaration of Trust and Description of Trust Units – Ownership and Transfer Restrictions Applicable to all Unitholders*". Under applicable US securities Laws and the terms of the Declaration of Trust, the Trust cannot distribute Trust Units to any US Shareholders that are Non-Eligible US Shareholders. Consequently, Trust Units otherwise distributable to a Non-Eligible US Shareholder under the Arrangement will be issued and delivered on their behalf to the Sale Trustee, as agent for such US Shareholder (and without liability, except for gross negligence or willful misconduct). Such Trust Units will be sold on behalf of such Non-Eligible US Shareholders over the facilities of the TSX or by private sale. Each Non-Eligible US Shareholder will receive a pro rata share of the cash proceeds from the sale of such Trust Units sold by the Sale Trustee (less any applicable withholding taxes) in lieu of Trust Units. None of the Company, the Trust, the Sale Trustee or the Depositary will have any liability for any such proceeds received or the remittance thereof to such Shareholders.

Dealers will be notified of the need to prevent purchases by Persons located in the United States or US Persons that are Non-Eligible US Shareholders during the 40 days following Closing. These procedures are intended to prevent existing US holders who are Non-Eligible US Shareholders and cashed out from circumventing the reorganization by purchasing Trust Units in the secondary markets. If the Arrangement is approved by the requisite majority of Shareholders at the Meeting, the Effective Date is expected to be on or about September 1, 2020.

#### *US Investment Company Act Considerations*

Based on the Trust's current and anticipated undertaking and assets after the Arrangement, and absent an exemption provided under the US Investment Company Act, the Trust may be deemed to be an "investment company" as defined in the US Investment Company Act and subject to the rules and regulations thereof, including a requirement to register with the SEC. The US Investment Company Act, among other things, prohibits foreign investment companies from publicly offering their securities in the United States. However, the Trust intends to rely on the exemption provided in Section 3(c)(7) of the US Investment Company Act, which provides that a company is excluded from the definition of an "investment company", and therefore excluded from regulation under the US Investment Company Act, if its securities have only been issued: (A) outside the United States to non-US Persons in offshore transactions in reliance on Regulation S or (B) to Persons that are: (I)(a) located in the United States, (b) US Persons, or (c) acquiring securities for the account or benefit of Persons located in the United States or US Persons, and that are (II) Qualified Purchasers, and (III) it does not make, or propose to make, a public offering of its securities in the United States. The Trust has included provisions in the Declaration of Trust and Plan of Arrangement as a means of ensuring that the Trust complies with the foregoing exemption and is not subject to regulation under US Investment Company Act. Under the Plan of Arrangement, Trust Units shall only be issued to Eligible US Shareholders that are Qualified Purchasers and that are not ERISA Persons. Trust Units that would otherwise have been issuable to Non-Eligible US Shareholders will be issued and delivered to the Sale Trustee and will be sold, on behalf of such Non-Eligible US Shareholders, over the facilities of the TSX or by private sale.

### *ERISA Considerations*

If an ERISA Plan holds Trust Units, the Trust may be subject to the Plan Asset Rules and certain restrictions may be placed on the Trust's undertakings. The Plan Asset Rules generally provide that when an ERISA Plan acquires an equity interest in an entity that is neither a "publicly-offered security" (as defined in the Plan Asset Regulations) nor a security issued by an investment company registered under the US Investment Company Act, the ERISA Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity unless it is established either that equity participation in the entity by "benefit plan investors" is not significant or that the entity is an "operating company," in each case as defined in the Plan Asset Regulations. For purposes of the Plan Asset Rules, equity participation in an entity by benefit plan investors will not be significant if they hold, in the aggregate, less than 25% of the value of each class of equity interests of such entity, excluding equity interests held by any Person (other than a benefit plan investor) who has discretionary authority or control with respect to the assets of the entity or who provides investment advice for a fee (direct or indirect) with respect to the assets, and any affiliates of such Person. For purposes of this 25% test, "benefit plan investors" include "employee benefit plans" (within the meaning of Section 3(3) of ERISA) subject to Part 4 of Subtitle B of Title I of ERISA, plans (including individual retirement accounts and other arrangements) subject to Section 4975 of the US Tax Code, and any entity whose underlying assets are deemed to include "plan assets" under the Plan Asset Rules. Other benefit plans that are not subject to the Plan Asset Rules, such as the plans of churches or Governmental Entities may be subject to Similar US Law, and, therefore, will be treated by the Trust as benefit plan investors.

If under the Plan Asset Rules or Similar US Law, the Trust's assets are deemed to be "plan assets" of an ERISA Plan, whose assets were invested in the Trust, this would result, among other things, in (a) the application of the prudence and other fiduciary responsibility standards of ERISA to investments made by the Trust, and (b) the possibility that certain transactions that the Trust or its Subsidiaries have entered into, or may enter into, in the ordinary course of business might constitute non-exempt prohibited transactions under Section 406 of ERISA and/or Section 4975 of the US Tax Code or Similar US Law and as such, might be subject to fines and penalties and have to be rescinded. A non-exempt prohibited transaction may also result in the imposition of a penalty tax under the US Tax Code or the tax disqualification of an individual retirement account.

For the purposes of the Plan Asset Rules: (a) the Trust Units to be issued pursuant to the Arrangement are not and will not be "publicly offered securities"; and (b) the Trust is not, and does not intend to become a registered investment company under the US Investment Company Act; and (c) the Trust will not qualify as an operating company within the meaning of the Plan Asset Regulations. In addition, although the Trust intends to prohibit the acquisition and holding of Trust Units by ERISA Plan investors, the Trust does not intend to monitor whether investments in Trust Units following the Arrangement by any plan investors will be "significant" for purposes of the Plan Asset Regulations. As such, the provisions of the Declaration of Trust and the Plan of Arrangement are a means to ensure the Trust does not become subject to regulation under the Plan Asset Rules or Similar US Law and provide the Trust with greater flexibility in expanding its activities and undertakings in Canada and the United States. Pursuant to the Arrangement and the terms of the Declaration of Trust, Trust Units will not be issued to any ERISA Person or any other US Shareholder who purchased their Trust Units with the assets of an ERISA Plan. Upon completion of the Arrangement, the Trust will indirectly own all the shares of the Company, which will continue to carry on the same activities that the Company carried on prior to the Arrangement, and as such the Trust will be subject to substantially similar ERISA restrictions that currently apply to the Company and are set forth in the Company's articles and the terms of its Common Shares. Instead, Trust Units that would otherwise have been issuable to such Persons will be issued and delivered to the Sale Trustee and will be sold, on behalf of such Shareholders, over the facilities of the TSX.

### *Eligible US Shareholders*

A US Shareholder who otherwise meets the requirements for treatment as an Eligible US Shareholder will only be treated as such under the Arrangement once that US Shareholder submits (and does not withdraw), a properly completed and executed Qualified US Shareholder Certification (QIB) or Qualified US Shareholder Certification (Non-QIB), as applicable, as set forth in the BLUE Letter of Transmittal accompanying this Information Circular confirming the US Shareholder's status as an Eligible US Shareholder and electing to receive Trust Units. The Qualified US Shareholder Certification (QIB) or Qualified US Shareholder Certification (Non-QIB), as applicable, should be returned to the Depository by mail, hand or

courier to the applicable address set forth in the BLUE Letter of Transmittal, so that it is received no later than the Certification Deadline. Each Eligible US Purchaser who completes a Qualified US Shareholder Certification (QIB) or Qualified US Shareholder Certification (Non-QIB) prior to the Certification Deadline to the satisfaction of the Trust shall receive Trust Units as part of the Arrangement as described in this Information Circular. Any registered Eligible US Shareholder that does not submit a Qualified US Shareholder Certification (QIB) or Qualified US Shareholder Certification (Non-QIB), as applicable, prior to the Certification Deadline will be treated as a Non-Eligible US Shareholder. See "*Shareholder Certifications – Registered Shareholders*".

#### *Non-Eligible US Shareholders*

Non-Eligible US Shareholders should submit a Non-Eligible US Shareholder Certification as set forth in the BLUE Letter of Transmittal to the Depository prior to the Certification Deadline. Under the US Investment Company Act, the Trust cannot distribute Trust Units to US Shareholders who are Non-Eligible US Shareholders. Consequently, Trust Units that would otherwise be distributable to Non-Eligible US Shareholders under the Arrangement will be issued and delivered on their behalf to the Sale Trustee, as agent of such Non-Eligible US Shareholder (and without liability, except for gross negligence or willful misconduct), for sale through the facilities of the TSX or by private sale. Each such Non-Eligible US Shareholder will be entitled, upon delivery of certificates representing such Non-Eligible US Shareholder's Common Shares to the Depository or as directed by Alaris and the Trust, to receive a cash payment in lieu of Trust Units representing such Non-Eligible US Shareholder's pro rata share of the sale proceeds from the Common Shares (less any applicable withholding taxes).

All Trust Units that are to be sold for Non-Eligible US Shareholders (or Eligible US Shareholders who fail to submit the applicable Qualified US Shareholder Certification prior to the Certification Deadline) as described above will be sold as soon as practicable after the completion of the Arrangement. Any such sale of Trust Units shall be affected through a registered investment dealer on the stock exchange on which the Trust Units are then listed or by private sale. As soon as reasonably possible after the sale of all such Trust Units, a payment will be forwarded (or held for pick-up) to each Non-Eligible US Shareholder (or Eligible US Shareholders who fail to submit the applicable Qualified US Shareholder Certification prior to the Certification Deadline) in an amount equal to that Non-Eligible US Shareholder's pro rata share of the proceeds (less any applicable withholding taxes) received as a result of all such sales. The sale price of the Trust Units sold on behalf of such Non-Eligible US Shareholder (or Eligible US Shareholders who fail to submit the applicable Qualified US Shareholder Certification prior to the Certification Deadline) will fluctuate with the market price of the Trust Units and no assurances can be given that any particular price will be received upon such date. None of the Trust, the Company, the Sale Trustee, the Depository or any other Person will be liable for any loss arising out of any such sales of Trust Units, except for losses arising out of its gross negligence or willful misconduct.

#### **The Arrangement Agreement**

The following description of certain material provisions of the Arrangement Agreement is a summary only, is not comprehensive and is qualified in its entirety by reference to the full text of the Arrangement Agreement, a copy of which is attached as Appendix C.

The Arrangement is being effected pursuant to the Arrangement Agreement. The Arrangement Agreement contains covenants of each of the parties thereto and various mutual conditions precedent.

#### ***Mutual Conditions Precedent***

The Arrangement Agreement provides that the obligations of the parties to complete the Arrangement are subject to the fulfillment, on or before the Effective Time, of each of the following conditions precedent, each of which may only be waived by the mutual consent of each of the parties:

- (a) the Arrangement Resolution shall have been approved by the requisite number of votes cast by the Shareholders at the Meeting in accordance with the provisions of the Interim Order and any applicable regulatory requirements;
- (b) the Final Order shall have been granted in form and substance satisfactory to the parties, acting reasonably, not later than October 1, 2020, or such later date as the parties may agree;

- (c) the Articles of Arrangement and all necessary related documents, in form and substance satisfactory to the parties, acting reasonably, shall have been accepted for filing by the Director together with the Final Order in accordance with the CBCA;
- (d) no material action or proceeding shall be pending or threatened by any Person, company, firm, governmental authority, regulatory body or agency and there shall be no action taken under any existing applicable Law or regulation, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or governmental authority or similar agency, domestic or foreign, that:
  - (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Arrangement or any other transactions contemplated therein; or
  - (ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated therein;
- (e) all necessary material third party and regulatory consents, approvals and authorizations with respect to the transactions contemplated by the Arrangement Agreement shall have been completed or obtained including, without limitation, consents and approvals from Alaris' principal lenders (excluding, for greater certainty, the holders of Convertible Debentures);
- (f) as of the Effective Date, there shall be no registered Shareholders that hold, in aggregate, in excess of 5% of all outstanding Common Shares, that have validly exercised and not withdrawn their Dissent Rights; and
- (g) the TSX shall have conditionally approved the listing or the substitutional listing of the Trust Units to be issued, or issuable, pursuant to the Arrangement, subject only to the filing of required documents which cannot be filed prior to the Effective Date.

### ***Satisfaction of Conditions***

The conditions precedent set out in the Arrangement Agreement will be conclusively deemed to have been satisfied, waived or released, with the agreement of the parties, when the Certificate of Arrangement is issued by the Director.

### ***Covenants***

The Arrangement Agreement also contains various negative and positive covenants on the part of the parties.

In the Arrangement Agreement, the Company has agreed, among other things, to perform all of its obligations under the Arrangement Agreement, and further covenants that it will:

- (a) convene and conduct the Meeting in accordance with the Interim Order, the Company's articles of incorporation, amalgamation, arrangement or continuation, as applicable, its by-laws and Law as soon as reasonably practicable, but in any event no later than September 30, 2020, and not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the Meeting without the prior written consent of the Trust, except (i) in the case of an adjournment as required for quorum purposes, or (ii) as required by applicable Law or by a Governmental Entity;
- (b) not change the Record Date in connection with any adjournment or postponement of the Meeting unless required by Law or the Court;
- (c) promptly prepare and complete the Information Circular together with any other documents required by applicable Laws in connection with the Meeting and the Arrangement;
- (d) promptly, after obtaining the Interim Order, cause the Information Circular and such other documents to be filed with the applicable securities authority and sent to each Shareholder and other Persons as required by the Interim Order and applicable Laws, in each case so as to permit the Meeting to be held as soon as reasonably practicable;

- (e) ensure that the Information Circular complies in all material respects with applicable Laws and does not contain any untrue statement of any material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the circumstances in which they are made;
- (f) following the obtaining of the Interim Order and passing of the Arrangement Resolution, take all steps necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order, as soon as reasonably practicable after the Arrangement Resolution is passed at the Meeting;
- (g) in connection with all Court proceedings relating to the obtaining of the Interim Order and the Final Order,
  - (i) diligently pursue the Interim Order and the Final Order;
  - (ii) ensure that all material filed with the Court in connection with the Arrangement is consistent in all material respects with the terms of the Arrangement Agreement and the Plan of Arrangement, as they may be amended in accordance with their terms;
  - (iii) oppose any proposal from any party that the Final Order contains any provision inconsistent with the Arrangement Agreement; and
  - (iv) if at any time after the issuance of the Final Order and prior to the Effective Date, the Company is required by the terms of the Final Order or by Law to return to Court with respect to the Final Order, it shall do so; and
- (h) send the Articles of Arrangement to the Director as soon as practicable after the satisfaction or, where not prohibited, the waiver by the applicable party or parties in whose favour the condition is, of the conditions set out in Article 4 of the Arrangement Agreement (other than conditions that by their nature are to be satisfied on the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver by the applicable party or parties in whose favour the condition is, of those conditions as of the Effective Date), unless another time or date is agreed to in writing by the parties.

In the Arrangement Agreement, each of the Company and the Trust have agreed to (a) apply to list the Trust Units (including Trust Units to be issued on exercise, conversion or settlement, as the case may be, of Trust Options, Trust RTUs and Convertible Debentures) on the TSX, and shall use their respective commercially reasonable efforts to obtain approval, subject to customary conditions, for the listing of such Trust Units on the TSX, and (b) cooperate with each other in making the application to list the Trust Units (including Trust Units to be issued from time to time on exercise, conversion or settlement, as the case may be, of Trust Options, Trust RTUs and Convertible Debentures) on the TSX.

In the Arrangement Agreement, the Trust has agreed to, among other things, perform all of its obligations under the Arrangement Agreement and all such other acts and things as may be necessary to consummate and make effective the transactions contemplated by the Arrangement Agreement, including a number of specific actions relating to registrations and filings, obtaining consents, waivers, authorizations and approvals, and issuing the Trust Units.

#### **Procedure for the Arrangement Becoming Effective**

The Arrangement is proposed to be carried out pursuant to Section 192 of the CBCA. The following procedural steps must be taken for the Arrangement to become effective:

- (a) the Arrangement Resolution must be approved by the Shareholders at the Meeting in accordance with the Interim Order;
- (b) the Arrangement must be approved by the Court pursuant to the Final Order;
- (c) all conditions precedent to the Arrangement, including those set forth in the Arrangement Agreement, must be satisfied or waived by the appropriate parties;

- (d) the Articles of Arrangement and related documents in the form prescribed by the CBCA, together with a copy of the Final Order and Plan of Arrangement, must be filed with the Director; and
- (e) the Certificate of Arrangement must be issued by the Director.

### **Approvals Required for the Completion of the Arrangement**

#### ***Shareholder Approval***

At the Meeting, Shareholders will be asked to consider and vote on the Arrangement Resolution, the full text of which is set out in Appendix A.

Pursuant to the Interim Order, the Arrangement Resolution must be approved by the affirmative vote of two-thirds of the votes cast by the Shareholders attending the virtual Meeting or represented by proxy at the Meeting.

#### ***Confirmation of Support***

Holders of an aggregate of 1,991,867 Common Shares, including all directors, executive officers and certain other Shareholders of the Company, representing approximately 5.6% of the outstanding Common Shares, have indicated their intention to vote all of the Common Shares beneficially owned by them in favour of the Arrangement Resolution.

#### ***Court Approval***

The Company has applied for and obtained the Interim Order which provides for the calling and holding of the Meeting and other procedural matters. The Interim Order is attached as Appendix D. Subject to the terms of and satisfaction or waiver of the conditions precedent set forth in the Arrangement Agreement, and if the Arrangement Resolution is approved by Shareholders at the Meeting in the manner required by the Interim Order, the Company will make an application to the Court for the Final Order.

As set forth in the Interim Order, the hearing in respect of the Final Order is expected to take place at 3:30 p.m. (Calgary time) on August 31, 2020, or as soon thereafter as counsel may be heard, at the Court by video conference. At the hearing, any Shareholder and any other interested party who wishes to participate or to be represented or to present evidence or argument may do so, subject to filing with the Court and serving upon the Company a notice of appearance within the required time set out in the Interim Order, together with any evidence or materials that such party intends to present to the Court not later than five (5) Business Days prior to the hearing setting out such Shareholder's or other interested party's address for service by ordinary mail and indicating whether such Shareholder or other interested party intends to support or oppose the application or make submissions. Service of such notice shall be effected by service upon the solicitors for the Company, Burnet, Duckworth & Palmer LLP, Suite 2400, 525-8th Ave S.W. Calgary, Alberta T2P 1G1, Attention: Joanne Luu.

The Court has broad discretion under the CBCA when making orders with respect to an arrangement and the Court will consider, among other things, the fairness of the Arrangement to the Shareholders (and any other party as the Court determines appropriate). The Court may approve the Arrangement, either as proposed or as amended, in any manner the Court may direct. However, it is a condition of the Arrangement that the Final Order be satisfactory in form and substance to each of the parties.

#### ***TSX Approval***

The Common Shares are listed on the TSX under the symbol "AD". The Convertible Debentures are listed on the TSX under the symbol "AD.DB". The closing price for the Common Shares on the TSX on June 19, 2020, the last trading day prior to the announcement of Alaris' intention to pursue a trust conversion was \$12.45 per Common Share and the closing price on July 20, 2020, the last trading day prior to the date of this Information Circular, was \$11.71 per Common Share. The closing price for Convertible Debentures on the TSX on June 19, 2020, the last trading day prior to the announcement of Alaris' intention to pursue a trust conversion, was \$85.96 per Convertible Debenture and the closing price on July 20, 2020, the last trading day prior to the date of this Information Circular, was \$85.00 per Convertible Debenture. The Arrangement is conditional upon receiving the final acceptance of the TSX for the listing of the Trust Units issuable in connection with the Arrangement (including Trust Units issuable pursuant to the terms of the Trust Options, the Trust RTUs and the Convertible Debentures) as well as the Convertible Debentures being approved for listing on the TSX. The

TSX has conditionally accepted the listing of the Trust Units under the symbol "AD.UN" and the Convertible Debentures will remain listed under the symbol "AD.DB", subject in both cases to the Company fulfilling all of the requirements of the TSX. The completion of the Arrangement is subject to the Company and the Trust, as applicable, fulfilling all of the requirements of the TSX. Following completion of the Arrangement, the Common Shares will be delisted from the TSX.

### ***Completion of the Arrangement***

If the Final Order is obtained on August 31, 2020 in form and substance satisfactory to each party to the Arrangement Agreement, and all other conditions specified are satisfied or waived, the Company expects the Effective Date will be on or about September 1, 2020, or as soon as practicable thereafter.

### **Dissent Rights**

The following is only a summary of the Dissent Rights provided for in the Plan of Arrangement and the Interim Order, which are technical and complex. It is recommended that any registered Shareholder wishing to avail himself, herself or itself of Dissent Rights under those provisions seek legal advice, as failure to comply strictly with the Plan of Arrangement may prejudice his, her or its Dissent Rights.

The Interim Order expressly provides registered Shareholders with the right to dissent from the Arrangement Resolution. Any Dissenting Shareholder as of the Record Date will be entitled, if the Arrangement becomes effective, to have the Common Shares held by that Dissenting Shareholder acquired by AcquireCo and be paid by AcquireCo the fair value of such Common Shares determined as of the close of business on the Business Day before the Arrangement Resolution is approved and adopted at the Meeting and the Dissenting Shareholders will cease to have any other rights in respect of such Common Shares. Such Dissenting Shareholders will not be entitled to any other payment or consideration.

Without limiting the generality of the other provisions in this Information Circular, a Dissenting Shareholder will, at the Effective Time, and notwithstanding any provision of Section 190 of the CBCA, be deemed to have directly transferred and assigned each Common Share held by such Dissenting Shareholder to AcquireCo (free and clear of all liens) and such Dissenting Shareholder shall cease to be the holder of such Common Shares and to have any rights as a holder or former holder of such Common Shares other than the right to be paid the fair value for such Common Shares by AcquireCo. In no case shall the Company or any other Person be required to recognize any holder of Common Shares who exercises Dissent Rights as a holder of Common Shares after the Effective Time. If the Arrangement is not implemented for any reason, Dissenting Shareholders will not be entitled to be paid the fair value for their Common Shares under the Dissent Rights, and their Common Shares will not be deemed to be acquired by AcquireCo.

A registered Shareholder who wishes to exercise Dissent Rights in respect of the Arrangement must provide a Notice of Dissent to the Company, c/o Burnet, Duckworth & Palmer LLP, Suite 2400, 525-8th Ave S.W. Calgary, Alberta T2P 1G1, Attention: Joanne Luu, no later than 4:00 p.m. (Calgary time) on the second last Business Day preceding the Meeting (or, if the Meeting is postponed or adjourned, the second last Business Day preceding the date of the reconvened or postponed Meeting). Strict adherence to the procedures established in the Interim Order and the Plan of Arrangement is required in order to validly dissent and failure to do so may result in the loss of all Dissent Rights. Accordingly, each Shareholder who might desire to exercise the Dissent Rights should carefully consider and comply with the provisions of the Plan of Arrangement and Interim Order and consult such Shareholder's legal advisor.

The filing of a Notice of Dissent does not deprive a Shareholder of the right to vote at the Meeting; however, a Shareholder who has submitted a Notice of Dissent and who votes in favour of the Arrangement Resolution will no longer be considered a Dissenting Shareholder with respect to the Common Shares voted in favour of the Arrangement Resolution. If such Dissenting Shareholder votes in favour of the Arrangement Resolution in respect of a portion of the Common Shares he, she or it holds, such vote approving the Arrangement Resolution will be deemed to apply to the entirety of the Common Shares held in the name of that Dissenting Shareholder. A vote against the Arrangement Resolution will not constitute a Notice of Dissent. The revocation of a proxy will not constitute a Notice of Dissent.

If any Dissenting Shareholder is, for any reason (including, for clarity, any withdrawal by any Dissenting Shareholder of their dissent) determined not to be entitled to be paid the fair value for their Common Shares, such Dissenting Shareholder shall be deemed to have participated in the Arrangement on the same basis as a non-Dissenting Shareholder and such Common Shares will be deemed to be exchanged for Trust Units as contemplated under the Arrangement.

Beneficial Shareholders whose Common Shares are registered in the name of an Intermediary who wish to dissent should be aware that only registered Shareholders are entitled to dissent. Accordingly, a Beneficial Shareholder desiring to exercise his, her or its Dissent Rights must make arrangements for the registered Shareholder of his, her or its Common Shares to dissent on his, her or its behalf.

Unless waived by the mutual consent of the parties, the Arrangement may not be implemented if holders of greater than 5% of the outstanding Common Shares shall have validly exercised Dissent Rights. See "*The Arrangement – The Arrangement Agreement – Mutual Conditions Precedent*".

#### **Shareholder Certifications – Registered Shareholders**

The Arrangement will result in the exchange of all outstanding Common Shares for Trust Units (other than in respect of Dissenting Shareholders and Non-Eligible US Shareholders). As such, from and after the Effective Time, certificates formerly representing Common Shares exchanged under the Plan of Arrangement will cease to represent Common Shares and will instead be treated as an entitlement to Trust Units or, in the case of Non-Eligible US Shareholders, as an entitlement to receive the pro rata portion of the cash proceeds (less any withholding taxes) from the sale of the Trust Units pursuant to the Arrangement.

In order to exchange Common Share certificates for unit certificates, or Direct Registration System advices ("**DRS Advices**"), representing Trust Units on the completion of the Arrangement, registered Shareholders must deposit with the Depository (at one of the addresses specified on the last page of the BLUE Letter of Transmittal) a duly completed Letter of Transmittal together with the certificates representing the holder's Common Shares in accordance with the instructions contained in the Letter of Transmittal.

Registered Shareholders must also deposit one of the following Shareholder Certifications with the Depository prior to the Certification Deadline in connection with the Arrangement:

- (a) ***Non-US Shareholder Certification***: registered Shareholders that are not US Shareholders must deposit a completed Non-US Shareholder Certification, in the form attached as Appendix A to the BLUE Letter of Transmittal, with the Depository prior to the Certification Deadline. Such Shareholders will be entitled to receive Trust Units pursuant to the terms of the Arrangement.
- (b) ***Qualified US Shareholder Certification (QIB)***: registered Shareholders who are Eligible US Shareholders that are also Qualified Institutional Buyers must complete a Qualified US Shareholder Certification (QIB), in the form attached as Appendix B to the BLUE Letter of Transmittal, with the Depository prior to the Certification Deadline. Such Shareholders will be entitled to receive Trust Units pursuant to the terms of the Arrangement, and if they elect to do so, to have such Trust Units held in the book-based system maintained by CDS.
- (c) ***Qualified US Shareholder Certification (Non-QIB)***: registered Shareholders who are Eligible US Shareholders but who are not Qualified Institutional Buyers must complete a Qualified US Shareholder Certification (Non-QIB), in the form attached as Appendix C to the BLUE Letter of Transmittal with the Depository prior to the Certification Deadline. Such Shareholders will be entitled to receive Trust Units pursuant to the terms of the Arrangement, but will not be entitled to continue to have such Trust Units held in the book-based system maintained by CDS and will instead receive definitive physical certificates, or DRS Advices, representing their Trust Units.
- (d) ***Non-Eligible US Shareholder Certification***: registered US Shareholders who are Non-Eligible US Shareholders must complete a Non-Eligible US Shareholder Certification, in the form attached as Appendix D to the BLUE Letter of Transmittal, with the Depository prior to the Certification Deadline. Such Shareholders will be entitled to receive the pro rata portion of the cash proceeds (less any applicable withholding taxes) from the sale of the Trust Units to which such Shareholders would otherwise have been entitled under the Arrangement.

Any registered Shareholder that is (based on the address of such holder on the list of registered Shareholders maintained by Alaris' transfer agent or other information available to Alaris) a US Shareholder that does not deliver the applicable Qualified US Shareholder Certification prior to the Certification Deadline, will be deemed to be a Non-Eligible US



Shareholder and any Trust Units that would otherwise be issuable to such Shareholders will be issued and delivered to the Sale Trustee and will be sold by the Sale Trustee, on behalf of such Shareholders, over the facilities of the TSX or by private sale. Any registered Shareholder that is not (based on the address of such holder on the list of registered Shareholders maintained by Alaris' transfer agent) a US Shareholder and does not provide a Non-US Shareholder Certification prior to the Certification Deadline will be deemed to have provided such certification at the Certification Deadline and will receive Trust Units pursuant to the Arrangement.

Notwithstanding the foregoing, if, subsequent to the Arrangement becoming effective, Alaris or the Trust reasonably determines, based on information obtained by Laurel Hill, a review of the non-objecting beneficial owners lists or any other information obtained by Alaris in accordance with applicable Canadian securities Laws, that a registered US Shareholder who receives Trust Units pursuant to the Arrangement is a Non-Eligible US Shareholder, the Trust intends to exercise its rights pursuant to the terms of the Declaration of Trust to compel such (former) registered Shareholder to sell such Trust Units or interest therein.

### Shareholder Certifications – Beneficial Holders

If Common Shares are held through a broker, investment dealer, bank, trust company or other intermediary (collectively, an "Intermediary") that administers your account, a Shareholder should contact its account administrator for information about how the exchange of its Common Shares will be effected, as the procedures will be different than those in respect of registered Shareholders, since the Intermediary must make an election on your behalf. In Canada, the vast majority of shares held by Intermediaries are registered under the name CDS & Co., the registration name for CDS, which acts as nominee for many Canadian Intermediaries. In connection with the Arrangement, CDS will issue a bulletin to all of the Intermediaries for which it holds Common Shares ("**CDS Participants**"), requiring such CDS Participants to make an election on behalf of the Beneficial Shareholders they represent. Pursuant to the bulletin CDS Participants must elect one of the following four options:

- (a) **Option 1 – Non-US Shareholders:** pursuant to this election, CDS Participants representing Beneficial Shareholders who are not US Shareholders shall deposit such Shareholder's Common Shares into Option 1 of the CDSX system and complete as agent on behalf of each of their clients a Non-US Shareholder Certification, which shall be appended to the CDS Bulletin substantially in the form attached as Appendix A to the BLUE Letter of Transmittal, prior to the Certification Deadline. Such Beneficial Shareholders will be entitled to receive Trust Units pursuant to the terms of the Arrangement and will be entitled to continue to hold such Trust Units in the book-based system maintained by CDS.
- (b) **Option 2 – Qualified US Shareholder (QIB):** pursuant to this election, CDS Participants representing Beneficial Shareholders who are Eligible US Shareholders that are also Qualified Institutional Buyers shall deposit such Shareholder's Common Shares into Option 2 of the CDSX system and complete as agent on behalf of each of their clients a Qualified US Shareholder Certification (QIB), which shall be appended to the CDS Bulletin substantially in the form attached as Appendix B to the BLUE Letter of Transmittal prior to the Certification Deadline. Such Beneficial Shareholders will be entitled to receive Trust Units pursuant to the terms of the Arrangement and will be entitled to continue to hold such Trust Units in the book-based system maintained by CDS.
- (c) **Option 3 – Qualified US Shareholder (Non-QIB):** pursuant to this election, CDS Participants representing Beneficial Shareholders who are Eligible US Shareholders but who are not Qualified Institutional Buyers shall deposit such Shareholder's Common Shares into Option 3 of the CDSX system and complete as agent on behalf of each of their clients a Qualified US Shareholder Certification (Non-QIB), which shall be appended to the CDS Bulletin substantially in the form attached as Appendix C to the BLUE Letter of Transmittal prior to the Certification Deadline. Such Beneficial Shareholders will be entitled to receive Trust Units pursuant to the terms of the Arrangement, but will not be entitled to continue to have such Trust Units held in the book-based system maintained by CDS and will instead receive DRS Advices or physical definitive certificates representing their Trust Units.
- (d) **Option 4 – Non-Eligible US Shareholder:** pursuant to this election, CDS Participants representing Beneficial Shareholders who are Non-Eligible US Shareholders shall deposit such Shareholder's

Common Shares into Option 4 of the CDSX system and complete on behalf of their clients a Non-Eligible US Shareholder Certification, which shall be appended to the CDS Bulletin substantially in the form attached as Appendix D to the BLUE Letter of Transmittal prior to the Certification Deadline. Such Beneficial Shareholders will be entitled to receive the net cash proceeds (less any applicable withholding taxes) from the sale of the Trust Units to which such Shareholders would otherwise have been entitled under the Arrangement.

- (e) **Default: Any Common Shares remaining in CDS after the Certification Deadline for which no election has been made in the CDSX system will be deemed to have made an election on the basis of the residency of the CDS Participant holding such Common Shares, with such residency being determined by Alaris based on:**
- (i) information contained in the lists of non-objecting beneficial owners of Common Shares provided by Broadridge;
  - (ii) any information obtained in accordance with applicable Canadian securities Laws by Laurel Hill in respect of such Beneficial Shareholder's residency; and
  - (iii) any other information obtained by Alaris in accordance with applicable Canadian Laws with respect to the residency of a Beneficial Shareholder.

**For greater certainty, any such Common Shares held by a CDS Participant or its Affiliates resident or registered in the United States, or a holder who is deemed to be located in the United States or a US Person, based on the information set forth above, for which the default applies will be deemed to be held by a Non-Eligible US Shareholder and will automatically receive the pro rata share of the cash proceeds (less any applicable withholding taxes) from the sale of the Trust Units to which such (former) Shareholders would otherwise have been entitled under the Arrangement.**

The foregoing election structure is necessary to ensure that Alaris complies with the US Investment Company Act and the Plan Asset Rules. **Shareholders holding their shares through an Intermediary should contact such Intermediary as soon as possible to provide it with instructions for the exchange of their Common Shares. Failure to provide these instructions on a timely basis could jeopardize their right to receive Trust Units under the Arrangement, if applicable.**

Notwithstanding anything else in this Information Circular, if, subsequent to the Arrangement becoming effective, Alaris or the Trust reasonably determines, based on a review of the non-objecting beneficial owners lists, information obtained by Laurel Hill, or any other information obtained in accordance with applicable Canadian securities Laws, that a US Shareholder that is a Beneficial Shareholder has received Trust Units pursuant to the Arrangement and is a Non-Eligible US Shareholder, the Trust intends to exercise its rights pursuant to the terms of the Declaration of Trust to compel such Beneficial Shareholder or its Intermediary to sell such Trust Units or interest therein.

## **Securities Law Matters**

### ***Canada***

The Trust Units issued or transferred pursuant to the Arrangement will be issued or transferred in reliance on applicable exemptions from prospectus requirements of applicable securities Laws or pursuant to discretionary exemptions from such requirements to be obtained from applicable securities regulatory authorities in Canada. Upon their issue, the Trust Units will generally be "freely tradeable" (other than as a result of any "control block" restrictions which may arise by virtue of the ownership thereof) under applicable securities Laws.

### ***United States***

The discussion below is a general overview of certain requirements of US federal securities Laws that may apply to Shareholders who are residents in the United States or US Persons. All US Shareholders are urged to consult with their own legal counsel to ensure that any subsequent resale of Trust Units issued to them under the Arrangement complies with applicable securities legislation.

The discussion below does not address the Canadian securities Laws that will apply to the issue of the Trust Units or the resale of Trust Units by US Shareholders within Canada. US Shareholders reselling their Trust Units in Canada must comply with Canadian securities laws, as outlined above under "*The Arrangement – Securities Law Matters – Canada*".

The Trust Units to be received by Shareholders in exchange for Common Shares pursuant to the Arrangement have not been and will not be registered under the US Securities Act or any applicable US state securities Laws and will be issued in reliance on the exemption from the registration requirement of the US Securities Act provided by Section 4(a)(2) of the US Securities Act and Rule 506(b) thereunder and similar exemptions under applicable state securities laws. The Trust Units will be "restricted securities" and may only be resold outside the United States in accordance with Rule 904 of Regulation S. Rule 144 under the US Securities Act will not be available for transfers of the Trust Units. Any Trust Units held by an affiliate (as defined in Rule 144 of the US Securities Act) of the Trust, or, if applicable, former affiliates, may only be resold outside the United States pursuant to Regulation S of the US Securities Act.

In general, under Rule 904 of Regulation S, Qualified US Shareholders who are either: (a) non-affiliates of the Trust after the Arrangement or (b) affiliates of the Trust solely by virtue of their status as an officer or director of the Trust may sell their Trust Units outside the United States in an "offshore transaction" (which would include a sale through the TSX) if neither the seller nor any Person acting on its behalf engages in "directed selling efforts" in the United States. For a sale of Trust Units by an officer or director who is an affiliate of the Trust after the Arrangement solely by virtue of holding such position, there would be an additional requirement that no selling commission, fee or other remuneration is paid in connection with such sale other than a usual and customary broker's commission. Under Regulation S, "directed selling efforts" means "any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered" in the sale transaction. Certain additional restrictions apply to a holder of Trust Units who is an affiliate of the Trust after the Arrangement other than by virtue of his or her status as an officer or Trustee of the Trust. As defined in Rule 144 under the US Securities Act, an "affiliate" of an issuer is a Person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the issuer and may include certain officers and directors of the issuer as well as principal shareholders of the issuer.

The solicitation of proxies made in connection with this Information Circular is not subject to the requirements of Section 14(a) of the US Exchange Act, by virtue of an exemption for proxy solicitations by foreign private issuers as defined in Rule 3b-4 under the US Exchange Act. Accordingly, this Information Circular has been prepared in accordance with applicable Canadian disclosure requirements, which are different than the requirements applicable to proxy solicitations under the US Exchange Act.

Pursuant to the Declaration of Trust, all Trust Units issued, and all certificates (or other evidences of entitlement) issued in exchange therefor or in substitution thereof, will bear the legend set forth below (whether they are issued in certificated form or are held through the book-based system maintained by CDS) (the "**US Legend**"). The US Legend will be placed on certificates (or other evidences of entitlement) for purchasers outside the United States, as well as on certificates (or other evidences of entitlement) for purchasers that are (a) located in the United States, (b) are US Persons or (c) are Persons acting for the account or benefit of Persons located in the United States or US Persons. Consequently, each initial holder and each subsequent purchaser of the Trust Units will, or will be deemed to, represent, agree and acknowledge as follows:

ALARIS EQUITY PARTNERS INCOME TRUST (THE "**TRUST**") HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**US INVESTMENT COMPANY ACT**"). THIS SECURITY AND ANY BENEFICIAL INTEREST HEREIN MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS.

BY ACQUIRING THIS SECURITY OR A BENEFICIAL INTEREST HEREIN, EACH HOLDER SHALL BE DEEMED TO REPRESENT, WARRANT AND AGREE WITH THE TRUST THAT: (1) IT IS EITHER: (A) OUTSIDE THE UNITED STATES, NOT A US PERSON AND NOT ACTING FOR THE ACCOUNT OR BENEFIT OF PERSONS LOCATED IN THE UNITED STATES OR US PERSONS OR (B) A QUALIFIED

PURCHASER AS DEFINED IN SECTION 2(A)(51)(A) OF THE US INVESTMENT COMPANY ACT; (2) IT WILL NOT OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR A BENEFICIAL INTEREST HEREIN IN THE UNITED STATES, TO A US PERSON OR TO A PERSON ACTING FOR THE ACCOUNT OR BENEFIT OF PERSONS LOCATED IN THE UNITED STATES OR US PERSONS; AND (3) IT IS NOT, AND SHALL NOT BE WHILE IT HOLDS ANY INTEREST IN THIS SECURITY (i) AN "EMPLOYEE BENEFIT PLAN" (WITHIN THE MEANING OF SECTION 3(3) OF THE US EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")) THAT IS SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (ii) A PLAN, INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE US INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**US INTERNAL REVENUE CODE**"), (iii) ANY OTHER RETIREMENT OR BENEFIT PLAN SUBJECT TO ANY STATE, LOCAL, NON-US OR OTHER LAW OR REGULATION THAT WOULD HAVE THE SAME EFFECT AS ERISA SECTION 3(42) AND THE REGULATIONS OF THE US DEPARTMENT OF LABOR CODIFIED AT 29 C.F.R. SECTION 2510.3-101 (TOGETHER, THE "**PLAN ASSET REGULATIONS**") TO CAUSE THE UNDERLYING ASSETS OF THE TRUST TO BE TREATED AS ASSETS OF THAT INVESTING ENTITY BY VIRTUE OF ITS INVESTMENT (OR ANY BENEFICIAL INTEREST) IN THE TRUST AND THEREBY SUBJECT THE TRUST TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE FIDUCIARY RESPONSIBILITY OR PROHIBITED TRANSACTION PROVISIONS CONTAINED IN ERISA OR SECTION 4975 OF THE US INTERNAL REVENUE CODE ("**SIMILAR LAW**"), OR (iv) AN ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE "PLAN ASSETS" OF ANY SUCH PLAN, ACCOUNT OR ARRANGEMENT DESCRIBED IN (i)-(iii) UNDER THE PLAN ASSET REGULATIONS OR SIMILAR LAW (EACH OF (i)-(iv), A "**PLAN**") AND NO PORTION OF THE ASSETS USED BY IT TO ACQUIRE OR HOLD THIS SECURITY OR BENEFICIAL INTEREST THEREIN CONSTITUTES OR WILL CONSTITUTE THE ASSETS OF A PLAN.

THE TRUST HAS THE RIGHT TO COMPEL ANY SECURITY HOLDER OR BENEFICIAL HOLDER TO SELL ITS SECURITIES OR INTEREST THEREIN, OR MAY SELL SUCH TRUST UNITS OR INTEREST THEREIN ON BEHALF OF SUCH PERSON, WHERE SUCH PERSON DOES NOT SATISFY THE REQUIREMENTS IN THE PARAGRAPH ABOVE.

THE TRUST AND ITS AGENTS SHALL NOT BE OBLIGATED TO RECOGNIZE ANY RESALE OR OTHER TRANSFER OF THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN MADE OTHER THAN IN COMPLIANCE WITH THESE RESTRICTIONS.

TRANSFERS OF THIS SECURITY OR ANY INTEREST HEREIN TO A PERSON USING ASSETS OF A PLAN TO PURCHASE OR HOLD THIS SECURITY OR ANY INTEREST HEREIN WILL BE VOID AND OF NO FORCE AND EFFECT AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO SUCH PERSON NOTWITHSTANDING ANY INSTRUCTION TO THE CONTRARY TO THE TRUST OR ANY OF ITS AGENTS.

THE TERM "**US PERSON**" SHALL HAVE THE MEANING SET FORTH IN REGULATIONS UNDER THE US SECURITIES ACT OF 1933, AS AMENDED.

**This US Legend is substantially the same as the legend on the Common Shares (whether they are issued in certificated form or are held through the book-based system maintained by CDS).**

In addition to the US Legend above, all Trust Units issued pursuant to the Arrangement to Eligible US Shareholders who are not Qualified Institutional Buyers, and all certificates (or other evidences of entitlement) issued in exchange therefor or in substitution thereof, shall also include the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THESE SECURITIES, AGREES FOR THE BENEFIT OF ALARIS EQUITY PARTNERS INCOME TRUST (THE "TRUST"), THAT SUCH SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A US PERSON AS THOSE TERMS ARE DEFINED IN REGULATIONS UNDER THE US SECURITIES ACT.

Bona fide resales outside the United States under Rule 904 of Regulation S will result in the removal of the additional legend immediately above for the counterparty purchaser outside of the United States. However, Rule 144 is not available for the removal of the US Legend or the additional legend, if applicable, on Trust Units, including upon transfers of the Trust Units outside the United States.

## INFORMATION CONCERNING THE TRUST

### General

The Trust is an unincorporated, open-ended income trust established on May 31, 2020 pursuant to the Declaration of Trust under the Laws of the Province of Alberta, which Declaration of Trust was amended and restated on July 20, 2020. The head office of the Trust is located at 250, 333 – 24th Avenue SW Calgary, Alberta T2S 3E6.

As at the date hereof, the Trustees of the Trust are Stephen W. King, Darren Driscoll and Michael Ervin. The Trustees of the Trust following completion of the Arrangement will be the same individuals who currently act as directors of the Company, namely John (Jay) Ripley, E. Mitchell Shier, Mary C. Ritchie, Stephen W. King, Robert Bertram, Peter Grosskopf and Sophia Langlois. Additional information relating to these individuals (excluding Ms. Langlois, who was appointed as a director on July 17, 2020) may be found under the heading "*Directors of the Corporation*" in the 2020 Circular, which is incorporated herein by reference and may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

The current officers of the Trust and the officers of the Trust immediately following completion of the Arrangement will be the same individuals who currently act as officers of the Company, namely Stephen W. King, President and Chief Executive Officer; Darren Driscoll, Chief Financial Officer; Michael Ervin, Chief Legal Officer and Corporate Secretary; Curtis Krawetz, Vice President Investments and Investor Relations; Amanda Frazer, Vice President Investments; Gregg Delcourt, Senior Vice President Small Cap Investments; Devin Timberlake, Vice President Business Development; Shawn Ostrow, Vice President Business Development; Marla Evans, Director Tax; Elizabeth McCarthy, Vice President Legal; and Dan MacEachern, Vice President Investments. Additional information relating to these individuals may be found under the heading "*Directors and Officer of Alaris*" in the AIF, which is incorporated herein by reference and may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

The audited balance sheet of the Trust as at the date of formation is attached to this Information Circular as Appendix G.

Financial statements and information included or incorporated by reference herein have been prepared in accordance with GAAP and are subject to auditing and auditor independence standards in Canada, and thus may not be comparable to financial statements of United States companies.

The following is a summary of the material attributes and characteristics of the Trust Units and certain provisions of the Declaration of Trust. The description below is a summary only and is qualified in its entirety by the complete provisions of the Declaration of Trust, which will be available on SEDAR at [www.sedar.com](http://www.sedar.com) following the Effective Time.

### Objectives of the Trust

The Trust has been formed to succeed, through its ownership of all of the shares of the Company, the activities and undertakings of the Company following the Arrangement and to seek through its Subsidiaries to provide long-term equity capital to companies for whom traditional private equity capital or debt is not typically available or attractive, namely privately-held companies whose owners want to retain long-term control of their businesses with a focus on: (a) providing long-term capital to a diversified group of profitable, well-managed private companies around the world (with a focus on

North America); and (b) generating predictable, increasing cash flows which are expected to provide a stable and predictable distribution to Unitholders. For further information on the operations and strategies of Alaris, which will apply to the Trust after completion of the Arrangement, see "*Description of the Business and Operations*" in the AIF, which is incorporated by reference in this Information Circular.

In the conduct of the Trust's operations and affairs, the Trustees will be subject to the investment guidelines set out in the Declaration of Trust. See "*Investment Guidelines*" below.

### Investment Guidelines

The Declaration of Trust provides that the Trust is an income trust and its undertakings shall be restricted to:

- (a) acquiring, investing in, transferring, disposing of and otherwise dealing with securities and/or assets of any other Person, including bodies corporate, partnerships or trusts, and borrowing funds or otherwise obtaining credit, including granting guarantees, for that purpose;
- (b) acquiring, investing in, holding, transferring, disposing of and otherwise dealing with securities of whatever nature or kind of, or issued by, any Subsidiary of the Trust, or any Affiliate of the Trust;
- (c) making loans or other advances to any direct or indirect Subsidiary of the Trust or any Affiliate of the Trust;
- (d) issuing debt securities (including debt securities convertible into, or exchangeable for Trust Units or other securities of the Trust) or borrowing funds (including by means of letters of credit, bank guarantees or bankers acceptances) and/or guaranteeing and mortgaging, pledging, charging, granting a security interest in or otherwise encumbering any of the Trust's assets as security and entering into hedging arrangements in relation thereto;
- (e) guaranteeing the obligations of any Person, any Subsidiary of the Trust or any Affiliate of the Trust and granting security interests in the Trust Property therefor;
- (f) pledging securities or other Trust Property as security for debt securities or borrowed funds or guarantees;
- (g) issuing Trust Units and Special Voting Units and other securities of the Trust (including securities convertible or exchangeable for Trust Units or warrants, options or other rights to acquire Trust Units or other securities of the Trust), including for the purposes of: (A) obtaining funds to conduct the activities described in paragraphs (a) and (c) above, including raising funds for acquisitions and investments; (B) implementing Unitholder rights plans, distribution reinvestment plans, distribution reinvestment and Trust Unit purchase plans, incentive option plans or other equity compensation plans, if any, established by the Trust or any Subsidiary of the Trust; and (C) making non-cash distributions to Unitholders as contemplated by this Declaration of Trust, including pursuant to distribution reinvestment plans, if any, established by the Trust;
- (h) issuing rights and Trust Units pursuant to any Unitholder rights plan adopted by the Trust;
- (i) purchasing securities pursuant to any issuer bid made by the Trust;
- (j) entering into and performing the Trust's obligations under material contracts;
- (k) disposing of any part of the Trust Property;
- (l) temporarily holding cash and investments including deposits with a Canadian chartered bank or trust company registered under the Laws of a province or territory of Canada, deposits with a savings institution, trust company, credit union or similar financial institution that is organized or chartered under the state or federal Laws of the United States, short-term government debt securities, or money market instruments maturing prior to one year from the date of issue or short-term investment grade corporate debt for the purposes of paying the expenses and the liabilities of the Trust, paying amounts payable by

- the Trust in connection with the redemption of any Trust Units or other securities of the Trust, and making distributions to Unitholders;
- (m) paying costs, fees and expenses associated with the foregoing purposes or incidental thereto;
  - (n) engaging in all activities ancillary or incidental to any of those activities set forth in paragraphs (a) through (m) above, inclusive;
  - (o) at all times from and after the completion of the Arrangement, notwithstanding anything else contained in the Declaration of Trust, the Trust shall not make or hold any investment, take any action or omit to take any action or permit a Subsidiary to make or hold any investment or take any action or omit to take any action that would result in:
    - (i) the Trust not qualifying as a "mutual fund trust" or "unit trust" both within the meaning of the Tax Act;
    - (ii) Trust Units not qualifying as qualified investments for Deferred Income Plans; or
    - (iii) the Trust being liable to pay a tax under Part XII.2 of the Tax Act, unless the Board of Trustees has determined that it would be in the best interests of the Trust to do so; and
  - (p) the Trust may make its investments and conduct its activities on such terms as the Trustees may from time to time determine.

### ***Regulatory Conflict***

If at any time a government or regulatory authority having jurisdiction over the Trust or any property of the Trust shall enact any Law which is in conflict with any investment guideline or operating policy of the Trust then in force, such investment guideline or operating policy in conflict shall, if the Trustees on the advice of legal counsel to the Trust so resolve, be deemed to have been amended to the extent necessary to resolve any such conflict and, notwithstanding anything to the contrary, any such resolution of the Trustees shall not require the prior approval of Unitholders.

## **DECLARATION OF TRUST AND DESCRIPTION OF TRUST UNITS**

### **General**

The Trust is an unincorporated open-ended income trust established on May 31, 2020 pursuant to the Declaration of Trust under, and governed by, the Laws of the Province of Alberta. Although the Trust is expected to qualify on Closing as a "mutual fund trust" as defined in the Tax Act, the Trust will not be a "mutual fund" as defined by applicable securities legislation.

### **Authorized Capital and Outstanding Securities**

The Declaration of Trust authorizes the issuance of an unlimited number of two classes of units, namely "trust units" and "special voting units". Special Voting Units are only issued in tandem with the issuance of Exchangeable Securities. As at the date hereof, the Trust has a total of one Trust Unit outstanding (held by Alaris) and no Special Voting Units outstanding.

The Trust is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on nor does it intend to carry on the business of a trust company.

### ***Trust Units***

Each Trust Unit is transferable and represents an equal, undivided beneficial interest in the Trust and any distributions from the Trust, whether of net income, net realized capital gains (other than such gains allocated and distributed to redeeming Unitholders) or other amounts and, upon the termination or winding-up of the Trust, in the net assets of the Trust remaining after satisfaction of all liabilities. All Trust Units rank among themselves equally and rateably without discrimination, preference or priority. Each Trust Unit entitles the holder thereof to receive notice of, to attend and to one vote at all meetings of Voting Unitholders or in respect of any written resolution of Voting Unitholders.

Unitholders are entitled to receive distributions from the Trust (whether of net income, net realized capital gains or other amounts) if, as and when declared by the Trustees. Upon the termination or winding-up of the Trust, Unitholders will

participate equally with respect to the distribution of the remaining assets of the Trust after payment of all liabilities. Such distribution may be made in cash, as a distribution in kind, or both, all as the Trustees in their sole discretion may determine. Trust Units have no associated conversion or retraction rights. No Person is entitled, as a matter of right, to any pre-emptive right to subscribe for or acquire any Trust Unit, except as otherwise agreed to by the Trust pursuant to a binding written agreement.

### ***Special Voting Units***

Special Voting Units are only issued in tandem with Exchangeable Securities and are not transferable separately from the Exchangeable Security to which they relate, and, upon any valid transfer of the Exchangeable Security, such Special Voting Units will automatically be transferred to the transferee of the Exchangeable Security.

Each Special Voting Unit entitles the holder thereof to receive notice of, to attend, and to one vote at all meetings of Voting Unitholders or in respect of any resolution in writing of Voting Unitholders. Except for the right to attend and vote at meetings of Voting Unitholders or in respect of written resolutions of Voting Unitholders, Special Voting Units do not confer upon the holders thereof any other rights. A Special Voting Unit does not entitle its holder to any economic interest in the Trust, or to any interest or share in the Trust, any of its distributions (whether of net income, net realized capital gains or other amounts) or in any of its net assets upon the termination or winding-up of the Trust. No Special Voting Units are currently outstanding nor will there be any issued as part of or in connection with the Arrangement and the Trust does not currently have any intention to issue Special Voting Units. Any issuance of Special Voting Units (including any related Exchangeable Securities) will, for so long as the Trust is listed on the TSX, be subject to the prior approval of the TSX.

### **Issuance of Trust Units**

Trust Units or rights to acquire Trust Units or other securities may be created, issued and sold at such times, to such Persons, for such consideration and on such terms and conditions as the Trustees determine, including pursuant to a rights plan, distribution reinvestment plan, purchase plan or any incentive option or other compensation plan. Trust Units will be issued only when fully paid in money, property or past services, and they will not be subject to future calls or assessments and, notwithstanding the foregoing, Trust Units may be issued and sold on an instalment basis and the Trust may take security over any such Trust Units so issued. Where the Trustees determine that the Trust does not have available cash in an amount sufficient to pay the full amount of any distribution, the payment may, at the option of the Trustees, include or consist entirely of the issuance of additional Trust Units having a FMV determined by the Trustees (and, for so long as the Trust is listed on the TSX, such determination of FMV being subject to the approval of the TSX) equal to the difference between the amount of the distribution and the amount of cash that has been determined by the Trustees to be available for the payment of such distribution. These additional Trust Units will be issued pursuant to applicable exemptions under applicable securities Laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing. The Declaration of Trust also provides that unless the Trustees determine otherwise, and subject to all necessary regulatory approvals, immediately after any pro rata distribution of additional Trust Units to all Unitholders as described above or otherwise as determined by the Trustees, the number of outstanding Trust Units will automatically be consolidated such that each Unitholder will hold after the consolidation the same number of Trust Units as the Unitholder held before the distribution of such additional Trust Units. In such circumstances, each certificate representing a number of Trust Units prior to the distribution of additional Trust Units will be deemed to represent the same number of Trust Units after the distribution of such additional Trust Units and the consolidation. If tax is required to be withheld from a Unitholder's share of the distribution, the consolidation will not result in such Unitholder holding the same number of Trust Units. Each such Unitholder must surrender the certificates, if any, representing that Unitholder's original Trust Units in exchange for a certificate representing that Unitholder's post-consolidation Trust Units.

The Trustees may refuse to allow the issuance of or to register the transfer of Trust Units where such issuance or transfer would, in their opinion, adversely affect the treatment of the Trust under applicable Canadian tax Laws or their qualification to carry on any relevant activities and undertakings. See "*Information Concerning the Trust – Declaration of Trust and Description of Trust Units – Limitations on Non-Resident Ownership of Trust Units*".



## Repurchase of Trust Units

The Trust may, from time to time, purchase all or a portion of the Trust Units for cancellation at a price per Trust Unit and on a basis determined by the Trustees in accordance with applicable securities Laws and stock exchange rules.

## Limitations on Non-Resident Ownership of Trust Units

In order for the Trust to maintain its status as a mutual fund trust under the Tax Act, in certain circumstances it must not be established or maintained primarily for the benefit of Non-Resident Persons. Accordingly, the Declaration of Trust provides that at no time may Non-Residents be the beneficial owners of more than 49% of the Trust Units (on either a Basic Basis or a Fully-Diluted Basis as defined in the Declaration of Trust) and the Trust has informed its transfer agent and registrar of this restriction. The Trustees may require a registered Unitholder to provide them with a declaration as to the jurisdictions in which Beneficial Unitholders registered in such registered Unitholder's name are resident and as to whether such Beneficial Unitholder is Non-Resident (and, in the case of a partnership, whether the partnership is Non-Resident). If the Trustees become aware, as a result of such declarations as to beneficial ownership or as a result of any other investigations, that the beneficial owners of more than 49% of the Trust Units (on either a Basic Basis or a Fully-Diluted Basis as defined in the Declaration of Trust) are, or may be, Non-Residents or that such a situation is imminent, the Trustees may make a public announcement thereof and will not accept a subscription for Trust Units from, or issue or register a transfer of Trust Units to, a Person unless the Person provides a declaration in form and content satisfactory to the Trustees that the Person is not a Non-Resident and does not hold such Trust Units for the benefit of Non-Residents. If, notwithstanding the foregoing, the Trustees determine that more than 49% of the Trust Units (on either a Basic Basis or a Fully-Diluted Basis as defined in the Declaration of Trust) are held by Non-Residents, the Trustees may send or cause to be sent a notice to such Non-Resident Unitholders chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell their Trust Units or a portion thereof within a specified period of not more than 30 days. If the Unitholders receiving such notice have not sold the specified number of Trust Units or provided the Trustees with satisfactory evidence that they are not Non-Residents within such period, the Trustees may on behalf of such Persons sell or cause to be sold such Trust Units and, in the interim, will suspend the voting and distribution rights attached to such Trust Units. Upon such sale, the affected Unitholders will cease to be holders of the relevant Trust Units and their rights will be limited to receiving the net proceeds of sale upon surrender of the certificates, if any, representing such Trust Units. Notwithstanding the foregoing, the Trustees may determine not to take any of the actions described above if the Trustees have been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the Trust as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Trust as a mutual fund trust for purposes of the Tax Act.

## Ownership and Transfer Restrictions Applicable to all Unitholders

### *US Investment Company Act Restrictions*

Given the nature of the Trust's undertaking after the completion of the Arrangement, and absent an exemption under the US Investment Company Act, the Trust may be deemed to be an "investment company" as defined in the US Investment Company Act. The US Investment Company Act, among other things, prohibits foreign investment companies from publicly offering their securities in the United States. However, the Trust will rely on an exemption provided in Section 3(c)(7) of the US Investment Company Act, which provides that a company is excluded from the definition of an "investment company", and is therefore excluded from regulation under the US Investment Company Act, if its securities have only been issued: (A) outside the United States to non-US Persons in offshore transactions in reliance on Regulation S or (B) to Persons that are: (I)(a) located in the United States, (b) US Persons, or (c) acquiring securities for the account or benefit of Persons located in the United States or US Persons, and that are (II) Qualified Purchasers, and (III) it does not make, or propose to make, a public offering of its securities in the United States.

To comply with the Section 3(c)(7) exemption, for so long as the Trust may be deemed to be an "investment company" as defined in the US Investment Company Act, the Trust will issue Trust Units only: (a) outside the United States to non-US Persons in offshore transactions in reliance on Regulation S, or (b) in the United States or to US Persons, or for the account or benefit of Persons located in the United States or US Persons, that are Qualified Purchasers (the "**US Purchaser Restriction**").

When acquiring Trust Units, each purchaser thereof, whether or not they are located in the United States or a US Person, will either make or be deemed to have made the acknowledgements, representations, warranties and agreements set forth in the US Legend.

Notwithstanding anything that might be contained herein to the contrary, Qualified Purchasers may not resell their Trust Units in the United States or to US Persons, or for the account or benefit of Persons located in the United States or US Persons.

However, for the avoidance of doubt, a sale of Trust Units on the TSX or any other secondary market in Canada will be free of restriction and satisfy the obligations set forth herein and in the US Legend, so long as there is a significant amount of trading involving non-US Persons in the secondary markets for the Trust Units and the transaction is not pre-arranged with a buyer in the United States or a US Person or a Person acting for the account or benefit of a Person located in the United States or a US Person or with a Person otherwise known to be in the United States, a US Person or a Person acting for the account or benefit of a Person located in the United States or a US Person and is otherwise conducted in accordance with Regulation S.

*ERISA Restriction of No Ownership by Plans*

The Trust will prohibit investment in Trust Units by "benefit plan investors" as well as other similar investors, and, therefore, notwithstanding anything that might be contained herein to the contrary, transfers of Trust Units to such investors will also be prohibited. For these purposes, "benefit plan investors" are "employee benefit plans" (within the meaning of Section 3(3) of ERISA) subject to Part 4 of Subtitle B of Title I of ERISA, plans (including individual retirement accounts and other arrangements) subject to Section 4975 of the US Tax Code, and entities whose underlying assets are deemed to include "plan assets" under the Plan Asset Rules. Other benefit plans that are not subject to the Plan Asset Rules, such as the plans of churches or Governmental Entities, may be subject to Similar US Law, and, therefore, will be treated by the Trust as benefit plan investors.

At no time may Trust Units, or any beneficial interest therein, be acquired by or for the benefit of any ERISA Person or with the assets of an ERISA Plan (the "**ERISA Purchaser Restriction**") and any acquisition of Trust Units in contravention of the ERISA Purchaser Restriction will be void and shall have no force and effect.

The Trust may refuse to register and recognize a transfer of Trust Units if the Trustees, in their sole discretion, believe that the transfer would result in a contravention of (i) the US Investment Company Act, including without limitation, requiring the Trust to register as an investment company under the US Investment Company Act, (ii) the ERISA Purchaser Restriction or (iii) the US Purchaser Restriction.

Upon completion of the Arrangement, the Trust will indirectly own all the shares of the Company, which will continue to carry on the same activities that the Company carried on prior to the Arrangement, and as such the Trust will be subject to substantially similar ERISA restrictions that currently apply to the Company and are set forth in the Company's articles and the terms of its Common Shares.

If the Trust becomes aware, at any time, that the US Purchaser Restriction, the ERISA Purchaser Restriction or the US Investment Company Act is, or may be, contravened, then the Trust may give notice (or cause notice to be given) to any holder of Trust Units (a "**Relevant Holder**") whose ownership of Trust Units has or may be in contravention of the US Purchaser Restriction, the ERISA Purchaser Restriction or the US Investment Company Act requiring it to:

- (a) provide a declaration in form and content satisfactory to the Trust that its ownership of Trust Units is not in contravention of the US Purchaser Restriction, the ERISA Purchaser Restriction or the US Investment Company Act; or
- (b) sell the Trust Units held by it or redeem those Trust Units to the Trust, within a specified period (which shall be not less than 30 days) determined by the Trustees in its sole discretion, in compliance with the US Purchaser Restriction, the ERISA Purchaser Restriction and the US Investment Company Act.

If a Relevant Holder to whom notice as provided above has been given has not provided the declaration referred to above or if the Trust is not satisfied that such Relevant Holder has sold or redeemed all of the Trust Units held by it within the period specified in the notice, then the Trust may, in its sole discretion, to the extent permitted by applicable Law, arrange

for the sale or redemption of such Trust Units ("**Relevant Units**") on behalf of such holder. Any Relevant Units in relation to which the Trust is entitled to arrange the sale or redemption may be aggregated and sold together. The manner, timing and terms of any such sale or redemption of Relevant Units made or sought to be made by the Trust (including but not limited to the price or prices at which the same is made and the extent to which assurance is obtained that no transferee is or would contravene the US Purchaser Restriction, the ERISA Purchaser Restriction and the US Investment Company Act) shall be such as the Trust determines to be reasonably obtainable having regard to all the circumstances, including but not limited to the number of Trust Units to be disposed of and any requirement that the disposal be made without delay; and neither the Trust, the Trustees nor any officer, employee, agent or representative thereof, shall be liable to any Person for any consequences of such sale or redemption. Upon such sale or redemption, the affected Relevant Holder shall cease to be a holder of the Relevant Units and its rights shall be limited to receiving the net proceeds of the sale or redemption (less any applicable withholding taxes).

For the purpose of affecting any sale or redemption of Relevant Units, the Trustees may:

- (a) authorize in writing any officer or employee of the Trust to execute any necessary transfer on behalf of any holder; and/or
- (b) convert any Trust Units from un-certificated form to certificated form; and
- (c) may enter the name of the transferee in the register in respect of the transferred Trust Units notwithstanding the absence of any certificate and may issue a new certificate to the transferee and an instrument of transfer executed by any officer or employee of the Trust so authorized by the Trustees shall be as effective as if it has been executed by the holder of the transferred Trust Units and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating to the sale or redemption. The proceeds of the sale or redemption shall be received by the Trust or by any Person nominated by the Trust whose receipt shall be a good discharge for the purchase money and shall be paid (without any interest being payable in respect of it and after deduction of any expenses incurred by the Trust in the sale or redemption including, without limitation, broker's or selling agent's fees, commissions and expenses, taxes and duties) to the former holder (or, in the case of joint holders, the first of them named in the register) upon surrender by him or on his behalf to the Trust for cancellation of any certificate in respect of the transferred Trust Units.

Neither the Trust nor the Trustees shall be required to assume that any Person is a US Person, an ERISA Person or an ERISA Plan or is not a Qualified Purchaser.

### **Nomination of Trustees**

The Declaration of Trust includes certain advance notice provisions (the "**Advance Notice Provision**"), which are intended to: (a) facilitate orderly and efficient annual general or, where the need arises, special meetings; (b) ensure that all Voting Unitholders receive adequate notice of the Trustee nominations and sufficient information with respect to all nominees; and (c) allow Voting Unitholders to register an informed vote. Only Persons who are nominated by Voting Unitholders in accordance with the Advance Notice Provision will be eligible for election as Trustees. Nominations of Persons for election to the Board of Trustees may be made for any annual meeting of Voting Unitholders, or for any special meeting of Voting Unitholders if one of the purposes for which the special meeting was called was the election of Trustees: (i) by or at the direction of the Trustees, including pursuant to a notice of meeting; (ii) by or at the direction or request of one or more Voting Unitholders pursuant to a requisition of the Voting Unitholders made in accordance with the Declaration of Trust; or (iii) by any Person (a "**Nominating Unitholder**") who: (A) at the close of business on the date of the giving of the notice provided for below and on the record date for notice of such meeting, is entered in the Trust's register as a holder of one or more Voting Units carrying the right to vote at such meeting or who beneficially owns Voting Units that are entitled to be voted at such meeting; and (B) complies with the notice procedures set forth in the Advance Notice Provision.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Unitholder, the Nominating Unitholder must have given timely notice thereof in proper written form to the President or Secretary of the Trust. To be timely, a Nominating Unitholder's notice to the Trustees must be made: (a) in the case of an annual meeting of Voting Unitholders, not less than 30 prior to the date of the annual meeting of Voting Unitholders; (except that if that the annual meeting of Voting Unitholders is to be held on a date that is less than 50 days after the date that is the earlier of the date

that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the annual meeting was made (in either case, the "**Notice Date**"), notice by the Nominating Unitholder may be made not later than the close of business on the 10th day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of Voting Unitholders called for the purpose of electing Trustees (whether or not called for other purposes), not later than the close of business on the 15th day following the day that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the special meeting of Voting Unitholders was made.

To be in proper written form, a Nominating Unitholder's notice to the President or Secretary of the Trust must set forth: (a) as to each Person whom the Nominating Unitholder proposes to nominate for election as a Trustee: (A) the name, age, business address and residential address of the Person; (B) the principal occupation or employment of the Person; (C) the class or series and number of Trust Units or Special Voting Units which are controlled or which are owned beneficially or of record by the Person as of the record date for the meeting of Voting Unitholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the Person that would be required to be disclosed in a dissident's proxy Information Circular in connection with solicitations of proxies for election of Trustees pursuant to applicable securities Laws; and (b) as to the Nominating Unitholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Unitholder has a right to vote any Voting Units and any other information relating to such Nominating Unitholder that would be required to be made in a dissident's proxy Information Circular in connection with solicitations of proxies for election of Trustees pursuant to applicable securities Laws. The Trust may require any proposed nominee to furnish such other information as may be required to be contained in a dissident proxy Information Circular or by applicable Law or regulation to determine the independence of the proposed nominee or his or her eligibility to serve as a Trustee.

The chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

Notwithstanding the foregoing, the Trustees may, in their sole discretion, waive any requirement in the Advance Notice Provision. The Advance Notice Provision is substantially similar to the Company's current advance notice by-law.

### **Redemption Right**

A Unitholder may at any time demand redemption of some or all of its Trust Units by delivering to the Trust a duly completed and properly executed notice requiring redemption in a form satisfactory to the Trustees, together with written instructions as to the number of Trust Units to be redeemed. Upon receipt of the redemption notice by the Trust, all rights to and under the Trust Units tendered for redemption shall be surrendered and the holder thereof will be entitled to receive a price per Trust Unit (the "**Redemption Price**") equal to the lesser of:

- (a) 90% of the Market Price (as defined below) of a Trust Unit calculated as of the date on which the Trust Units were surrendered for redemption (the "**Redemption Date**"); and
- (b) 100% of the Closing Market Price (as defined below) on the Redemption Date.

For purposes of this calculation, the market price of a Trust Unit as at a specified date (the "**Market Price**") will be:

- (a) an amount equal to the weighted average trading price of a Trust Unit on the principal exchange or market on which the Trust Units are listed or quoted for trading during the period of 10 consecutive trading days ending on such date;
- (b) an amount equal to the weighted average of the Closing Market Prices of a Trust Unit on the principal exchange or market on which the Trust Units are listed or quoted for trading during the period of 10 consecutive trading days ending on such date, if the applicable exchange or market does not provide information necessary to compute a weighted average trading price; or
- (c) if there was trading on the applicable exchange or market for fewer than five of the 10 trading days, an amount equal to the simple average of the following prices established for each of the 10 consecutive trading days ending on such date: the simple average of the last bid and last asking price of the Trust

Units for each day on which there was no trading; the closing price of the Trust Units for each day that there was trading if the exchange or market provides a closing price; and the simple average of the highest and lowest prices of the Trust Units for each day that there was trading, if the market provides only the highest and lowest prices of Trust Units traded on a particular day.

For the purposes of this calculation, the "**Closing Market Price**", as at a specified date, will be:

- (a) an amount equal to the weighted average trading price of a Trust Unit on the principal exchange or market on which the Trust Units are listed or quoted for trading on the specified date if the principal exchange or market provides information necessary to compute a weighted average trading price of the Trust Units on the specified date;
- (b) an amount equal to the closing price of a Trust Unit on the principal market or exchange on the specified date if there was a trade on the specified date and the principal exchange or market provides only a closing price of the Trust Units on the specified date;
- (c) an amount equal to the simple average of the highest and lowest prices of the Trust Units on the principal market or exchange, if there was trading on the specified date and the principal exchange or market provides only the highest and lowest trading prices of the Trust Units on the specified date; or
- (d) the simple average of the last bid and last asking prices of the Trust Units on the principal market or exchange, if there was no trading on the specified date.

If Trust Units are not listed or quoted for trading in a public market, the Redemption Price will be the FMV of the Trust Units, which will be determined by the Trustees in their sole discretion. The aggregate Redemption Price payable by the Trust in respect of any Trust Units surrendered for redemption during any calendar month will be satisfied by way of a cash payment in Canadian dollars on or before the last day of the calendar month immediately following the month in which the Trust Units were tendered for redemption, on condition that the entitlement of Unitholders to receive cash upon the redemption of their Trust Units is subject to the limitations that:

- (a) the total amount payable by the Trust in respect of such Trust Units and all other Trust Units tendered for redemption in the same calendar month must not exceed \$50,000 (subject to rounding to two decimal places on a per Trust Unit basis, the "**Monthly Limit**") (such limitation may be waived at the discretion of the Trustees in respect of all Trust Units tendered for redemption in such calendar month);
- (b) at the time such Trust Units are tendered for redemption, the outstanding Trust Units must be listed for trading on the TSX or traded or quoted on any other stock exchange or market which the Trustees consider, in their sole discretion, provides representative FMV prices for the Trust Units; and
- (c) the normal trading of Trust Units is not suspended or halted on any stock exchange on which the Trust Units are listed (or, if not listed on a stock exchange, in any market where the Trust Units are quoted for trading) on the Redemption Date or for more than five trading days during the 10-day trading period commencing immediately after the Redemption Date.

If a Unitholder is not entitled to receive cash upon the redemption of Trust Units as a result of the Monthly Limit, then the portion of the Redemption Price per Trust Unit equal to the Monthly Limit divided by the number of Trust Units tendered for redemption in the month shall be paid and satisfied by way of a cash payment in Canadian dollars and the remainder of the Redemption Price per Trust Unit shall be paid and satisfied by way of a distribution in specie to such Unitholder of Redemption Notes having a FMV equal to the product of (a) the remainder of the Redemption Price per Trust Unit of the Trust Units tendered for redemption and (b) the number of Trust Units tendered by such Unitholder for redemption. If a Unitholder is not entitled to receive cash upon the redemption of Trust Units as a result of the limitations described at (b) or (c) of the foregoing paragraph, then the Redemption Price per Trust Unit shall be paid and satisfied by way of a distribution in specie of Redemption Notes having a FMV determined by the Trustees equal to the product of (i) the Redemption Price per Trust Unit of the Trust Units tendered for redemption and (ii) the number of Trust Units tendered by such Unitholder for redemption. No Redemption Notes in integral multiples of less than \$100 will be distributed and, where Redemption Notes to be received by a Unitholder includes a multiple less than that number, the number of Redemption Notes shall be rounded to the next lowest integral multiple of \$100 and the balance shall be paid in cash. The Redemption

Price payable as described in this paragraph in respect of Trust Units tendered for redemption during any month shall be paid by the transfer to or to the order of the Unitholder who exercised the right of redemption, of the Redemption Notes, if any, and the cash payment, if any, on or before the last day of the calendar month immediately following the month in which the Trust Units were tendered for redemption. Payments by the Trust as described in this paragraph are conclusively deemed to have been made upon the mailing of certificates representing the Redemption Notes, if any, and a cheque, if any, by registered mail in a postage prepaid envelope addressed to the former Unitholder and/or any party having a security interest and, upon such payment, the Trust shall be discharged from all liability to such former Unitholder and any party having a security interest in respect of the Trust Units so redeemed. The Trust shall be entitled to all accrued interest, paid or unpaid on the Redemption Notes, if any, on or before the date of distribution in specie as described in the foregoing paragraph. Any issuance of Redemption Notes will be subject to receipt of all necessary regulatory approvals, which the Trust shall use reasonable commercial efforts to obtain forthwith.

It is anticipated that the redemption right described above will not be the primary mechanism for Unitholders to dispose of their Trust Units. Redemption Notes which may be distributed to Unitholders in connection with a redemption will not be listed on any exchange, no market is expected to develop in Redemption Notes and such securities may be subject to an indefinite "hold period" or other resale restrictions under applicable securities Laws. Redemption Notes so distributed may not be qualified investments for Deferred Income Plans, depending upon the circumstances at the time.

### Trustees

The Declaration of Trust provides that the Trust will have a minimum of three and a maximum of 12 Trustees, the majority of whom must be Residents. The number of Trustees may be increased or decreased within such limits from time to time by the Voting Unitholders by ordinary resolution or by the Trustees, except that the Trustees may not, between meetings of the Voting Unitholders, appoint an additional Trustee if, after such appointment, the total number of Trustees would be greater than one and one-third times the number of Trustees in office immediately following the previous annual meeting of Voting Unitholders (or following the Closing for the period prior to the first annual meeting of the Unitholders). A vacancy occurring among the Trustees may be filled by resolution of the remaining Trustees or by the Voting Unitholders at a meeting of the Voting Unitholders. If at any time a majority of Trustees are Non-Residents because of the death, resignation, adjudicated incompetence, removal or change in circumstances of any Trustee who was a Resident, the remaining Trustees, whether or not they constitute a quorum, will appoint a sufficient number of Resident Trustees to comply with the requirement that a majority of Trustees will be at all times Residents.

In addition, a majority of the Trustees must at all times be Independent Trustees. If at any time a majority of Trustees are not Independent Trustees because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any Trustee who was an Independent Trustee, this requirement will not be applicable for a period of 60 days after such occurrence, during which time the remaining Trustees shall appoint a sufficient number of Independent Trustees to comply with this requirement.

The Declaration of Trust provides that, subject to its terms and conditions, the Trustees have, without further authorization and free from any control or direction on the part of the Voting Unitholders, full, absolute and exclusive power, control and authority over the assets and affairs of the Trust to the same extent as if the Trustees were the sole and absolute beneficial owners of the assets of the Trust, to do all acts and things as in their sole and absolute judgment and discretion are necessary or incidental to, or desirable for, carrying out any of the purposes or conducting the affairs of the Trust. All meetings of the Trustees (and any committees) shall take place in Canada.

Trustees are appointed at each annual meeting of Voting Unitholders to hold office for a term expiring at the close of the next annual meeting and are eligible for re-election. The Declaration of Trust provides that a Trustee may resign at any time upon written notice to the Chair or, if there is no Chair, to the Lead Trustee or, if there is no Lead Trustee, to the Chief Executive Officer of the Trust or, if there is no Chief Executive Officer, to the Unitholders. A Trustee may be removed at any time with or without cause by an ordinary resolution of the Voting Unitholders at a meeting of Voting Unitholders or by the written consent of Voting Unitholders holding in the aggregate not less than a majority of the outstanding Voting Units or with cause by a resolution passed by at least two-thirds of the other Trustees.

The Declaration of Trust provides that the Trustees will act honestly and in good faith with a view to the best interests of Unitholders and, in connection with that duty, will exercise the care, diligence and skill that a reasonably prudent Person would exercise in comparable circumstances.

### **Committees**

The Declaration of Trust requires that after the Effective Time, the Trustees appoint a Compensation Committee, a Corporate Governance Committee and an Audit Committee. In addition, the Trustees may create such additional committees (such as a Transaction Committee) as they, in their discretion, determine to be necessary or desirable for the purposes of properly governing the affairs of the Trust. See "*Information Concerning the Trust – Declaration of Trust and Description of Trust Units – Trust Governance*".

### **Conflicts of Interest**

The Declaration of Trust contains provisions, similar to those contained in the CBCA, that require each Trustee to disclose to the Trust any interest in a material contract or transaction or proposed material contract or transaction with the Trust (including a contract or transaction involving the making or disposition of any investment in real property or a joint venture agreement) or the fact that such Person is a director or officer of, or otherwise has a material interest in, any Person who is a party to a material contract or transaction or proposed material contract or transaction with the Trust. Such disclosure is required to be made at the first meeting at which a proposed contract or transaction is considered. In any case, a Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating to: (a) his or her direct remuneration as a Trustee, officer, employee or agent of the Trust; or (b) indemnity of himself or herself as a Trustee or the purchase or maintenance of liability insurance.

### **Meetings of Voting Unitholders**

The Declaration of Trust provides that meetings of Voting Unitholders will be called and held annually for the election of Trustees and the appointment of auditors for the ensuing year, the presentation of the consolidated financial statements of the Trust for the immediately preceding fiscal year, and the transaction of such other business as the Trustees may determine or as may be properly brought before the meeting.

A meeting of Voting Unitholders may be convened by the Trustees at any time and for any purpose and must be convened, except in certain circumstances, if requisitioned by the holders of not less than 5% of the Voting Units then outstanding by a written requisition. A requisition must state in reasonable detail the business proposed to be transacted at the meeting.

Voting Unitholders may attend and vote at all meetings of Voting Unitholders either in Person or by proxy and a proxyholder need not be a Voting Unitholder. Two or more Persons present in Person or represented by proxy and representing in total at least 5% of the votes attached to all outstanding units will constitute a quorum for the transaction of business at all meetings.

The Declaration of Trust contains provisions as to the notice required and other procedures with respect to the calling and holding of meetings of Voting Unitholders similar to those required under the CBCA.

### **Amendments to the Declaration of Trust and Other Extraordinary Matters**

The Declaration of Trust, except where otherwise specified, may be amended only with the approval of a majority of the votes cast by the Voting Unitholders at a meeting called for that purpose or the written approval of the Voting Unitholders holding a majority of the outstanding Voting Units. Notwithstanding the foregoing, certain actions or amendments and certain extraordinary matters will require the approval of at least two-thirds of the votes cast by the Voting Unitholders at a meeting of Voting Unitholders called for that purpose or the written approval of Voting Unitholders holding more than two-thirds of the outstanding Voting Units, including:

- (a) any amendments to the amendment provisions of the Declaration of Trust;
- (b) an exchange, reclassification or cancellation of all or part of the Trust Units or Special Voting Units;
- (c) the change or removal of the rights, privileges, restrictions or conditions attached to the Trust Units or Special Voting Units, including, without limitation,

- (i) the removal or change of rights to distributions;
- (ii) the removal of or change to conversion privileges, redemption privileges, options, voting, transfer or pre-emptive rights; or
- (iii) the reduction or removal of a distribution preference or liquidation preference;
- (d) the creation of new rights or privileges attaching to certain of the Trust Units or Special Voting Units;
- (e) any change to the existing constraints on the issue, transfer or ownership of the Trust Units or Special Voting Units, except as provided in the Declaration of Trust;
- (f) the sale of the Trust's property as an entirety or substantially as an entirety (other than as part of an internal reorganization approved by the Trustees);
- (g) the combination, amalgamation or arrangement of the Trust or any of its Subsidiaries with any other entity that is not the Trust or a Subsidiary of the Trust (other than as part of an internal reorganization as approved by the Trustees or that is part of the Arrangement); and
- (h) certain amendments to the investment guidelines and operating policies of the Trust.

A majority of the Trustees may, however, without the approval of the Voting Unitholders, make certain amendments to the Declaration of Trust, including amendments for the purpose of:

- (a) ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustees, the Trust or the distribution of the Trust Units or Special Voting Units;
- (b) providing additional protection or added benefits which are, in the opinion of the Trustees, necessary to maintain the rights of the Voting Unitholders set out in the Declaration of Trust;
- (c) removing any conflicts or inconsistencies in the Declaration of Trust or making corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Voting Unitholders;
- (d) making amendments of a minor or clerical nature or to correct typographical mistakes, ambiguities or manifest errors, which amendments are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Voting Unitholders;
- (e) making amendments which are, in the opinion of the Trustees, necessary or desirable as a result of changes in taxation or other Laws or accounting standards from time to time which may affect the Trust or the Voting Unitholders or to ensure the Trust Units qualify as equity for purposes of GAAP;
- (f) making amendments which, in the opinion of the Trustees are necessary or desirable to enable the Trust to implement a Trust Unit option or purchase plan, a distribution reinvestment plan, or to issue Trust Units or Special Voting Units for which the purchase price is payable in instalments;
- (g) creating and issuing one or more new classes of "preferred units" that rank in priority to the Trust Units (in respect of payment of distributions and in connection with any termination or winding-up of the Trust);
- (h) ensuring that the Trust has not been established nor maintained primarily for the benefit of Persons who are not Residents; or
- (i) for any purpose which, in the opinion of the Trustees, is not prejudicial to Voting Unitholders in any material respect and is necessary or desirable.

In no event may the Trustees amend the Declaration of Trust if such amendment would: (i) amend Article 12 of the Declaration of Trust; (ii) amend the Unitholders' voting rights; (iii) from and after the Effective Time, cause the Trust to fail or cease to qualify as "unit trust" or as a "mutual fund trust" both within the meaning of the Tax Act; or (iv) cause the Trust or a Subsidiary of the Trust to be subject to tax under Part XII.2 of the Tax Act unless otherwise specifically provided in the Declaration of Trust.



## Take-Over Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid is made for Trust Units and not less than 90% of the Trust Units (including Trust Units issuable on the exchange of any Exchangeable Securities, but excluding Trust Units held at the date of the take-over bid by or on behalf of the offeror or associates or Affiliates of the offeror or those acting jointly or in concert with them) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Trust Units held by holders who did not accept the take-over bid on the terms on which the offeror acquired Trust Units from holders who accepted the take-over bid.

## Information and Reports

Prior to each meeting of Voting Unitholders, the Trustees will make available to the Voting Unitholders (along with notice of the meeting) information similar to that required to be provided to shareholders of a corporation governed by the CBCA and as required by applicable securities Laws and stock exchange requirements.

## Rights of Unitholders

The rights of the Unitholders and the attributes of the Trust Units are established and governed by the Declaration of Trust. Although the Declaration of Trust confers upon a Unitholder many of the same protections, rights and remedies as an investor would have as a shareholder of a corporation governed by the CBCA, significant differences exist, some of which are described below.

Many of the provisions of the CBCA respecting the governance and management of a corporation are incorporated in the Declaration of Trust. For example, Unitholders are entitled to exercise voting rights in respect of their holdings of Trust Units in a manner comparable to shareholders of a CBCA corporation and to elect Trustees and the auditors of the Trust. The Declaration of Trust also includes provisions modeled after comparable provisions of the CBCA dealing with the calling and holding of meetings of Voting Unitholders and Trustees, the procedures at such meetings and the right of the Voting Unitholders to participate in the decision-making process where certain fundamental actions are proposed to be undertaken. In addition, the Declaration of Trust contains the Advance Notice Provision which is substantially similar to the Company's current advance notice provision.

Similar to the dissent right which shareholders of a CBCA corporation are entitled, Voting Unitholders may dissent to certain fundamental changes affecting the Trust (such as the sale of all or substantially all of its property, a going-private transaction or the addition, change or removal of provisions restricting: (a) the undertakings that the Trust can carry on; (b) the issue, transfer or ownership of Trust Units; or (c) the rights or privileges of any class of Trust Units) and are entitled to receive the fair value of their Trust Units where such changes are undertaken. The matters in respect of which approval by the Voting Unitholders is required under the Declaration of Trust effectively extend to certain fundamental actions that may be undertaken by the Subsidiaries of the Trust. These approval rights are supplemented by provisions of applicable securities Laws that are generally applicable to issuers (whether corporations, trusts or other entities) that are "reporting issuers" or the equivalent or are listed on the TSX.

Under the Declaration of Trust, Unitholders have recourse to an oppression remedy similar to that which is available to shareholders of a CBCA corporation. Under the CBCA, Shareholders of a CBCA corporation may also apply to a court for the appointment of an inspector to investigate the manner in which the business of the corporation and its Affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. The Declaration of Trust does not include a comparable right. The CBCA also permits shareholders to bring or intervene in derivative actions in the name of a corporation or any of its Subsidiaries, with the leave of a court. The Declaration of Trust does not include a comparable right.

## Non-Certificated Inventory System

Other than pursuant to certain exceptions and except in respect of all Shareholders who complete, or on whose behalf is completed, the Qualified US Shareholder Certifications (Non-QIB) set out in Appendix C of the BLUE Letter of Transmittal or as attached to the CDS Bulletin, registration of interests in and transfers of Trust Units held through CDS, or its nominee, will be made electronically through the non-certificated inventory ("NCI") system of CDS. On Closing, the Trust, via its transfer agent, will electronically deliver the Trust Units registered to CDS or its nominee, and CDS will credit interests in such Trust Units to the accounts of the applicable CDS Participants as directed on the Closing. Trust Units held in CDS

must be purchased, transferred and surrendered for redemption through a CDS Participant, which includes securities brokers and dealers, banks and trust companies. All rights of Unitholders who hold Trust Units in CDS must be exercised through, and all payments or other property to which such Unitholders are entitled will be made or delivered by CDS, or the CDS Participant through which the Unitholder holds such Trust Units. A Unitholder participating in the NCI system will not be entitled to a certificate or other instrument from the Trust or the Trust's transfer agent evidencing that Person's interest in or ownership of Trust Units, nor, to the extent applicable, will such Unitholder be shown on the records maintained by CDS, except through an agent who is a CDS Participant.

The ability of a Beneficial Unitholder to pledge such Trust Units or otherwise take action with respect to such Unitholder's interest in such Trust Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

All Shareholders (whether registered Shareholders or Beneficial Shareholders) who complete, or on whose behalf is completed, the Qualified US Shareholder Certification (Non-QIB) attached as Appendix C to the BLUE Letter of Transmittal or as attached to the CDS Bulletin shall receive the Trust Units issued pursuant to the Arrangement through the Direct Registration System, or DRS. The DRS is a system that allows Unitholders to hold their Trust Units in "book-entry" form without having a physical unit certificate issued as evidence of ownership. Instead, the Trust Units will be held in the Unitholder's name and registered electronically in the Trust's records, which will be maintained by its transfer agent, Computershare. The DRS eliminates the need for Unitholders to safeguard and store certificates, it avoids the significant cost of a surety bond for the replacement of, and the effort involved in replacing, physical certificate(s) that might be lost, stolen or destroyed and it permits/enables electronic transactions.

Upon completion of the Arrangement, all Shareholders (whether registered Shareholders or Beneficial Shareholders) completing the Qualified US Shareholder Certification (Non-QIB) set out in Appendix C of the BLUE Letter of Transmittal or as attached to the CDS Bulletin will receive an initial DRS Advice acknowledging the number of Trust Units he/she/it holds in such their DRS account. Each time there is any movement of Trust Units into or out of a Unitholder's DRS account, an updated DRS Advice will be mailed. Unitholders may request a DRS Advice at any time by contacting Computershare. Each DRS Advice will contain the legends described under "*The Arrangement – Securities Law Matters – United States*". At any time, a Unitholder may request a certificate for all or a portion of its Trust Units held in the DRS account by contacting Computershare. A certificate for the requested number of Trust Units will be sent to the Unitholder by first class mail upon receipt of the Unitholder's instructions at no cost.

### **Distribution Policy**

The following outlines the distribution policy of the Trust. Determinations as to the amounts distributable, however, will be made in the sole discretion of the Trustees from time to time.

Subject to the completion of the Arrangement and no material change in Alaris' expected cashflow, it is expected that the Trust's distribution will increase over the Company's current quarterly dividend by \$0.02 per quarter (\$0.08 on an annualized basis). Otherwise it is expected that the Trust's distribution policy will remain consistent with the Company's current dividend policy and, assuming completion of the Arrangement on or before September 30, 2020, it is expected the Trust's first distribution will be payable to Unitholders of record on September 30, 2020 at the increased level of \$0.31 per Trust Unit for the quarter ended September 30, 2020 (\$1.24 per Trust Unit on an annualized basis) and paid on or about October 15, 2020.

The after-tax return from an investment in Trust Units to Unitholders subject to Canadian income tax will depend, in part, on the composition of the Trust's income for Canadian income tax purposes from which distributions on the Trust Units will be paid (portions of which may be fully or partially taxable or may constitute tax-deferred distributions which are not subject to tax at the time of receipt but reduce a Unitholder's cost base in the Trust Units for tax purposes). Management intends to determine the composition of the Trust's income for Canadian income tax purposes with the intent of maximizing ultimate value to Unitholders. Subject to compliance with the Declaration of Trust, the actual distribution amount will be determined by the Trustees in their sole discretion. Pursuant to the Declaration of Trust, the Trustees have full discretion respecting the timing and amounts of distributions, including the adoption, amendment or revocation of any distribution policy.

Unitholders of record as at the close of business on the last Business Day of the period preceding a Distribution Date will have an entitlement on and after that day to receive distributions in respect of that applicable period on such Distribution

Date. Distributions may be adjusted for amounts paid in prior periods if the actual adjusted cash flow from operations for the prior periods is greater than or less than the estimates for the prior periods. Under the Declaration of Trust and pursuant to the distribution policy of the Trust, where the Trust's cash is insufficient to make payment of the full amount of a distribution, such payment will, to the extent necessary, be distributed in the form of additional Trust Units. See "*Information Concerning the Trust – Declaration of Trust and Description of Trust Units – Issuance of Trust Units*" and "*Certain Canadian Federal Income Tax Considerations*".

The ability of the Trust to make cash distributions, and the actual amount distributed, will be entirely dependent on the operations and assets of the Trust and will be subject to various factors, including financial performance, obligations under applicable credit facilities and restrictions on payment of distributions thereunder on the occurrence of an event of default, fluctuations in working capital, the sustainability of income derived from the tenants of the Trust's properties and any capital expenditure requirements. See "*Risk Factors*".

Information on Alaris' previous dividend policies, including with respect to any restrictions that could prevent Alaris from paying dividends, which are expected to continue to apply to the Trust following completion of the Arrangement are described under the heading "*Dividends*" in the AIF, incorporated by reference herein.

## **Trust Governance**

In connection with the Arrangement, the Board of Trustees will establish certain committees of the Board of Trustees, which will include the Audit Committee, the Compensation Committee, the Corporate Governance Committee and the Transaction Committee. In addition, the Trustees may create such additional committees as they, in their discretion, determine to be necessary or desirable for the purposes of properly governing the affairs of the Trust. A majority of committee members will be Residents.

### *Audit Committee*

The Audit Committee of the Trust shall consist of at least three Trustees, all of whom shall be Independent Trustees. The Audit Committee of the Trust shall have the duties and responsibilities delegated to it by the Trustees, including those duties and responsibilities set forth in any Audit Committee charter, as it may be amended by the Trustees from time to time, which charter is expected to be substantially similar to the Audit Committee mandate of Alaris and included as Schedule "A" to the AIF, incorporated by reference herein. The Audit Committee of the Trust will initially comprise Mary Ritchie (Chair), John (Jay) Ripley and Sophia Langlois. For further information on the Audit Committee, including with respect to the anticipated members of the Audit Committee of the Trust (excluding Ms. Langlois, who was appointed as a director of the Company on July 17, 2020), see "*Audit Committee Information*" in the AIF incorporated by reference in this Information Circular.

### *Compensation Committee*

The Compensation Committee of the Trust shall consist of at least three Trustees, all of whom shall be Independent Trustees. The Compensation Committee of the Trust shall have the duties and responsibilities delegated to it by the Trustees, including those duties and responsibilities set forth in any Compensation Committee charter, as it may be amended by the Trustees from time to time, which charter is expected to be substantially similar to the Compensation Committee mandate of Alaris and as more particularly described under the heading "*Compensation Committee*" in Schedule 1 of the 2020 Circular, incorporated by reference herein. The Compensation Committee of the Trust will comprise Robert Bertram (Chair), John (Jay) Ripley and Sophia Langlois. For further information on the Compensation Committee, including with respect to the anticipated members of the Compensation Committee of the Trust (excluding Ms. Langlois, who was appointed as a director of the Company on July 17, 2020), see Schedule 1 of the 2020 Circular, incorporated by reference herein.

### *Corporate Governance Committee*

The Corporate Governance Committee of the Trust shall consist of at least three Trustees, all of whom shall be Independent Trustees. The Corporate Governance Committee of the Trust shall have the duties and responsibilities delegated to it by the Trustees, including those duties and responsibilities set forth in any Corporate Governance Committee charter, as it may be amended by the Trustees from time to time, which charter is expected to be substantially similar to the Corporate Governance Committee mandate of Alaris and as more particularly described under the heading

"*Governance Committee*" in Schedule 1 of the 2020 Circular, incorporated by reference herein. The Compensation Committee of the Trust will comprise E. Mitchell Shier (Chair), Robert Bertram and Mary Ritchie. For further information on the Corporate Governance Committee, including with respect to the anticipated members of the Compensation Committee of the Trust, see Schedule 1 of the 2020 Circular, incorporated by reference herein.

#### *Transaction Committee*

The Transaction Committee of the Trust shall consist of at least three Trustees, all of whom shall be Independent Trustees. The Transaction Committee shall have the duties and responsibilities delegated to it by the Trustees, including those duties and responsibilities set forth in any Transaction Committee charter, as it may be amended by the Trustees from time to time, which charter is expected to be substantially similar to the Transaction Committee mandate of Alaris and as more particularly described under the heading "*Transaction Committee*" in Schedule 1 of the 2020 Circular incorporated by reference herein. The Transaction Committee of the Trust will comprise John (Jay) Ripley (Chair), Robert Bertram and Mitch Shier. For further information on the Transaction Committee, including with respect to the anticipated members of the Transaction Committee, see Schedule 1 of the 2020 Circular, incorporated by reference herein.

#### **Compensation Matters**

After completion of the Arrangement, each of the current directors of the Company will be the Trustees of the Trust. The current officers of the Trust are the same individuals who are currently the officers of the Company and will continue in such roles with the Trust immediately following completion of the Arrangement. Notwithstanding the foregoing, each executive officer of the Trust will remain an employee of Alaris and all employment agreements between each such executive officer and Alaris are expected to remain in effect, subject to certain amendments to give effect to the Arrangement. The Trust (including through Alaris) intends to continue with substantially the same compensation policies and principles as Alaris following completion of the Arrangement, subject to reviews and updates to the same in the normal course, and as part of the Arrangement the Trust intends to adopt the Trust Option Plan and RTU Plan and as part of the Arrangement all currently outstanding Options and RSUs will be exchanged, or otherwise assumed by the Trust, for substantially equivalent securities of the Trust, including the right to receive Trust Units on exercise or settlement thereof. See "*The Arrangement – Effect of the Arrangement on Equity Compensation Plans*". For further information with respect to Alaris' compensation policies and practises see the 2020 Circular, incorporated by reference herein.

#### **Legal Proceedings and Regulatory Actions**

There are no legal proceedings the Trust is or was a party to, or that any of its property is or was the subject of, since the formation of the Trust, nor are any such legal proceedings known to the Trust to be contemplated, that involve a claim for damages, exclusive of interest and costs, exceeding 10% of the current assets of the Trust. There are no: (a) penalties or sanctions imposed against the Trust by a court relating to securities legislation or by a securities regulatory authority since the Trust's formation; (b) other penalties or sanctions imposed by a court or regulatory body against the Trust necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the Trust Units; or (c) settlement agreements the Trust entered into before a court relating to securities legislation or with a securities regulatory authority since the Trust's formation.

After completion of the Arrangement, the Trust may be subject to the same certain legal proceedings and other regulatory actions of Alaris. See "*Legal Proceedings and Regulatory Actions*" in the AIF, incorporated by reference herein.

#### **Interests of Informed Persons in Material Transactions**

None of:

- (a) the Trustees and senior officers of the Trust;
- (b) the Trustee nominees, any Unitholder who beneficially owns directly or indirectly, or exercises control or direction over more than 10% of the outstanding Trust Units;
- (c) any other Informed Person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*); or
- (d) any known associate or Affiliate of such Persons;

had any material interests in any transaction since the settlement of the Trust or in any proposed transaction which has materially affected or would materially affect the Trust or any of its Subsidiaries.

### Indebtedness of Trustees, Executive Officer and Senior Officers

No Trustee, executive officer or other senior officer of the Trust, or any associate of any such director or officer is, or has been at any time since the formation of the Trust, indebted to the Trust or any of its Subsidiaries nor is, or at any time since the formation of the Trust has, any indebtedness of any such Person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Trust or any of its Subsidiaries.

### Material Contracts

Except for contracts entered into in the ordinary course of operations, the only material contract the Trust has entered into since formation that is still in effect, or will enter into on or prior to Closing, is the Arrangement Agreement (described under the heading "*The Arrangement – Arrangement Agreement*"). As part of the Arrangement, the Trust will become party to, and assume certain obligations under, certain current contracts of Alaris, including relating to the Supplemental Convertible Debenture Indenture and the Senior Credit Facility. See Alaris' management's discussion and analysis for the three months ended March 31, 2020, incorporated by reference herein.

### Pro Forma Financial Information

Appendix H hereto contains unaudited *pro forma* consolidated financial statements of the Trust as at December 31, 2019 and March 31, 2020, after giving effect to the Arrangement. Such unaudited *pro forma* consolidated financial statements should be read in conjunction with the related historical financial statements of Alaris. Adjustments have been made to prepare the unaudited *pro forma* consolidated financial statements of the Trust, which adjustments are based on certain assumptions. Both the adjustments and the assumptions made in respect thereof are described in the notes to the unaudited *pro forma* consolidated financial statements. The unaudited *pro forma* consolidated financial information of the Trust is presented for illustrative purposes only and is not necessarily indicative of (a) the operating or financial results that would have occurred had the Arrangement actually occurred at the times contemplated by the notes to the unaudited *pro forma* consolidated financial statements, or (b) results expected in future periods. Please refer to Appendix H hereto for full particulars.

### Pro Forma Consolidated Capitalization

The following table sets forth the unaudited *pro forma* consolidated capitalization of the Trust as at March 31, 2020, before and after giving effect to the completion of the Arrangement.

	March 31, 2020 (unaudited)	Adjusted <i>Pro Forma</i> as at March 31, 2020 <sup>(2)</sup> (unaudited)
<b>Indebtedness<sup>(1)</sup></b>		
Credit Facilities	\$150,493	\$150,493
Convertible Debentures	\$91,366	\$91,366
<b>Unitholders' Equity</b>	\$574,474	\$564,951
<b>Total Capitalization</b>	<b>\$816,333</b>	<b>\$806,810</b>

#### Notes:

- (1) Indebtedness figures are shown at their carrying amount. As at March 31, 2020, \$100 million was outstanding under the Convertible Debentures.
- (2) *Pro Forma* figures as at March 31, 2020 give effect to the Arrangement.
- (3) Figures are shown in thousands of Canadian dollars.

### Prior Sales of Trust Units

On May 31, 2020, the Trust was settled with \$100 and in connection with the same, one Trust Unit was issued to Alaris.

## Auditors, Transfer Agent and Registrar

The auditors of the Trust are KPMG LLP, Chartered Professional Accountants, 3100, 205 – 5th Avenue S.W., Calgary, Alberta, T2P 4B9 and were appointed as such on the formation of the Trust.

The transfer agent and registrar for the Trust Units is Computershare, at its principal offices in Calgary, Alberta and Toronto, Ontario.

After completion of the Arrangement, the transfer agent, registrar and trustee for the Convertible Debentures will be Computershare Trust Company of Canada, at its principal offices in Calgary, Alberta and Toronto, Ontario.

## INFORMATION CONCERNING ACQUIRECO

AcquireCo was incorporated on July 8, 2020, for the purpose of participating in the Arrangement. The directors of AcquireCo are Stephen King and Darren Driscoll and the officers are Stephen King (President and Chief Executive Officer), Darren Driscoll (Chief Financial Officer) and Michael Ervin (Chief Legal Officer and Corporate Secretary). AcquireCo has not conducted any business other than entering into the Arrangement Agreement.

## INFORMATION CONCERNING THE COMPANY

### General

Alaris is a Canadian company that provides alternative financing to a diversified range of profitable, well-managed private businesses throughout North America. Alaris uses an innovative financing structure that allows it to provide capital in a manner that maximizes valuations, is tax effective and allows existing owners of the private companies to retain control of their businesses. Alaris' primary objectives are to: (a) generate predictable revenue streams from its Partners; (b) increase its cash flow per share both organically and by making accretive investments into new and existing Partners; and (c) earn a premium to its invested dollars if a Partner chooses to redeem its investment after a certain period of time. These objectives are intended to allow Alaris to pay a predictable and stable distribution to its Shareholders and generate solid returns on investments that are redeemed.

### Recent Developments

In March 2020, in the response to general economic effects of COVID-19 (including the Partners), Alaris announced that it would be switching its dividend policy to a quarterly payment rather than a monthly payment and its intention to reduce its dividend by approximately 30% to \$1.16 annually and \$0.29 per quarter.

Also, in March 2020 Alaris announced that it has received approval from the TSX to proceed with a normal course issuer bid. The Company may purchase for cancellation up to 3,473,720 Common Shares under the normal course issuer bid. As at the date hereof, Alaris has acquired an aggregate of 1,156,541 Common Shares under the normal course issuer bid at an average weighted price of \$8.69 per share.

On June 16, 2020 Alaris announced that it has invested a total of US\$17.0 million into a new Partner, Carey Electric Contracting, LLC ("Carey"), which investment consisted of a US\$16.1 million investment in preferred equity as well as an investment of US\$0.9 million in exchange for a minority ownership of the common equity in Carey.

On June 22, 2020, Alaris provided an update on the business activities of certain of its Partners including, PF Growth Partners, LLC and Body Contour Centers, LLC as well as its intention to pursue a corporate reorganization to convert Alaris to a publicly-traded income trust.

On June 29, 2020, Alaris and its senior lenders amended the Senior Credit Facility to, among other things, (a) amend the calculation of leverage ratio to provide the Company with flexibility to (i) address any short-term disruption in Partner distributions resulting from the COVID-19 pandemic and to (ii) deploy new capital, and (b) permit the Company to maintain a 3:1 leverage ratio through December 31, 2020 if necessary.

### Description of Share Capital

Alaris is authorized to issue an unlimited number of Common Shares and Non-Voting Shares. As of the date hereof, 35,583,883 Common Shares were issued and outstanding, and there were no Non-Voting Shares issued and outstanding.

In addition, as of the date hereof, there were 1,433,866 Options, 392,318 RSUs and up to 4,123,710 Common Shares issuable on conversion of the Convertible Debentures.

The material characteristics of the Common Shares are as follows:

- (a) each Common Share carries the right to attend at Shareholder meetings and to one vote on each resolution voted on at a Shareholders' meeting;
- (b) holders of Common Shares are entitled to receive dividends when declared by the Board. However, no dividend may be declared on the Common Shares unless the same dividend is also declared concurrently on the Non-Voting Shares;
- (c) upon liquidation, dissolution or winding-up, or any other distribution of Alaris' assets among its Shareholders, Shareholders are entitled to share pro rata in such assets as are available for distribution; and
- (d) the terms of the Common Shares also contain certain provisions designed to ensure that Alaris complies with applicable US securities Laws, including a restriction on treasury issuances to Persons located in the United States or that are US Persons that are not Qualified Purchasers and restrictions on ownership by ERISA Persons. See "*Ownership and Transfer Restrictions*" in the AIF incorporated by reference herein.

The material characteristics of the Non-Voting Shares are as follows:

- (e) holders of Non-Voting Shares are entitled to receive notice of and to attend any meeting of the Shareholders but, except as required by Law, the holders of the Non-Voting Shares are not entitled to vote at any such meeting;
- (f) holders of Non-Voting Shares are entitled to receive dividends as and when declared by the Board. However, no dividend may be declared on the Non-Voting Shares unless the same dividend is also declared concurrently on the Common Shares;
- (g) upon any liquidation, dissolution or winding-up of Alaris, or any other distribution of Alaris' assets among its Shareholders, holders of Non-Voting Shares are entitled to share pro rata in such assets as are available for distribution; and
- (h) if an offer is made to purchase Common Shares which, by reason of applicable securities legislation or by-laws, regulations or policies of a stock exchange require that the offer be made to each holder of Common Shares, holders of Non-Voting Shares have the option to require Alaris to redeem their Non-Voting Shares, upon written notice in accordance with the terms of the Non-Voting Shares. This redemption right will not come into effect in certain circumstances that are more particularly outlined in the terms of the Non-Voting Shares.

### Trading in Common Shares

The Common Shares trade on the TSX under the symbol "AD". The following table sets forth certain trading information for the Common Shares on the TSX for the 12-month period before the date of this Information Circular, as reported by the TSX:

Common Shares	Month	High (\$/share)	Low (\$/share)	Volume
2019	June	20.09	18.02	2,684,620
	July	21.43	18.76	5,525,680
	August	20.40	19.14	2,665,990
	September	20.37	19.09	2,788,334
	October	19.90	18.81	2,738,190
	November	22.42	19.35	4,165,501
	December	22.50	21.30	2,426,527

2020	January	22.61	22.33	4,295,416
	February	23.34	19.23	5,741,289
	March	19.58	5.83	15,268,697
	April	10.74	7.40	8,086,480
	May	11.04	8.65	9,761,042
	June	14.35	9.54	11,864,263
	July (1 to 20)	13.15	11.30	2,948,696

On June 19, 2020, the last completed trading day on which the Common Shares traded prior to the Company's announcement that it intended to pursue a trust conversion, the closing price of the Common Shares on the TSX was \$12.45. The closing price on July 20, 2020, the last trading day prior to the date of this Information Circular, was \$11.71 per Common Share.

### Trading in the Convertible Debentures

The Convertible Debentures trade on the TSX under the symbol "AD.DB". The following table sets forth certain trading information for the Convertible Debentures on the TSX for the 12-month period before the date of this Information Circular, as reported by the TSX:

Convertible Debentures	Month	High (\$/debenture)	Low (\$/debenture)	Volume
2019	June (11-30)	98.50	95.75	159,280
	July	98.50	95.60	191,380
	August	98.00	95.00	45,020
	September	96.50	94.97	47,520
	October	96.50	94.50	51,140
	November	100.50	95.95	77,180
	December	101.48	99.46	42,200
2020	January	103.50	100.70	40,370
	February	105.58	97.70	35,260
	March	99.25	60.46	25,430
	April	78.16	65.75	18,810
	May	82.06	73.51	17,350
	June	89.00	79.00	13,250
	July(1 to 20)	87.00	84.00	7,415

On June 19, 2020, the last completed trading day on which the Convertible Debentures traded prior to the Company's announcement that it intended to pursue a trust conversion, the closing price of the Convertible Debentures on the TSX was \$85.96. The closing price on July 20, 2020, the last trading day prior to the date of this Information Circular, was \$85.00 per Convertible Debenture.

### Dividends on the Common Shares

Information on Alaris' dividend policies, including with respect to any restrictions that could prevent Alaris from paying dividends (which will also apply equally to the Trust after the Arrangement) is described under the heading "*Dividends*" in the AIF and incorporated by reference herein.

From December 2018 through April 2020, Alaris paid monthly dividends in the amount of \$0.1375 per Common Share, representing \$1.65 per Common Share on an annualized basis. In March 2020, Alaris announced that it would be switching its dividend policy to a quarterly payment rather than a monthly payment and its intention to reduce its dividend by approximately 30% to \$1.16 annually and \$0.29 per quarter. Alaris declared the first such quarterly dividend on June 17, 2020 which was payable on July 15, 2020 to Shareholders of record on June 30, 2020.



### Auditor, Transfer Agent and Registrar

The auditors for the Company are KPMG LLP, Chartered Professional Accountants, Calgary, Alberta. KPMG LLP has also been appointed as the auditors of the Trust.

The registrar and transfer agent of the Common Shares is Computershare, at its principal offices in Calgary, Alberta, and Toronto, Ontario. The registrar, transfer agent and trustee of the Convertible Debentures is Computershare Trust Company of Canada, at its principal offices in Calgary, Alberta, and Toronto, Ontario.

### Ownership of Securities of the Company

To the knowledge of the Company, after reasonable enquiry, the table below indicates, as at the close of business on July 20, 2020, the number of securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised, by each director and officer of Company:

Name and Position	Number of Common Shares	Number of Restricted Share Units	Number of Stock Options	Principal Amount of Convertible Debentures
Stephen W. King <i>President and CEO and Director</i>	787,584	82,140	401,303	Nil
Mitch Shier <i>Director</i>	22,500	15,000	Nil	Nil
Mary Ritchie <i>Director</i>	42,337	15,000	Nil	Nil
John (Jay) Ripley <i>Director</i>	300,000	15,815	Nil	Nil
Robert Bertram <i>Director</i>	53,337	15,000	Nil	Nil
Peter Grosskopf <i>Director</i>	2,500	15,000	Nil	Nil
Sophia Langlois <i>Director</i>	Nil	Nil	Nil	Nil
Darren Driscoll <i>Chief Financial Officer</i>	410,178	45,083	272,929	Nil
Michael Ervin <i>Chief Legal Officer and Corporate Secretary</i>	23,024	32,703	179,827	Nil
Gregg Delcourt <i>Senior Vice President, Small Cap Investments</i>	9,900	88,703	96,013	Nil
Curtis Krawetz <i>Vice President, Investments and Investor Relations</i>	44,436	24,558	146,745	Nil

Amanda Frazer <i>Vice President, Investments</i>	9,341	18,669	155,527	Nil
Marla Evans <i>Director, Tax</i>	1,152	11,220	Nil	Nil
Devin Timberlake <i>Vice President, Business Development</i>	7,190	21,123	90,510	Nil
Shawn Ostrow <i>Vice President, Business Development</i>	1,542	10,322	Nil	Nil
Elizabeth McCarthy <i>Vice President, Legal</i>	2,800	13,976	45,460	Nil
Dan MacEachern <i>Vice President, Investments</i>	4,742	18,335	40,552	Nil

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Felesky Flynn LLP, Canadian tax counsel for the Company and the Trust ("**Canadian Tax Counsel**"), the following summary fairly describes the principal Canadian federal income tax considerations generally applicable under the Tax Act to Shareholders who dispose of their Common Shares pursuant to the Arrangement and receive Trust Units. This summary is applicable to a Shareholder or Unitholder who, for purposes of the Tax Act: (a) deals at arm's length with the Trust, the Company or any Person that such holder subsequently sells or otherwise transfers Trust Units to; (b) is not affiliated with the Trust, the Company, or any Person that such holder subsequently sells or otherwise transfers Trust Units to; and (c) holds Common Shares and will hold any Trust Units acquired pursuant to the Arrangement as capital property.

Generally, such securities will be considered to be capital property to a holder for purposes of the Tax Act if such holder does not hold the securities in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders who are Residents may be entitled to make or may have already made the irrevocable election permitted by subsection 39(4) of the Tax Act, the effect of which may be to deem to be capital property any Common Shares or Trust Units (and any other "Canadian security", as defined in the Tax Act) owned by such holder in the taxation year in which the election is made and in all subsequent taxation years. Holders whose Common Shares and Trust Units might not otherwise be considered to be capital property should consult with and rely on their own tax advisors concerning this election.

This summary is not applicable to a Shareholder or to a Unitholder (a) that is a "financial institution" for purposes of certain rules in the Tax Act referred to as the "mark-to-market rules", (b) an interest in which is a "tax shelter investment" as defined in the Tax Act, (c) that reports its "Canadian tax results" in a currency other than Canadian currency; (d) that is a "specified financial institution"; or (e) that enters into a "derivative forward agreement" with respect to the holder's Common Shares or Trust Units. This summary is also not applicable to a Shareholder or to a Unitholder that is a partnership for Canadian federal income tax purposes or if it is exempt from tax under Part I of the Tax Act. Such holders should consult with and rely on their own tax advisors.

This summary does not describe the tax consequences of exchanging Options or RSUs pursuant to the Arrangement, nor does it apply to a holder who acquired Common Shares through the exercise of Options or RSUs or who acquires Trust Units through the exercise of Trust Options or Trust RTUs. Holders who have or will have Options or RSUs should consult with and rely on their own tax advisors.

This summary is based on the facts set out in this Information Circular, certain representations as to factual matters made in a certificate signed by an officer of the Company, a certificate signed by an officer of AcquireCo and a certificate signed by an officer of the Trust and provided to Canadian Tax Counsel (each, an "**Officer's Certificate**"), the current provisions

of the Tax Act in force as of the date prior to the date hereof, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof ("**Tax Proposals**") and counsel's understanding of the current administrative practices and assessing policies of the Canada Revenue Agency ("**CRA**") published in writing prior to the date hereof. No assurance can be given that the Tax Proposals will be enacted as proposed, if at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Tax Proposals, does not take into account or anticipate any changes in Law, whether by legislative, administrative or judicial decision or action, or any changes in the administrative practices and assessing policies of the CRA. This summary does not account for tax legislation of any province, territory or foreign jurisdiction, which may differ from the Canadian federal income tax considerations discussed below.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Shareholder or Unitholder. No representation with respect to the Canadian federal income tax consequences to any particular holder is made. Accordingly, Shareholders should consult with and rely on their own tax advisors for advice with respect to the income tax consequences to them of the Arrangement, including: (a) disposing of Common Shares pursuant to the Arrangement; (b) acquiring Trust Units pursuant to the Arrangement; and (c) holding and disposing of Trust Units, all having regard to a holder's own particular circumstances.**

### Status of the Trust

#### *Qualification as a "Mutual Fund Trust"*

The Trust intends to file the necessary election under the Tax Act so that it will be deemed to have been a "mutual fund trust" within the meaning of the Tax Act effective from the beginning of its first taxation year. Based on representations as to certain factual matters in the Officer's Certificate, this summary assumes that the Trust will qualify as a "mutual fund trust" within the meaning of the Tax Act from the beginning of its first taxation year and continuously thereafter at all relevant times and that the representations made in the Officer's Certificate are true and correct.

If the Trust were not to qualify as a mutual fund trust at any particular time, the income tax considerations described below would, in some respects, be materially and adversely different.

### SIFT Trust Rules

The SIFT Trust Rules contained in the Tax Act effectively tax certain income of a publicly-traded trust that is distributed to its investors on the same basis as would have applied had the income been earned through a taxable corporation and distributed by way of dividend to its shareholders. The SIFT Trust Rules apply only to "SIFT trusts" (as defined in the Tax Act) and their investors.

A trust resident in Canada generally will be a SIFT trust for a particular taxation year for purposes of the Tax Act if, at any time during the taxation year, "investments" in the trust are listed or traded on a stock exchange or other "public market" and the trust holds one or more "non-portfolio properties" (each as defined for purposes of the SIFT Trust Rules). Non-portfolio properties generally include certain investments in real properties situated in Canada and certain investments in corporations and trusts resident in Canada and in partnerships with specified connections to Canada.

Where the SIFT Trust Rules apply, distributions of a SIFT trust's "non-portfolio earnings" (as defined in the Tax Act) are not deductible in computing the SIFT trust's net income. Non-portfolio earnings are generally defined as income attributable to a business carried on by the SIFT trust in Canada or to income (other than certain dividends) from, and taxable capital gains from the disposition of, non-portfolio properties. The SIFT trust is itself liable to pay income tax on an amount equal to the amount of such non-deductible distributions at a rate that is substantially equivalent to the combined federal and provincial general income tax rate applicable to taxable Canadian corporations. Such non-deductible distributions paid to a holder of units of the SIFT trust are generally deemed to be taxable dividends received by such holder from a taxable Canadian corporation. Such deemed dividends will qualify as "eligible dividends" for purposes of the enhanced gross-up and dividend tax credit available under the Tax Act to individuals who are Residents. Distributions that are paid by a SIFT trust as returns of capital will generally not attract the tax under the SIFT Trust Rules.

The Trust is expected to be a SIFT trust. However, its income and distributions should only be subject to the SIFT Trust Rules to the extent of its non-portfolio earnings. Interest on debt owing by Non-Residents, taxable capital gains from

dispositions of such debt, dividends from AcquireCo and dividends from any successor of AcquireCo that is a taxable Canadian corporation for purposes of the Tax Act, should be income other than non-portfolio earnings. Taxable capital gains from the disposition of AcquireCo Common Shares, and the shares of any successor of AcquireCo that is a taxable Canadian corporation for purposes of the Tax Act, should constitute non-portfolio earnings and should be taxable in the Trust and treated as dividends as described above. Based on the factual representations set out in the Officer's Certificates, Canadian Tax Counsel understands that all of the Trust's expected income should comprise income or gains, none of which should be non-portfolio earnings. As a result, the SIFT Trust Rules should have no adverse application to the Trust and its Unitholders.

The remainder of this summary is subject to the SIFT Trust Rules as discussed above.

### **Taxation of the Trust**

In each taxation year, the Trust will generally be subject to tax under Part I of the Tax Act on its income for the year, including net realized capital gains for that year, taxable dividends received by the Trust from AcquireCo, and any successor that is a taxable Canadian corporation for purposes of the Tax Act, and interest on debt obligations held by the Trust (including debt owing by Non-Resident Subsidiaries), less the portion thereof that it deducts in respect of the amounts paid or payable, or deemed to be paid or payable, to Unitholders in the year. An amount will be considered payable to a Unitholder in a taxation year if it is paid to the Unitholder in the year by the Trust or if the Unitholder is entitled in that year to enforce payment of the amount. The Trust's taxation year will end on December 31 of each year.

In computing its income for purposes of the Tax Act, the Trust will generally deduct reasonable administrative costs and other reasonable expenses of a current nature incurred by it for the purpose of earning income. The Trust may also deduct on a five-year straight-line basis (subject to pro-ration for short taxation years) from its income for the year a portion of any reasonable expenses incurred by the Trust in the course of issuing Trust Units.

Canadian Tax Counsel has been advised that the Trust intends to make sufficient distributions to Unitholders of the amount necessary to ensure that the Trust will not be liable to pay income tax under Part I of the Tax Act on such income, however, no assurance can be given in this regard. Under the Declaration of Trust and pursuant to the distribution policy of the Trust, where the Trust's available cash is insufficient to make payment of the full amount of a distribution, such payment may, at the option of the Trustees, be distributed in the form of additional Trust Units. Income of the Trust payable to Unitholders, whether in cash, additional Trust Units or otherwise, will generally be deductible by the Trust in computing its income. The Trust generally is expected to designate to the Unitholders any taxable dividends, net taxable capital gains received or realized by it, and foreign-sourced income (e.g. interest on foreign debt), so that such amounts retain their character when received by Unitholders.

Losses incurred by the Trust cannot be allocated to Unitholders but may be deducted by the Trust in future years in computing its taxable income in accordance with the Tax Act. If the Trust would otherwise be liable for tax on its net taxable capital gains realized by the Trust for a taxation year, it will be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for such tax by an amount determined under the Tax Act based on the redemption of Trust Units during the year ("**Capital Gains Refund**"). In certain circumstances, the Capital Gains Refund in a particular taxation year may not completely offset the Trust's tax liability for the taxation year arising in connection with the transfer of property in specie to redeeming Unitholders on the redemption of Trust Units. The Declaration of Trust provides that all or a portion of any income (including taxable capital gains) realized by the Trust as a result of that redemption may at the discretion of the Trustees of the Trust, be treated as income paid or payable to the redeeming Unitholder, and will be deductible by the Trust in computing its income. However, pursuant to Tax Proposals released on July 30, 2019 ("**2019 Proposals**"), for taxation years of the Trust that commence on or after March 19, 2019, the Trust generally will not be entitled to a deduction in computing its income in respect of amounts allocated to redeeming Unitholders to the extent of (a) the portion of any such amount that would be paid out of the income (other than taxable capital gains) of the Trust, and (b) the portion of any such amount that would be paid out of the taxable capital gains of the Trust to the extent that it is greater than the taxable capital gain that would have been realized by the redeeming Unitholder but for such amount. As a result, the taxable component of distributions by the Trust to non-redeeming Unitholders may be adversely affected.

## Holders who are Residents

This section of the summary of Certain Canadian Federal Income Tax Considerations is applicable to a holder who is, or is deemed to be, a Resident. The taxation of holders who are Non-Residents is described below under "*Certain Canadian Federal Income Tax Considerations – Holders who are Non-Residents*".

### *Exchange of Common Shares for Trust Units*

Pursuant to the Arrangement, Common Shares held by Shareholders (other than Common Shares held by Dissenting Shareholders) will be transferred to the Trust, in exchange for Trust Units on a one-for-one basis. A Shareholder who exchanges Common Shares for Trust Units pursuant to the Arrangement will be considered to have disposed of such Common Shares for proceeds of disposition equal to the FMV at the Effective Time of such Trust Units acquired by the holder. Such a Shareholder will realize a capital gain (or a capital loss) equal to the amount by which the FMV of the Trust Units received in exchange for the Common Shares exceeds (or is less than) the aggregate of the ACB of the Common Shares of the Shareholder transferred to the Trust and any reasonable costs of disposition. The taxation of capital gains and capital losses is described below under "*Certain Canadian Federal Income Tax Considerations – Holders who are Residents – Taxation of Capital Gains and Capital Losses*".

The cost to a Unitholder of the Trust Units acquired in exchange for Common Shares will be equal to the FMV at the Effective Time of the Common Shares exchanged by the Shareholder for such Trust Units.

### *Dissenting Shareholders*

If, on the Arrangement, a Shareholder exercises Dissent Rights and receives fair value of the Shareholder's Common Shares (thus becoming a Dissenting Shareholder), such Dissenting Shareholder will be considered to have disposed of the Common Shares for proceeds of disposition equal to the amount received by the Dissenting Shareholder from AcquireCo less any interest awarded by the Court. The Dissenting Shareholder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition exceed (or are exceeded by) the ACB of the Dissenting Shareholder's Common Shares and any reasonable costs of disposition. The tax treatment of capital gains and capital losses is described below under "*Certain Canadian Federal Income Tax Considerations – Holders who are Residents – Taxation of Capital Gains and Capital Losses*". Interest awarded by the Court to a Dissenting Shareholder who is a Resident will be included in the Shareholder's income for the purposes of the Tax Act.

Additional income tax considerations may be relevant to Dissenting Shareholders who fail to perfect or withdraw their claims pursuant to the right of dissent. **Dissenting Shareholders are urged to consult their own tax advisors.**

## Taxation of Unitholders

### *Trust Distributions*

A Unitholder generally will be required to include in computing income for a particular taxation year of the Unitholder such portion of the net income of the Trust for a taxation year, including net realized taxable capital gains, as is paid or becomes payable to the Unitholder in that particular taxation year, whether received in cash, additional Trust Units or otherwise. Provided that appropriate designations are made by the Trust, such portion of taxable dividends received from taxable Canadian corporations, net taxable capital gains, and foreign-sourced income (e.g. interest on foreign debt), as the case may be, as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for the purposes of the Tax Act.

The non-taxable portion of any net capital gains of the Trust that is paid or payable, or deemed to be paid or payable, to a Unitholder in a taxation year will not be included in computing the Unitholder's income for the year provided the taxable portion of such capital gain is designated to the Unitholder. Any other amount in excess of the net income and net taxable capital gains of the Trust that is paid or payable, or deemed to be paid or payable, by the Trust to a Unitholder in a taxation year, will not generally be included in the Unitholder's income for the year. A Unitholder will be required to reduce the ACB of the Unitholder's Trust Units by the portion of any amount (other than proceeds of disposition in respect of the redemption of Trust Units and the non-taxable portion of net capital gains referred to above) paid or payable to such Unitholder that was not included in computing the Unitholder's income. To the extent that the ACB of a Trust Unit to a Unitholder otherwise would be less than zero, the negative amount will be deemed to be a capital gain of the Unitholder from the disposition of

the Trust Unit in the year in which the negative amount arises, and the ACB of the Trust Unit to the Unitholder will then be nil.

To the extent that amounts are designated as having been paid to Unitholders out of taxable dividends received, or deemed to be received, on shares of taxable Canadian corporations, they will be subject to the normal gross-up and dividend tax credit provisions (including the enhanced gross-up and dividend tax credit rules in respect of dividends designated by such corporations as "eligible dividends") in respect of Unitholders who are individuals, to the refundable tax under Part IV of the Tax Act in respect of Unitholders that are private corporations and certain other corporations controlled directly or indirectly by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts), and to the deduction in computing taxable income in respect of Unitholders that are corporations subject to the detailed rules in the Tax Act. Unitholders should consult their own tax advisors for advice with respect to the potential application of these provisions.

To the extent that amounts are designated as having been paid to Unitholders out of the net taxable capital gains of the Trust, such designated amounts will be deemed for tax purposes to be received by Unitholders in the year as a taxable capital gain. The treatment of capital gains and losses are generally described below under "*Certain Canadian Federal Income Tax Considerations – Holders who are Residents – Taxation of Capital Gains and Capital Losses*".

In general, if a distribution paid or made payable by the Trust to a Unitholder results in the Trust being subject to tax under the SIFT Trust Rules as described above, the amount of the distribution received (whether received in cash or additional Trust Units) by a Unitholder will also be deemed to be an "eligible dividend" paid by a taxable Canadian corporation.

#### *Acquisitions of Trust Units*

The cost to a Unitholder of a Trust Unit will include all amounts paid or payable by the Unitholder for the Trust Unit with certain adjustments. The cost to a Unitholder of additional Trust Units received in lieu of a cash distribution of income (including net capital gains) will be the amount of such income paid in additional Trust Units. The cost to a Unitholder of the Trust Units to the extent that each is held as capital property will be averaged to determine the ACB of each Trust Unit held by the Unitholder.

A purchaser of a Trust Unit may become taxable on a portion of the net income of the Trust accrued or realized by the Trust before the time the Trust Unit was purchased but which was not paid or made payable to Unitholders until after the time the Trust Unit was purchased. A similar result may apply on an annual basis in respect of a portion of net taxable capital gains accrued or realized by the Trust in a year before the time the Trust Unit was purchased but which is paid or made payable to Unitholders at year end and after the time the Trust Unit was purchased.

#### *Dispositions of Trust Units*

The disposition or deemed disposition by a Unitholder of a Trust Unit, whether on redemption or otherwise, generally will result in the Unitholder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition exceed (or are less than) the aggregate of the Unitholder's ACB of the Trust Unit and any reasonable costs of disposition. Proceeds of disposition will not include an amount payable by the Trust that is otherwise required to be included in the Unitholder's income. The treatment of capital gains and losses are generally described below under "*Certain Canadian Federal Income Tax Considerations – Holders who are Residents – Taxation of Capital Gains and Capital Losses*".

A redemption of Trust Units in consideration for cash or Redemption Notes, as the case may be, will be a disposition of such Trust Units for proceeds of disposition equal to the amount of the cash or the FMV of such notes, as the case may be, less any income or capital gain realized by the Trust in connection with the redemption of those Trust Units to the extent that such income or capital gain is designated by the Trust to the redeeming Unitholder. Subject to the discussion above of the 2019 Proposals, where income or a capital gain realized by the Trust in connection with the redemption of Trust Units is so designated by the Trust to the redeeming Unitholder, the Unitholder will be required to include in computing its income for tax purposes, the income and the taxable portion of the capital gain so designated. The cost of any property distributed by the Trust to a Unitholder upon a redemption of Trust Units will generally be equal to the FMV of that property at the time of distribution. A Unitholder who is issued Redemption Notes will thereafter be required to include in income interest on such notes in accordance with the provisions of the Tax Act.

### *Taxation of Capital Gains and Capital Losses*

Under the Tax Act, one-half of any capital gain realized by a Shareholder or Unitholder and the amount of any net taxable capital gains designated by the Trust in respect of a Unitholder will be included in such holder's income as a taxable capital gain. Subject to certain specific rules in the Tax Act, one-half of any capital loss realized by such a Shareholder or Unitholder must be deducted against the holder's taxable capital gains for the year and the excess, if any, may generally be carried back to any of the three preceding taxation years or carried forward to a future taxation year and deducted against taxable capital gains realized in such year, subject to the detailed provisions of the Tax Act.

A Shareholder or Unitholder that throughout the relevant taxation year is a "Canadian-controlled private corporation", as defined in the Tax Act, may be liable to pay an additional refundable tax on certain investment income, including taxable capital gains.

A capital loss realized on the disposition of a Common Share by a Shareholder that is a corporation may be reduced by the amount of dividends received or deemed to be received by the Shareholder to the extent and under the circumstances prescribed by the Tax Act. Similar rules may apply where the corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares or where a trust or partnership, of which a corporation is a beneficiary or a member, is a member of a partnership or a beneficiary of a trust that owns Common Shares. A capital loss realized on the disposition of a Trust Unit by a Unitholder that is a corporation or trust (other than a mutual fund trust), whether directly or as a member of a partnership, may be reduced in respect of certain distributions to the Unitholder out of dividends received by the Trust and designated by the Trust in respect of the Unitholder to the extent and under the circumstances described in the Tax Act. Holders to whom these rules may be relevant should consult their own tax advisors.

#### *Minimum Tax*

Net income of the Trust that is paid or payable to a Unitholder that is designated as taxable dividends or as net taxable capital gains, and capital gains realized on the disposition of Common Shares or Trust Units may increase the holder's liability for minimum tax if the holder is an individual.

#### *Qualified Investment Status*

Trust Units will be qualified investments for Deferred Income Plans (subject to the specific provisions of any Deferred Income Plan) on condition that the Trust qualifies as a mutual fund trust for purposes of the Tax Act. If the Trust ceases to qualify as a mutual fund trust, the Trust Units will cease to be qualified investments for such Deferred Income Plans.

Notwithstanding that the Trust Units may be qualified investments for a TFSA, RDSP, RRSP, RRIF or RESP, the holder of a TFSA or RDSP, the annuitant under an RRSP or RRIF or the subscriber of an RESP will be subject to a penalty tax in respect of the Trust Units if such Trust Units are a "prohibited investment" (as defined in the Tax Act) for the TFSA, RDSP, RRSP, RRIF or RESP, as the case may be. The Trust Units will generally not be a prohibited investment for a trust governed by a TFSA, RDSP, RRSP, RRIF or RESP on condition that the holder of the TFSA or RDSP, the annuitant under the RRSP or RRIF or the subscriber of the RESP, as the case may be, (a) deals at arm's length with the Trust for purposes of the Tax Act, and (b) does not have a "significant interest" (as defined in the Tax Act for purposes of such "prohibited investment" rules) in the Trust. Generally, a holder of a TFSA or RDSP, an annuitant under an RRSP or RRIF or a subscriber of an RESP will have a significant interest in the Trust if such holder, annuitant or subscriber, either alone or together with Persons or partnerships not dealing at arm's length with such holder, annuitant or subscriber for purposes of the Tax Act owns, directly or indirectly, 10% or more of the FMV of all interests of beneficiaries in the Trust.

In addition, a Trust Unit that is "excluded property" (as defined in the Tax Act) will not be a prohibited investment for a TFSA, RDSP, RRSP, RRIF or RESP. Such holders, subscribers or annuitants who intend to hold the Trust Units in a TFSA, RDSP, RRSP, RRIF or RESP, as the case may be, should consult their own tax advisors regarding the application of the foregoing "prohibited investment" rules having regard to their particular circumstances.

Redemption Notes received as a result of an in specie redemption of Trust Units by the Trust will not be qualified investments for Deferred Income Plans, which could give rise to adverse consequences to the Deferred Income Plans or the annuitant thereunder. Accordingly, Deferred Income Plans that own Trust Units should consult their own tax advisors before deciding to exercise the redemption right attached to the Trust Units.

## Holders who are Non-Residents

The following portion of this summary generally is applicable to a holder who at all relevant times is a Non-Resident and who does not use or hold, and is not deemed to use or hold Common Shares or Trust Units, as the case may be, in connection with carrying on a business in Canada. Special rules, which are not discussed herein, may apply to a Non-Resident who is an insurer carrying on business in Canada and elsewhere.

### *Taxation of Capital Gains*

A holder who is a Non-Resident generally will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of a Common Share or Trust Unit (whether the disposition of such Common Share or Trust Unit is on sale, on redemption, by virtue of capital distributions by the Trust in excess of a Unitholder's ACB or otherwise) unless such property constitutes "taxable Canadian property" for purposes of the Tax Act of the Person who is a Non-Resident and no relief is available to the holder under an applicable income tax convention. See below under "*Certain Canadian Federal Income Tax Considerations – Holders who are Non-Residents – Taxable Canadian Property*".

### *Taxable Canadian Property*

Generally, the Common Shares or the Trust Units, as the case may be, will not be "taxable Canadian property" to a Non-Resident holder at a particular time on condition that such Common Shares or Trust Units, as the case may be, are listed on a "designated stock exchange" (as defined in the Tax Act, which currently includes the TSX), and are not otherwise deemed under the Tax Act to be "taxable Canadian property", unless at any time during the 60-month period that ends at the Effective Date: (a) any combination of (i) the Non-Resident holder, (ii) Persons with whom the Non-Resident holder did not deal at arm's length, (iii) partnerships in which the Non-Resident holder or a Person described in (ii) holds an interest directly or indirectly through one or more partnerships, owned 25% or more of the issued shares of any class or series of shares in the capital stock of the Company or the Trust, as the case may be; and (b) more than 50% of the FMV of the Common Shares or Trust Units, as the case may be, was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource property", "timber resource property", or any option in respect of, or any interest in, such properties, whether or not the property or properties exist (all as defined in the Tax Act). Based on the representations made by the Company in the Officer's Certificate, the Common Shares should not be "taxable Canadian Property" at the Effective Time.

If a Non-Resident holder's Common Share or Trust Unit is considered to be taxable Canadian property, on the disposition or deemed disposition thereof, the capital gain (or capital loss) generally will be treated in the manner described above under "*Certain Canadian Federal Income Tax Considerations – Holders who are Residents – Taxation of Capital Gains and Capital Losses*". However, an applicable income tax convention may provide relief from Canadian tax on any such capital gain realized by the holder. Non-Resident holders whose Common Shares or Trust Units, as the case may be, are taxable Canadian property should consult their own tax advisors for advice having regard to their particular circumstances, including whether their Common Shares or Trust Units, as the case may be, constitute treaty-protected property.

### *Trust Distributions*

All amounts that the Trust pays or credits, or is deemed to pay or credit, to a Unitholder who is Non-Resident, other than amounts designated by the Trust to be net taxable capital gains, which otherwise would be included in the income of such Unitholder (determined in accordance with the Tax Act), and any amount that can reasonably be considered to be a distribution of or derived from a dividend received by the Trust from a corporation that is a Resident other than a taxable dividend, will be subject to Canadian withholding tax at a rate of 25% of the gross amount thereof, unless such rate is reduced under an applicable income tax convention. For example, the rate of withholding tax is reduced to 15% where such distributions are paid or credited, or deemed to be paid or credited, to those Unitholders who are Non-Residents and are residents of the United States and qualified to claim full benefits under the Canada-United States Income Tax Convention, 1980, as amended.

It is expected that a portion of the distributions from the Trust will not constitute income determined in accordance with the Tax Act. Such distributions on Trust Units generally will not be subject to Canadian withholding tax, but generally will reduce the Unitholder's ACB of the Trust Units.



Where the Trust makes a designation under the Tax Act of net taxable capital gains, such taxable capital gain will be deemed to be a taxable capital gain of the holder of a Trust Unit from the disposition of capital property. The Tax Act deems certain amounts designated by a trust to be net taxable capital gains to be a distribution from the Trust which is not excepted from withholding tax in certain circumstances. Generally, these rules apply where a trust has net taxable capital gains from the disposition of taxable Canadian property or has received TCP gains distributions (as defined in the Tax Act). See above under "*Certain Canadian Federal Income Tax Considerations – Holders who are Non-Residents – Taxable Canadian Property*".

#### *Taxation of Dissenting Shareholders*

A Dissenting Shareholder who is a Non-Resident will realize a capital gain (or a capital loss) equal to the amount by which the FMV of the consideration received in exchange for the Common Shares exceeds (or is less than) the aggregate of the ACB of such Common Shares and any reasonable cost of disposition. For purposes of determining the Dissenting Shareholder's capital gain (or capital loss), the proceeds of disposition will be equal to the amount received as consideration for the Common Shares less the amount of any interest awarded by the Court. The taxation of capital gains and capital losses is described above under "*Certain Canadian Federal Income Tax Considerations – Holders who are Non-Residents – Taxation of Capital Gains*".

Any interest paid or credited to a Dissenting Shareholder who is a Non-Resident pursuant to a Court award should not be subject to withholding tax.

Additional income tax considerations may be relevant to Dissenting Shareholders who fail to perfect or withdraw their claims pursuant to the right of dissent. **Dissenting Shareholders are urged to consult their own tax advisors.**

## **CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**

### **Certain United States Federal Income Tax Considerations**

The following discussion is a summary of US federal income tax considerations generally applicable to the acquisition, ownership and disposition of Trust Units by a US holder (as defined below) that acquires Trust Units as part of the Arrangement. This summary is for general information purposes only and does not purport to be a complete discussion of all potential tax considerations that may be relevant to an investment in Trust Units.

This summary is based on the US Tax Code, the regulations promulgated under the US Tax Code (the "**US Treasury Regulations**"), the income tax treaty between Canada and the United States (the "**Treaty**"), published rulings of the US Internal Revenue Service (the "**IRS**"), published administrative positions of the IRS, and US court decisions that are applicable and, in each case, as in effect and available, as of the date hereof. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive or prospective basis which could affect the US federal income tax considerations described in this summary. No ruling has been requested from the IRS with respect to any of the US federal income tax considerations described below and, as a result, the IRS could disagree with portions of this discussion.

For purposes of this discussion, a "US holder" is a beneficial owner of Trust Units that is, for US federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for US federal income tax purposes) that is created or organized in or under the Laws of the United States, any state thereof, or the District of Columbia;
- an estate the income of which is includable in gross income for US federal income tax purposes regardless of its source; or
- a trust (i) the administration of which is subject to the primary supervision of a court within the United States and which has one or more US Persons who have the authority to control all substantial decisions of the trust, or (ii) that has validly elected to be treated as a US Person under the US Tax Code.

If an entity or arrangement that is classified as a partnership for US federal income tax purposes holds the Trust Units, the US federal income tax consequences to such partnership and its partners of the ownership and disposition of the Trust Units generally will depend in part on the activities of the partnership and the status of such partners. This summary does not address the tax consequences to any such partner or partnership. Partners of entities or arrangements that are classified as partnerships for US federal income tax purposes should consult their own tax advisors regarding the US federal income tax consequences of the ownership and disposition of the Trust Units.

This discussion applies only to a US holder that holds Trust Units as "capital assets" under the US Tax Code (generally, property held for investment). Unless otherwise provided, this summary does not discuss reporting requirements. In addition, this discussion does not address any tax consequences other than US federal income tax consequences, such as US state and local tax consequences, US estate and gift tax consequences, and non-US tax consequences, and does not describe all of the US federal income tax consequences that may be relevant in light of a US holder's particular circumstances, including alternative minimum tax consequences, the Medicare tax on certain net investment income, and tax consequences to holders that are subject to special provisions under the US Tax Code, including, but not limited to, holders that:

- are tax exempt organizations, qualified retirement plans, individual retirement accounts, or other tax deferred accounts;
- are financial institutions, underwriters, insurance companies, real estate investment trusts, or regulated investment companies;
- are brokers or dealers in securities or currencies or holders that are traders in securities that elect to apply a mark-to-market accounting method;
- have a "functional currency" for US federal income tax purposes that is not the US dollar;
- own Trust Units as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position, or have pledged Trust Units as security for indebtedness, such as margin indebtedness;
- acquire Trust Units in connection with the exercise of employee stock options or otherwise as compensation for services;
- are partnerships or other pass-through entities for US federal income tax purposes (or investors in such partnerships and entities);
- are required to accelerate the recognition of any item of gross income with respect to the Trust Units as a result of such income being recognized on an applicable financial statement;
- own or will own (directly, indirectly, or constructively) 5% or more of the Trust's total combined voting power or value (except as specifically provided below);
- hold the Trust Units in connection with trade or business conducted outside of the United States or in connection with a permanent establishment or other fixed place of business outside of the United States; or
- are former US citizens or former long-term residents of the United States.

Each US holder is urged to consult its own tax advisor regarding the application of US federal taxation to its particular circumstances, and the state, local, non-US and other tax considerations of the acquisition, ownership and disposition of the Trust Units.

### ***Classification of the Trust***

The Trust will be classified as a corporation for US federal income tax purposes.

## *The Arrangement*

### *Shareholders Receiving Trust Units*

As part of the Arrangement, Shareholders (other than Dissenting Shareholders and Non-Eligible US Shareholders) will transfer their Common Shares to the Trust solely in exchange for Trust Units (the "**Exchange**"). Based upon certain representations provided by Alaris and certain assumptions, it is the opinion of Greenberg Traurig, LLP, US tax counsel to Alaris, that, subject to the discussion below regarding Section 367(a) of the US Tax Code, a US holder should (i) not recognize gain or loss for US federal income tax purposes as a result of the Exchange, (ii) have a tax basis in the Trust Units received equal to its adjusted tax basis in the Common Shares exchanged, and (iii) have a holding period in the Trust Units that includes its holding period for the Common Shares exchanged. Under applicable US Treasury Regulations under Section 367(a) of the US Tax Code, a US holder who owns (directly, indirectly, or constructively) 5% or more of the total voting power or total value of the Trust Units immediately after the completion of the Arrangement will be required to recognize gain (but not loss) as a result of the Exchange unless the US holder enters into a "gain recognition agreement", as defined in the US Treasury Regulations, with the IRS. All US holders are urged to consult their own tax advisors regarding the tax consequences to them of the Exchange, including the decision to file a gain recognition agreement and the procedures to be followed in connection with such a filing.

### *Dissenting Shareholders and Non-Eligible US Shareholders*

A US holder that is a Dissenting Shareholder or a Non-Eligible US Shareholder receiving solely cash in exchange for Common Shares should be treated as disposing of such Common Shares in a taxable exchange, and should recognize gain or loss in an amount equal to the difference between the FMV of the cash received and such holder's tax basis in such Common Shares. Such gain or loss will generally be capital gain or loss and will be long-term capital gain or loss if the US holder's holding period for such Common Shares was more than one year as of the date of the completion of the Arrangement. Long-term capital gain recognized by a non-corporate US holder is subject to US federal income tax at rates lower than the rates applicable to ordinary income, while short-term capital gains in excess of short-term capital losses are subject to US federal income tax at the rates applicable to ordinary income. The deductibility of capital losses is subject to various limitations.

## *Ownership and Disposition of Trust Units*

### *Passive Foreign Investment Company Considerations*

A non-US entity that is treated as a corporation for US federal income tax purposes, such as the Trust, is classified as a passive foreign investment company ("**PFIC**") for any taxable year in which, after applying relevant look-through rules with respect to the income and assets of its Subsidiaries (as discussed below), either: (i) 50% or more of the value of the corporation's assets either produce passive income or are held for the production of passive income, based on the quarterly average of the FMV of such assets; or (ii) at least 75% of the corporation's gross income is passive income. "Passive income" generally includes, for example, dividends, interest, certain rents and royalties (other than certain rents and royalties that are derived in the active conduct of a trade of business), certain gains from the sale of stock and securities, and certain gains from commodities transactions.

Under the look-through rules, if a non-US corporation owns (directly or indirectly) at least 25%, by value, of the stock of another corporation, such non-US corporation generally is treated as if it held its proportionate share of the other corporation's assets and received directly its proportionate share of the other corporation's income. US Treasury Regulations proposed in 2019 (the "**Proposed Regulations**") would apply similar look-through rules to partnerships in which the non-US corporation owns (directly or indirectly) at least 25%, by value, of the interests on the measuring date, which is generally the last day of the non-US corporation's quarter. Until the Proposed Regulations are finalized, taxpayers generally may choose to apply the Proposed Regulations in their entirety as if they were final US Treasury Regulations. Generally, an interest of less than 25% (by value) in an entity is deemed to be a passive asset, and the income from such an entity is deemed to be passive income.

Based upon its income and assets in prior taxable years, Alaris has taken the position that it was not a PFIC for any of its prior taxable years. Furthermore, based on its current and projected operations and financial expectations for the current taxable year, Alaris believes that it will not be a PFIC for the current taxable year. The discussion above under "*The*

*Arrangement – Shareholders Receiving Trust Units*" and *"The Arrangement – Dissenting Shareholders and Non-Eligible US Shareholders"* is written on the basis that Alaris has not been a PFIC in any prior taxable year and will not be a PFIC for the current taxable year.

Upon completion of the Arrangement, the Trust will indirectly own all the shares of the Company which will continue to carry on the same activities that the Company carried on prior to the Arrangement. Based upon the projected income of the Trust and valuation of the Trust's assets, including goodwill, the Trust does not expect to be a PFIC for its initial taxable year or the foreseeable future. However, the determination of whether any corporation was, or will be, a PFIC for a taxable year depends, in part, on the application of complex US federal income tax rules that are subject to differing interpretations. In addition, because the determination of whether a corporation will be a PFIC for any taxable year can only be made after the close of such taxable year, there can be no assurance that the Trust will not be a PFIC for its initial taxable year or any future taxable year.

The Trust must make a separate determination each year as to whether it is a PFIC. As a result, the Trust's PFIC status may change. If the Trust is a PFIC for any year during which a US holder holds Trust Units, the Trust will generally continue to be treated as a PFIC for all succeeding years during which the holder holds such Trust Units.

The discussion below under *"Distributions on the Trust Units"* and *"Sale or Other Disposition of the Trust Units"* is written on the basis that the Trust will not be classified as a PFIC for US federal income tax purposes. The US federal income tax rules that generally would apply if the Trust is treated as a PFIC are discussed below under *"Passive Foreign Investment Company Rules"*.

#### *Distributions on the Trust Units*

The gross amount of any distributions paid on the Trust Units will generally be included in the gross income of a US holder as dividend income on the date actually or constructively received by the holder, but only to the extent that the distribution is paid out of the Trust's current or accumulated earnings and profits (computed on the basis of US federal income tax principles). Because the Trust does not intend to determine its earnings and profits on the basis of US federal income tax principles, US holders should expect that distributions paid on the Trust Units will generally be reported as dividends. Dividends received on the Trust Units generally will not be eligible for the dividends received deduction allowed to corporations in respect of dividends received from US corporations.

Individuals and other non-corporate US holders will be subject to tax on any such dividends at the lower capital gains tax rate applicable to "qualified dividend income", provided that certain conditions are satisfied, including that (i) the Trust Units on which the dividends are paid are readily tradable on an established securities market in the United States or the Trust is eligible for the benefits of the Treaty, (ii) the Trust is not a PFIC nor treated as such with respect to the holder for either the Trust's taxable year in which the dividend was paid or for the preceding taxable year, and (iii) certain holding period requirements are met. The Trust expects that it will be eligible for the benefits of the Treaty and therefore expects that dividends on the Trust Units will constitute qualified dividend income if the other applicable conditions are satisfied, but there can be no assurance that the Trust will continue to be so eligible. US holders should consult their own tax advisors regarding the availability of the lower rate for dividends paid with respect to the Trust Units.

For US foreign tax credit purposes, dividends paid on the Trust Units generally will be treated as foreign source income and generally will constitute passive category income. The amount of a dividend will include any amounts withheld by the Trust in respect of Canadian income taxes. Subject to applicable limitations, some of which vary depending upon the US holder's particular circumstances, Canadian income taxes withheld from dividends on the Trust Units, at a rate not exceeding any reduced rate pursuant to the Treaty, will be creditable against the US holder's US federal income tax liability. In lieu of claiming a foreign tax credit, US holders may, at their election, deduct foreign taxes, including any Canadian income taxes, in computing their taxable income, subject to generally applicable limitations under US Law. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all foreign taxes paid or accrued in the taxable year. The rules governing foreign tax credits are complex and US holders should consult their own tax advisors regarding the creditability or deductibility of foreign taxes in their particular circumstances.

The amount of any dividend paid in Canadian dollars will equal the US dollar value of the Canadian dollars received, calculated by reference to the exchange rate in effect on the date the dividend is received by you, regardless of whether the Canadian dollars are converted into US dollars. If the Canadian dollars received as a dividend are converted into US

dollars on the date of receipt, a US holder generally will not be required to recognize foreign currency gain or loss in respect of the dividend income. If the Canadian dollars received as a dividend are not converted into US dollars on the date of receipt, a US holder will have a basis in the Canadian dollars equal to their US dollar value on the date of receipt. Any gain or loss realized on a subsequent conversion or other disposition of the Canadian dollars will be treated as US source ordinary income or loss.

#### *Sale or Other Disposition of the Trust Units*

A US holder will recognize gain or loss on the sale or other disposition of a Trust Unit equal to the difference between the amount realized for the Trust Unit and the holder's tax basis in the Trust Unit. Such gain or loss will generally be capital gain or loss and will be long-term capital gain or loss if the US holder's holding period for such Trust Unit (which generally will include the holder's holding period for the Common Share exchanged therefor, as discussed above) was more than one year as of the date of the sale or other disposition. Long-term capital gain recognized by a non-corporate US holder is subject to US federal income tax at rates lower than the rates applicable to ordinary income, while short-term capital gains in excess of short-term capital losses are subject to US federal income tax at the rates applicable to ordinary income. The deductibility of capital losses is subject to various limitations. Any gain or loss recognized will generally be US source gain or loss for foreign tax credit purposes. Consequently, a US holder may not be able to use the foreign tax credit arising from any Canadian tax imposed on the disposition of the Trust Unit unless such credit can be applied (subject to applicable limitations) against tax due on other income treated as derived from non-US sources.

#### *Passive Foreign Investment Company Rules*

If the Trust is a PFIC for any taxable year during which a US holder holds Trust Units, the holder will be subject to special tax rules with respect to any "excess distribution" that the holder receives and any gain the holder realizes from a sale or other disposition (including a pledge) of the Trust Units, unless the US holder makes a mark-to-market election as discussed below. Distributions a US holder receives from the Trust in a taxable year that are greater than 125% of the average annual distributions such holder received from the Trust during the shorter of the three preceding taxable years or the holder's holding period for the Trust Units will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over the US holder's holding period for the Trust Units;
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which the Trust became a PFIC, will be treated as ordinary income; and
- the amount allocated to each of the other taxable years will be subject to tax at the highest rate of tax in effect for the US holder for such year and will be increased by an additional tax calculated as an interest charge on the resulting tax deemed deferred with respect to each such other taxable year at the rates generally applicable to underpayments of tax payable in those years.

As an alternative to the foregoing rules, a US holder may make a mark-to-market election with respect to the Trust Units, provided such Trust Units are treated as "marketable stock". The Trust Units generally will be treated as marketable stock if the Trust Units are regularly traded on a "qualified exchange or other market", as defined in applicable US Treasury Regulations. The Trust Units should be marketable stock as long as they are listed on the TSX, which should be a qualified exchange for this purpose, and are regularly traded. The Trust Units will be treated as regularly traded in any calendar year in which more than a de minimis quantity of the Trust Units are traded on a qualified exchange on at least 15 days during each calendar quarter; except that, in the case of the calendar year in which the Arrangement takes place, any calendar quarters prior to the quarter in which the Arrangement takes place are ignored and the requirement for the quarter in which the offering takes place is that the Trust Units trade for one-sixth of the days remaining in such quarter. It is expected that the Trust Units should qualify as being regularly traded but no assurances can be given in this regard.

If a US holder makes a valid mark-to-market election with respect to the Trust Units, the holder generally will (i) include as ordinary income for each taxable year that the Trust is a PFIC the excess, if any, of the FMV of Trust Units held at the end of the taxable year over the adjusted tax basis of such Trust Units, and (ii) deduct as an ordinary loss in each such taxable year the excess, if any, of the adjusted tax basis of the Trust Units over the FMV of such Trust Units held at the end of the taxable year, but such deduction will only be allowed to the extent of the net amount previously included in income as a result of the mark-to-market election. The US holder's adjusted tax basis in the Trust Units would be adjusted to reflect

any income or loss resulting from the mark-to-market election. If a US holder makes a mark-to-market election in respect of the Trust Units and the Trust ceases to be classified as a PFIC, the holder will not be required to take into account the gain or loss described above during any period that the Trust is not classified as a PFIC. If a US holder makes a mark-to-market election, any gain such holder recognizes upon the sale or other disposition of Trust Units in a year when the Trust is a PFIC will be treated as ordinary income and any loss will be treated as ordinary loss, but such loss will only be treated as ordinary loss to the extent of the net amount previously included in income as a result of the mark-to-market election.

In some cases, a US holder of a PFIC can avoid the interest charge and the other adverse PFIC consequences described above by making a "qualified electing fund" election to be taxed currently on its share of the PFIC's undistributed income. A US holder who makes this election must annually include in income: (i) as ordinary income, its pro rata share of the Trust's ordinary earnings for the taxable year; and (ii) as long-term capital gain, its pro rata share of the Trust's net capital gain for the taxable year. The Trust has not determined, if it were to be classified as a PFIC for a taxable year, whether it will provide the information necessary for a US holder to make a qualified electing fund election. Accordingly, US holders should assume that they will not be able to make a qualified electing fund election with respect to the Trust Units.

If a US holder owns, or is treated as owning, Trust Units during any year in which the Trust is a PFIC, the holder generally must file an annual report containing such information as the US Treasury may require on IRS Form 8621 (or any successor form). A failure to file this report generally will suspend the statute of limitations with respect to any tax return, event, or period to which such report relates (potentially including with respect to items that do not relate to a US holder's investment in Trust Units).

The PFIC rules are complex and the implementation of certain aspects of the PFIC rules requires the issuance of Treasury Regulations that in many instances have not been promulgated but which may be promulgated with retroactive effect. There can be no assurance that any of these proposals will be enacted or promulgated, and if so, the form they will take or the effect that they may have on this discussion. Accordingly, each US holder should consult its own tax advisor regarding the PFIC rules, the elections which may be available to it, and how the PFIC rules may affect the US federal income tax consequences relating to the ownership and disposition of Trust Units.

### ***Information Reporting and Backup Withholding***

Payments of dividends or sales proceeds that are made, or considered to be made, within the United States or through certain US-related financial intermediaries may be subject to information reporting and backup withholding, unless (i) the US holder is a corporation or other exempt recipient, or (ii) in the case of backup withholding, the US holder provides a correct US taxpayer identification number and certifies that it is not subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the US backup withholding rules will be allowed as a credit against a US holder's US federal income tax liability, if any, or will be refunded, if such US holder furnishes required information to the IRS in a timely manner. Each US holder should consult its own tax advisor regarding the information reporting and backup withholding rules in their particular circumstances and the availability of and procedures for obtaining an exemption from backup withholding.

### ***Reporting Obligations for Certain Owners of Foreign Financial Assets***

Certain US holders may be required to file information returns with respect to their investment in Trust Units. For example, US return disclosure obligations (and related penalties) are imposed on individuals who are US holders that hold certain specified foreign financial assets in excess of certain thresholds. The definition of "specified foreign financial assets" includes not only financial accounts maintained in non-US financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non-US Person, any financial instrument or contract held for investment that has an issuer or counterparty other than a US Person, and any interest in a non-US entity. US holders may be subject to these reporting requirements unless their Trust Units are held in an account at certain financial institutions.

The discussion of reporting obligations set forth above is not intended to constitute an exhaustive description of all reporting obligations that may apply to a US holder. A failure to satisfy certain reporting obligations may result in an extension of the period during which the IRS can assess a tax, and under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting obligation. Penalties for failure to comply with

these reporting obligations are substantial. US holders should consult with their own tax advisors regarding their reporting obligations under these rules.

## RISK FACTORS

Risk factors related to the activities and undertakings of the Company will continue to apply to the activities and undertakings of the Trust after the Effective Time. Certain risk factors relating to the activities of the Company are contained in the AIF and MD&A for the year ended December 31, 2019, each of which is incorporated by reference in this Information Circular and filed on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders should consider the risk factors set out therein together with the information set out in this Information Circular. Additional risks and uncertainties, including those currently unknown to, or considered immaterial by, the Company may also adversely affect the business of the Company and after completion of the Arrangement, the activities and undertakings of the Trust. In particular, the Arrangement is subject to certain risks including the following risks set out below:

### Risks Related to the COVID-19 Pandemic

On March 11, 2020, the World Health Organization expanded its classification of COVID-19 to a worldwide pandemic and federal, state, provincial and municipal governments in North America have now begun legislating measures to combat the spread of COVID-19. In the response to general economic effects of COVID-19 (including in respect of Partners), Alaris announced in March 2020 that it would be switching its dividend policy to a quarterly payment rather than a monthly payment and its intention to reduce its dividend by approximately 30% to \$1.16 annually and \$0.29 per quarter. Alaris (and after the Arrangement, the Trust) and its Partners may experience negative impacts from the COVID-19 outbreak; however, the extent of such impacts are currently unquantifiable, but may be significant. Such impacts include, without limitation, reduced willingness or ability of the general population to travel, government restrictions on travel, hours of business operations, forced closures, mandated social distancing, isolation and/or quarantines, border closures, impacts of declared states of emergency, public health emergency and similar declarations and could include other increased government regulations, reduced consumer traffic and sales, as well as temporary business closures, and potential supply and staff shortages, all of which may negatively impact the business, financial condition and results of operations of Alaris (and after the Arrangement, the Trust) and its Partners and thus may impact the ability of the Partners to comply with their covenants under their respective obligations to Alaris and satisfy their other obligations to other parties, which in turn may adversely impact, among other things, the ability of Alaris (and after the Arrangement, the Trust) to access debt or equity capital on acceptable terms or at all, to comply with the financial covenants under its credit facilities, satisfy its financial obligations to its lenders and other creditors and Alaris' ability to pay dividends (and after the Arrangement, the Trust's ability to pay distributions) to Shareholders and make interest and principal payments to holders of the Convertible Debentures.

### Risks Relating to the Arrangement

*The completion of the Arrangement is subject to a number of conditions precedent and requires regulatory and third-party approvals.*

The completion of the Arrangement is subject to a number of conditions precedent, some of which are outside the control of the Company, including, without limitation, receipt of Shareholder approval and regulatory approvals or exemptions considered necessary or desirable, the issuance of the Final Order. There can be no certainty, nor can Alaris provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied or, if not satisfied, will be waived by the applicable party.

Failure to obtain the Final Order on terms acceptable to the parties to the Arrangement Agreement would likely result in the decision being made not to proceed with the Plan of Arrangement. If any of regulatory approvals or exemptions cannot be obtained on terms satisfactory to the parties to the Arrangement Agreement, or at all, the Plan of Arrangement may have to be amended in order to mitigate against the negative consequence of the failure to obtain any such approval, and accordingly, the benefits available to Shareholders resulting from the Arrangement may be reduced. Alternatively, if the Plan of Arrangement cannot be amended so as to mitigate against the negative consequences of the failure to obtain a regulatory approval or exemption, the Arrangement may not proceed at all. If the Arrangement is not completed, the market price of the Common Shares may be adversely affected.

## Risks Relating to the Trust

### *Cash Distributions Are Not Guaranteed and Will Fluctuate with the Performance of Operations*

The Trust's distribution policy will be established pursuant to the Declaration of Trust. However, the Board of Trustees may reduce or suspend cash distributions indefinitely, which could have a material adverse effect on the market price of the Trust Units.

There can be no assurance regarding the amount of income to be generated by the Trust's undertaking. The ability of the Trust to make cash distributions, and the actual amount distributed, will be entirely dependent on the operations and assets of the Trust, and will be subject to various factors including financial performance, obligations under applicable credit facilities, fluctuations in working capital, the sustainability of income derived from its Partners and capital expenditure requirements. Distributions may be increased, reduced or suspended entirely depending on the Trust's operations and the performance of the Trust's assets and investments at the discretion of the Trustees. The market value of the Trust Units will deteriorate if the Trust is unable to meet its distribution targets in the future, and that deterioration may be significant. In addition, the composition of cash distributions for tax purposes may change over time and may affect the after-tax return for investors. See "*Certain Canadian Federal Income Tax Considerations*".

### *Limitation on Non-Resident Ownership*

The Declaration of Trust imposes various restrictions on Unitholders. In certain circumstances, Non-Resident Unitholders are prohibited from beneficially owning more than 49% of the Trust Units (on either a Basic Basis or a Fully-Diluted Basis as defined in the Declaration of Trust). These restrictions may limit (or inhibit the exercise of) the rights of certain Persons, including Non Residents, to acquire the Trust Units, to exercise their rights as Unitholders and to initiate and complete take-over bids in respect of the Trust Units. As a result, these restrictions may limit the demand for the Trust Units from certain Persons and thereby adversely affect the liquidity and market value of the Trust Units held by the public.

### *Dependence on AcquireCo and Alaris*

The Trust is an open-ended income trust, which will, for purposes of its income, be entirely dependent on AcquireCo and Alaris, and in turn on their respective Subsidiaries. Although the Trust intends to distribute the majority of the consolidated income earned by the Trust, there can be no assurance regarding the Trust's ability to make distributions, which remains dependent upon the ability of AcquireCo and Alaris to pay distributions, dividends, interest payments, or returns of capital in respect of their respective outstanding securities and other obligations.

### *Unpredictability and Volatility of Trust Unit Price*

A publicly-traded income trust will not necessarily trade at values determined by reference to the underlying value of its operations or investments. The prices at which the Trust Units will trade cannot be predicted. The market price of the Trust Units could be subject to significant fluctuations in response to variations in quarterly operating results, distributions and other factors. The annual yield on the Trust Units as compared to the annual yield on other financial instruments may also influence the price of the Trust Units in the public trading markets. In addition, the securities markets have experienced significant price and volume fluctuations from time to time in recent years that often have been unrelated or disproportionate to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of the Trust Units.

### *Nature of the Trust Units*

The Trust Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act*, R.S.C. 1985, c. C-3 and are not insured under the provisions of that act or any other legislation. Furthermore, the Trust is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company. In addition, although the Trust is intended to qualify as a "mutual fund trust" as defined by the Tax Act, the Trust will not be a "mutual fund" as defined by applicable securities legislation.

The Trust Units do not represent a direct investment in the business of the Trust's Subsidiaries and should not be viewed by investors as shares or interests in such entities.



### *Redemption Right*

It is anticipated that the redemption right will not be the primary mechanism for Unitholders to liquidate their investment. Upon a redemption of Trust Units, the Trustees may distribute cash or (in the manner described above) Redemption Notes to the redeeming Unitholders, subject to obtaining any required regulatory approvals and complying with the requisite terms and conditions of such approvals.

Additionally, such Redemption Notes are not expected to be listed on any stock exchange and no established market is expected to develop in such Redemption Notes and they may be subject to resale restrictions under applicable securities Laws.

### *Dilution*

The Trust may issue an unlimited number of Trust Units for the consideration on the terms and subject to the conditions established by the Trustees of the Trust, without the approval of any Unitholders. Any further issuance of Trust Units will dilute the interests of existing holders.

### **Risks for Potential Investors in the United States**

Because the Trust's needs to comply with Section 3(c)(7) under the US Investment Company Act, Rule 144 will not be available for the removal of the US Legend on Trust Units or for resales of Trust Units. Only resales outside the United States under Rule 904 of Regulation S are permitted to US recipients of Trust Units.

Because the Trust is formed under the Laws of Alberta, Canada, substantially all of the Trustees are nationals or residents of jurisdictions other than the United States, and certain of the Trust's assets will be located outside the United States, investors may face difficulties in protecting their interests, and their ability to protect their rights through the US federal courts or other forums may be limited. It may be difficult for Unitholders to effect service of process within the United States upon the Trust or its Trustees or enforce judgments obtained in the United States against the Trust or its Trustees. The Trust's affairs will be governed by its Canadian organizational documents and Canadian Law. The rights of Unitholders and the fiduciary responsibilities of the Trustees under Canadian Law may not be the same as they would be under statutes or judicial precedent in some jurisdictions in the United States.

The Trust does not expect to be treated as a PFIC for US federal income tax purposes for its initial taxable year. However, there can be no assurance that the Trust will not be a PFIC for its initial taxable year or any future taxable year. The Trust urges US investors to consult their own tax advisors regarding the possible application of the PFIC rules, especially the potentially adverse consequences to Unitholders if they do not, or are not able to, make a "qualified electing fund" election. See "*Certain US Federal Income Tax Considerations – Passive Foreign Investment Company Considerations*" and "*Certain US Federal Income Tax Considerations – Passive Foreign Investment Company Rules*."

Potential investors' ability to invest in Trust Units or to transfer any Trust Units that investors hold may be limited by certain ERISA, US Tax Code and other considerations.

The Trust intends to restrict the ownership and holding of Trust Units so that none of its assets will constitute "plan assets" of any of the following: (a) an "employee benefit plan" (within the meaning of Section 3(3) of Title I of ERISA, that is subject to Part 4 of Subtitle B of Title I of ERISA, (b) a plan, individual retirement account or other arrangement that is subject to Section 4975 of US Tax Code, or (c) any other retirement or benefit plan subject to any Similar US Law or (d) an entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement in (a) or (c) pursuant to ERISA, the US Tax Code or Similar US Law. If our assets were deemed to be "plan assets" subject to ERISA or Section 4975 of the US Tax Code, pursuant to US Department of Labor regulations promulgated under ERISA and codified at 29 C.F.R. Section 2510.3-101, which is referred to herein to as the "Plan Asset Regulations," applied in accordance with Section 3(42) of ERISA, certain transactions that the Trust may enter into, or may have entered into, in the ordinary course of operations might constitute or result in non-exempt prohibited transactions under Section 406 of ERISA or Section 4975 of the US Tax Code to which tax penalties and mandatory rescission of the transaction may apply. Because of the foregoing, Trust Units may not be purchased or held by any Person investing "plan assets," as defined in the Plan Asset Regulations and Section 3(42) of ERISA or Similar US Law.

Each recipient of Trust Units will, and each subsequent transferee of Trust Units will, or will be deemed to, represent and warrant that no portion of the assets used to acquire or hold its interest in Trust Units or any beneficial interest therein constitutes or will constitute the assets of a plan. Any holding or transfer of Trust Units in violation of such representation will be void ab initio. See "*ERISA Considerations*."

## **Risks Relating to Taxation**

### *Mutual Fund Trust Status*

Upon completion of the Plan of Arrangement, the Trust may not qualify as a "mutual fund trust" for purposes of the Tax Act, or it may thereafter cease to so qualify. If the Trust did not so qualify for such purposes continuously throughout a taxation year, it would be subject to adverse tax consequences which may materially reduce its ability to make distributions on the Trust Units.

Furthermore, if the Trust was considered to have been established primarily for the benefit of Non-Residents, depending on the character of the properties held by the Trust at that time, it could be permanently disqualified from qualifying as a "mutual fund trust" for such purposes.

The Trust Units will cease to be qualified investments for a Registered Plan under the Tax Act unless the Trust qualifies as a "mutual fund trust" (as defined in the Tax Act).

Redemption Notes received from the Trust as a result of a redemption of Trust Units will not be qualified investments for a Deferred Income Plan, which could give rise to adverse consequences to the Deferred Income Plan or the annuitant thereunder.

### *Laws, Rules and Regulations Applicable to the Trust*

There can be no assurance that additional changes to the taxation of income trusts or corporations or changes to other government Laws, rules and regulations, either in Canada or the United States, will not be undertaken which could have a material adverse effect on the Trust's unit price and its activities and undertakings. There can be no assurance that the Trust will benefit from any rules applicable to corporations, that these rules will not change in the future or that the Trust will avail itself of them.

### *Additional Information*

For a more detailed description of the above risk factors, see "*Certain Canadian Federal Income Tax Considerations*" and "*Certain United States Federal Income Tax Considerations*", as applicable.

## **EXPERTS**

Certain legal matters relating to the Arrangement are to be passed upon by Burnet, Duckworth & Palmer LLP, Carter, Ledyard & Milburn LLP, Felesky Flynn LLP and Greenberg Traurig, LLP. Felesky Flynn LLP has prepared the summary contained in this Information Circular under the heading "*Certain Canadian Federal Income Tax Considerations*" and Greenberg Traurig, LLP has prepared the summary contained in this Information Circular under the heading "*Certain United States Federal Income Tax Considerations*". As at the date of this Information Circular, the partners and associates of each of Burnet, Duckworth & Palmer LLP, Carter, Ledyard & Milburn LLP, Felesky Flynn LLP and Greenberg Traurig, LLP, as the case may be, beneficially owned, directly or indirectly, less than one percent of the issued and outstanding Common Shares.

KPMG LLP are the auditors of the Company and the Trust and have confirmed with respect to the Company and the Trust that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

## **INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICER AND SENIOR OFFICERS**

Except as set forth in the 2020 Circular, incorporated by reference herein, no director, executive officer or other senior officer of Alaris, or any associate of any such director or officer is, or has been at any time since the beginning of the most recently completed financial year of the Company, indebted to Alaris or any of its Subsidiaries nor is, or at any time since the beginning of the most recently completed financial year of Alaris has, any indebtedness of any such Person been the

subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Alaris or any of its Subsidiaries.

### **INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON**

Management is not aware of any material interest of any director or director nominee or executive officer or anyone who has held office as such since the beginning of Alaris' last financial year or any associate or Affiliate of any of the foregoing in any matter to be acted on at the Meeting. Each officer and director of the Company who is also a Shareholder has advised the Company that they intend to vote all Common Shares held or controlled by him or her, directly or indirectly, in favour of the Arrangement Resolution. As at the date hereof, the directors and officers of the Company, beneficially owned, directly or indirectly, or exercised control or direction over, an aggregate of 1,722,562 Common Shares, representing approximately 4.8% of the Company's issued and outstanding Common Shares.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

None of:

- (a) the directors and senior officers of Alaris;
- (b) the director nominees, any Shareholder who beneficially owns directly or indirectly, or exercises control or direction over more than 10% of the outstanding Common Shares of Alaris;
- (c) any other Informed Person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*); or
- (d) any known associate or Affiliate of such Persons;

had any material interests in any transaction since the commencement of the Company's last completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its Subsidiaries.

Each officer and director of the Company who is also a Shareholder has advised the Company that they intend to vote all Common Shares held or controlled by him or her, directly or indirectly, in favour of the Arrangement Resolution. As at the date hereof, the directors and officers of the Company, beneficially owned, directly or indirectly, or exercised control or direction over, an aggregate of 1,722,562 Common Shares, representing approximately 4.8% of the Company's issued and outstanding Common Shares.

### **SOLICITATION OF PROXIES**

This Information Circular is furnished in connection with the solicitation of proxies by the management of Alaris to be used at the Meeting. Solicitations of proxies will be primarily by mail, but may also be by publication, in Person or by telephone, fax, internet or oral communication by directors, officers, employees or agents of Alaris who will be specifically remunerated therefor. Alaris retained Laurel Hill to assist it in connection with communicating to Shareholders in respect of the Arrangement. In connection with these services, Laurel Hill will receive an aggregate base fee of \$50,000 plus reasonable out-of-pocket expenses. In addition, Alaris may retain the services of a managing solicitor dealer to form and manage a soliciting dealer group or other solicitation agents to solicit proxies in connection with the Meeting on terms and conditions, including the payment of fees and reimbursement of expenses, as are customary in such retainer agreements. All costs of the solicitation for the Meeting will be borne by Alaris. As at the date hereof, other than Laurel Hill, Alaris has not made a decision to engage soliciting dealers or other proxy solicitation agents to encourage the return of completed proxies and to solicit proxies in favour of the matters to be considered at the Meeting. Alaris may however do so and, if it does, the costs in respect of such services would be paid by Alaris in respect of the Meeting. Alaris will not reimburse Shareholders, nominees or agents for the cost incurred in obtaining authorization to execute forms of proxy from their principals. If you are a Beneficial Shareholder and received these materials through your Intermediary or Computershare, if you are a non-objecting beneficial owner, please date, complete, sign and return the Form of Proxy or voting instruction form provided by such Intermediary in accordance with the instructions provided therein. If you have any questions or need assistance to vote your Common Shares or make any certifications required under the BLUE Letter of Transmittal accompanying this Information Circular, please contact the Company's solicitation agent Laurel Hill, by email at

assistance@laurelhill.com, or by telephone at 416- 304-0211 (banks, brokers or collect calls) or 1-877-452-7184 (North American toll-free number).

## MANAGEMENT CONTRACTS

Management functions of Alaris are not, to any substantial degree, performed by a Person or company other than the directors or senior officers of Alaris and its Subsidiaries.

## OTHER MATTERS

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Special Meeting of Shareholders. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the Person or Persons voting the proxy.

## ADDITIONAL INFORMATION

Financial information about Alaris is contained in its comparative financial statements and Management's Discussion and Analysis for the fiscal year ended December 31, 2019. Additional information about Alaris is available at [www.alarisroyalty.com](http://www.alarisroyalty.com) and on Alaris' corporate profile on SEDAR.

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

- (a) the AIF together with any document, or the pertinent pages of any document, incorporated by reference therein; and
- (b) Financial Statements and any interim financial statements of Alaris for periods subsequent to December 31, 2019 and Management's Discussion and Analysis with respect thereto;

please send your request to:

Alaris Royalty Corp.  
Attn: Corporate Secretary  
Suite 250, 333-24th Avenue SW  
Calgary, Alberta T2S 3E6  
Fax: (403) 228-0906  
Telephone: (403) 228-0873  
Email: [mervin@alarisroyalty.com](mailto:mervin@alarisroyalty.com)

## EFFECTIVE DATE

The effective date of this Information Circular is July 21, 2020.

## DIRECTORS APPROVAL

The Board of Directors has approved the contents and sending of this Information Circular.

(signed) "*Stephen King*"  
Stephen King  
President and Chief Executive Officer

July 21, 2020

## CONSENT OF ACUMEN CAPITAL FINANCE PARTNERS LIMITED

To: The Board of Alaris Royalty Corp. (the "**Company**")

We refer to the management Information Circular (the "**Information Circular**") of the Company dated July 21, 2020, relating to the special meeting of shareholders of the Company to approve a plan of arrangement involving the Company, Alaris Equity Partners Income Trust, 12184231 Canada Inc. and the securityholders of the Company.

We consent to the inclusion in the Information Circular of our fairness opinion dated July 17, 2020, and references to our firm name and our fairness opinion in the Information Circular. Our fairness opinion was given as of July 17, 2020, and remains subject to the assumptions, qualifications and limitations contained therein. In providing our consent, we do not intend that any Person other than the Board of the Company shall be entitled to rely upon such fairness opinion.

Signed,

(Signed) "*Acumen Capital Finance Partners Limited*"

July 21, 2020

## CONSENT OF FELESKY FLYNN LLP

July 20, 2020

To: The Board of Alaris Royalty Corp. (the "Company")

Dear Sirs:

**Re: Information Circular of Alaris Royalty Corp. dated July 21, 2020**

We refer to the management Information Circular (the "**Information Circular**") of the Company dated July 21, 2020, relating to the special meeting of shareholders of the Company to approve a plan of arrangement involving the Company, Alaris Equity Partners Income Trust, 12184231 Canada Inc. and the securityholders of the Company.

We hereby consent to the references to our name and opinion under "Certain Canadian Federal Income Tax Considerations".

Yours very truly,

(Signed) "*Felesky Flynn LLP*"

FELESKY FLYNN LLP

## CONSENT OF GREENBERG TRAURIG, LLP

July 21, 2020

To: The Board of Alaris Royalty Corp. (the "**Company**")

### RE: CONSENT

We refer to the management Information Circular (the "**Information Circular**") of the Company dated July 21, 2020, relating to the special meeting of shareholders of the Company to approve a plan of arrangement involving the Company, Alaris Equity Partners Income Trust, 12184231 Canada Inc. and the securityholders of the Company.

We hereby consent to the references to our name and opinion under "*Certain United States Federal Income Tax Considerations*".

Sincerely,

(Signed) "*Greenberg Traurig, LLP*"

GREENBERG TRAURIG, LLP

---

## APPENDIX A – ARRANGEMENT RESOLUTION

---

### BE IT RESOLVED THAT:

1. The arrangement (the "**Arrangement**") under Section 192 of the *Canada Business Corporations Act* (the "**CBCA**") pursuant to the arrangement agreement among Alaris Royalty Corp. (the "**Company**"), Alaris Equity Partners Income Trust, and 12184231 Canada Inc. dated July 20, 2020, as it may be modified, supplemented or amended from time to time in accordance with its terms (the "**Arrangement Agreement**"), all as more particularly described in the management Information Circular of the Company dated July 21, 2020 (the "**Information Circular**"), and all transactions contemplated thereby, are hereby authorized and approved.
2. The plan of arrangement of the Company (as it has been or may be amended, modified or supplemented in accordance with the Arrangement Agreement, or by its terms or at the direction of the Court of Queen's Bench of Alberta (the "**Plan of Arrangement**")), the full text of which is set out in Schedule A to Appendix C to the Information Circular, and the completion of each of the steps described in the Plan of Arrangement (whether completed as part of the Plan of Arrangement or otherwise) are hereby authorized and approved.
3. The Arrangement Agreement and related transactions, the actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement, and any amendments, modifications or supplements thereto, and causing the performance by the Company of its obligations thereunder, are hereby ratified, approved and confirmed.
4. The Company be and is hereby authorized to apply for a final order from the Court of Queen's Bench of Alberta to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be amended, modified or supplemented in accordance with the Arrangement Agreement).
5. Notwithstanding that this resolution has been passed (and the Arrangement approved) by the shareholders of the Company or that the Arrangement has been approved by the Court of Queen's Bench of Alberta, the Company is hereby authorized and empowered to, without notice to or approval of the shareholders of the Company: (a) amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted by their terms; and (b) not to proceed with the Arrangement and related transactions.
6. Any officer or director of the Company is hereby authorized and directed to execute and deliver for filing with the Director under the CBCA, articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any such other documents.
7. Any officer or director of the Company is hereby authorized and directed to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing and all actions heretofore taken by or on behalf of the Company in connection with any matter referred to in any of the foregoing resolutions which were in furtherance of the Arrangement are hereby approved, ratified and confirmed in all respects.



---

APPENDIX B – FAIRNESS OPINION

---



July 17, 2020

The Board of Directors  
*Alaris Royalty Corp.*  
333 24 Ave SW #250  
Calgary, AB  
T2S 3E6

**To the Board of Directors of Alaris Royalty Corp. (the "Board"):**

Acumen Capital Finance Partners Limited ("**Acumen**") understands that Alaris Royalty Corp. ("**Alaris**" or the "**Company**") is planning to undergo a corporate reorganization pursuant to a plan of arrangement to be completed in accordance with Section 192 of the *Canada Business Corporations Act* (the "**Arrangement**") to become a publicly listed income trust named Alaris Equity Partners Income Trust (the "**Trust**"). The Arrangement, if approved, will result in, among other things, shareholders transferring their voting common shares of the Company ("**Common Shares**") to the Trust for an equivalent number of trust units of the Trust ("**Trust Units**") except in limited circumstances where Trust Units otherwise distributable to US shareholders under the Arrangement who are not eligible to receive Trust Units under the provisions of the Trust's declaration of trust ("**Non-Eligible US Shareholders**") who will instead receive a pro-rata share of the cash proceeds from the sale of the Trust Units to which they may otherwise receive under the Arrangement (less any applicable brokerage commissions and other expenses and any applicable withholding taxes) in lieu of Trust Units.

The Arrangement is subject to (among other things) the approval of the Court of Queen's Bench Alberta, Toronto Stock Exchange and the shareholders by way of special resolution, as well as other customary closing conditions and provisions. The terms of, and conditions necessary to complete the Arrangement shall be set forth in the Arrangement Agreement (as defined below) and summarized in the information circular and proxy statement of the Company (the "**Information Circular**") to be mailed to the shareholders in connection with the special meeting of the shareholders (the "**Special Meeting**") to be held on August 31, 2020 to consider and, if deemed advisable, to approve the Arrangement.

To assist the Board of Alaris in considering the Arrangement, and the making of its recommendation in respect thereof, the Board engaged Acumen to provide an opinion (the "**Fairness Opinion Agreement**") as to whether the Arrangement is fair, from a financial point of view, to the shareholders.

**ACUMEN'S ROLE**

Acumen was engaged by the Board to provide this Fairness Opinion for delivery to the Board pursuant to an agreement dated June 26, 2020 (the "**Fairness Opinion Agreement**").

The Fairness Opinion Agreement provides for Acumen to receive from Alaris, in consideration for the services provided, a fee for the preparation and delivery of this Fairness Opinion which is not contingent upon the conclusions reached herein or acceptance of the Arrangement by shareholders. Alaris will also reimburse Acumen for its reasonable expenses. The fees payable to Acumen in connection with the Fairness Opinion Agreement are not financially material to

Acumen. In addition, pursuant to the Fairness Opinion Agreement, Acumen and its affiliates, and each of their respective directors, officers, employees and agents are to be indemnified by the Company under certain circumstances from and against certain potential liabilities arising in connection with the Fairness Opinion Agreement and this Fairness Opinion rendered to the Board.

### **CREDENTIALS OF ACUMEN**

Acumen, established in 1995, is a Canadian investment dealer specializing in small cap Canadian listed companies. Acumen is a member of the Investment Industry Regulatory Organization of Canada, the TSX, TSX-Venture and the Canadian Investor Protection Fund. Acumen's 38 employees provide its clients with a broad range of investment banking, brokerage, research, trading and financial advisory services. Acumen's office is located in Calgary, Alberta. The investment banking and research aspects of Acumen's business are focused on growth oriented small cap companies. Acumen acts as lead or managing agent on behalf of issuers in the structuring, pricing and placement of securities in the Canadian capital markets. Acumen's investment banking group also serves the firm's corporate clients by executing financial advisory assignments in areas such as business valuations, fairness opinions, mergers and acquisitions, general financial advice and expert financial testimony. Acumen is active in the publication of public company reports compiled by its research analysts.

### **INDEPENDENCE OF ACUMEN**

None of Acumen, its affiliates or associates, is an insider, associate or affiliate (within the meanings attributed to those terms in the *Securities Act* (Alberta)), or a related entity of the Company, the Board or any of the respective associate or affiliates (collectively, the "**Interested Parties**"). Acumen is not acting as an advisor, financial or otherwise, to any Interested Party in connection with the Arrangement, or in connection with any other transaction. Acumen has not previously provided financial advisory or financing services to an Interested Party or otherwise had a material financial interest in any transaction involving an Interested Party, in each case, within the past two years, other than acting as broker in connection with Alaris' current normal course issuer bid and acting as underwriter in respect of the public offering of Alaris' 5.5% convertible unsecured subordinated debentures.

There are no understandings, agreements or commitments between Acumen and any Interested Party with respect to any future business dealings, however, Acumen may in the future in the ordinary course of business seek to perform financial advisory services for any one or more of them from time to time.

Acumen acts as a trader and dealer, both as principal and agent, in Canadian financial markets and, as such, may have, today, or in the future, positions in the securities of any Interested Party, and from time to time, may have executed or may execute transactions on behalf of any Interested Party or other clients for which it received or may receive compensation. In addition, as an investment dealer, Acumen conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on issues and investment matters, including with respect to an Interested Party or the Arrangement.

### **SCOPE OF REVIEW**

In connection with rendering this Fairness Opinion, Acumen has reviewed (where applicable) and relied upon, or carried out, among other things, the following:

- a) audited annual financial statements of the Company as at and for the years ended December 31, 2019 and December 31, 2018, together with management's discussion & analysis of financial condition and operating results for each such financial period and management's certifications of annual filings in respect thereof;

- b) unaudited financial statements of the Company as at and for the interim periods ended March 31, 2020 and March 31, 2019, together with management's discussion & analysis of the financial condition and operating results for each such interim periods and management's certifications of interim filings in respect thereof;
- c) the draft arrangement agreement (on July 17, 2020) among Alaris, the Trust and 12184231 Canada Inc. in respect of the Arrangement (the "Arrangement Agreement") and the Plan of Arrangement regarding the Arrangement scheduled thereto;
- d) news releases issued by the Company since January 2019;
- e) the Annual Information Form of the Company dated March 30, 2020;
- f) the Management Information Circular of the Company dated April 6, 2020;
- g) certain internal financial information, and financial and operational analysis, projections and models prepared by, or on behalf of the Company, relating to its business and the Arrangement;
- h) a certificate of representation as to certain factual matters as of the date hereof, addressed to Acumen and provided by a senior officer of the Company;
- i) forecasts of foreign exchange rates;
- j) analysis of certain precedent transactions;
- k) S&P/TSX Canadian Indices Methodology document dated June 2016;
- l) discussions with management of the Company regarding, among other things, the business, past and current operations, financial projections, current financial condition, future potential corporate transactions and risks of each alternative structures considered by the Company; and
- m) other public information relating to the business and financial condition of the Company which Acumen considered relevant.

In addition to the information detailed above, Acumen has further reviewed, considered and relied upon, among other things, the following:

- a) a draft of the Information Circular;
- b) information with respect to selected precedent transactions Acumen considered relevant; and
- c) other information, analysis, investigations and discussion as Acumen considered relevant and appropriate in the circumstances.

Acumen did not meet with the auditors of the Company and has assumed the accuracy and fair presentation of the audited and unaudited financial statements of the Company, and, as applicable, the reports of the auditors thereon.

Acumen has not, to its knowledge, been denied access to any information requested.

#### **ASSUMPTIONS AND LIMITATIONS**

We have relied upon and have assumed the completeness, accuracy and fair representation of all financial and other information, data, documents, materials, advice, opinions and representations

obtained by us, including information relating to the Company provided to us by or on behalf of the Company and its affiliates or otherwise pursuant to the Fairness Opinion Agreement, and this Fairness Opinion is conditional upon such completeness, accuracy, and fairness. We have not attempted to verify independently the accuracy or completeness of any such information, data, advice, opinions or representations.

A senior officer of the Company has represented to Acumen, in a certificate dated as at the date hereof, among other things, that to the best of his knowledge, information and belief, with the exception of certain forecasts, projections or estimates, (i) the information, data, opinions, representations and other materials (oral or written) (collectively referred to as the “**Information**”) provided to Acumen by or on behalf of the senior officers of the Company in respect of the Company and its affiliates is or, in the case of historical Information was, at the date of preparation, complete and accurate in all material respects and did not and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the Information not misleading in the light of circumstances in which it was presented; and (ii) to the extent that any of the Information is historical, there has been no changes in any material facts or new material facts since the respective dates thereof that have not been disclosed to Acumen or updated by current information provided to Acumen by the Company and there has been no material change, financial or otherwise in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Fairness Opinion.

We have also assumed that the transaction process undertaken by the Company was appropriate. With respect to the operating and financial projections of the Company which were furnished to us, we have assumed that such projections have been reasonably prepared by the Company on a basis reflecting the best currently available estimates and good faith judgments by management of the Company of the future competitive, operating and regulatory environments and related financial performance of the Company. We express no view as to any such financial projections or the assumptions on which any of them are based.

The Arrangement is subject to a number of conditions outside the control of the Company and Acumen has assumed all conditions precedent to the completion of the Arrangement can be satisfied in due course and all consents, permissions, exemptions or orders of relevant regulatory authorities will be obtained, without adverse conditions or qualification. In rendering this Fairness Opinion, we express no view as to the likelihood that the conditions respecting the Arrangement will be satisfied or waived or that the Arrangement will be accepted or implemented within the time frame indicated in the Information Circular.

In addition, we have assumed that the Company will not incur any material liability or obligation, or lose any material rights, as a result of making the Arrangement and that the procedures being followed to implement the Arrangement are valid and effective, and in accordance with applicable laws and that the disclosures of the Company, the Information Circular and in any disclosure documents will be accurate and will comply with the requirements of applicable laws.

This Fairness Opinion is rendered on the basis of market, economic, financial and general business and other conditions prevailing as at the date hereof, and the Information made available to Acumen as at the date hereof. In rendering this Fairness Opinion, Acumen has assumed that there are no undisclosed material facts relating to the Company or its business, operations, capital or future prospects. Any changes therein may affect this Fairness Opinion and, although we reserve the right to change, withdraw or supplement this Fairness Opinion in such event or in the event that subsequent developments affect this Fairness Opinion, we disclaim any obligation to advise any person of any change that may come to our attention or to update, revise or reaffirm this Fairness Opinion after the date hereof.

In its analyses and in connection with the preparation of this Fairness Opinion, Acumen made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of any party involved in the Arrangement. While in the opinion of Acumen, our assumptions used in preparing this Fairness Opinion are reasonable in the current circumstances, some or all of these assumptions may prove to be incorrect.

Acumen believes that the analyses and factors considered in arriving at this Fairness Opinion must be considered as a whole and are not amenable to partial analyses or summary description and that selecting portions of the analyses and the factors considered, without considering all factors and analyses together, could create a misleading view of the process employed and the conclusions reached. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. In arriving at this Fairness Opinion, Acumen has not attributed any particular weight to any specific analyses or factor but rather based this Fairness Opinion on a number of qualitative and quantitative factors deemed appropriate by Acumen based on Acumen's experience in rendering such opinions.

Acumen has not been asked to pass upon, and expresses no opinion with respect to, any matter other than whether, as of the date hereof, the consideration under the Arrangement is fair, from a financial point of view, to the shareholders. Acumen has not been engaged to prepare, and has not prepared, a valuation or appraisal of the Company (or the Trust) or any of its respective assets, securities or liabilities (contingent or otherwise), nor have we been furnished with any such valuations or appraisals, nor have we evaluated the solvency or fair value of the Company (or the Trust) under any applicable laws relating to bankruptcy, insolvency or similar matters, and this Fairness Opinion should not be construed as such. Furthermore, this Fairness Opinion is not, and should not be construed as, advice as to the price at which the securities of the Company (or the Trust) may trade at any future date (whether before or after the Arrangement) or a recommendation to acquire the securities of the Company (or the Trust). In addition, this Fairness Opinion does not address the overall fairness of the Arrangement to the holders of any other class of securities (only the fairness of the Arrangement to the shareholders as expressly set out in this Fairness Opinion), creditors or other constituencies of the Company. This Fairness Opinion does not address the relative merits of the Arrangement as compared to other business or financial strategies that might be available to the Company, nor does it address the underlying business decision of the Company to proceed with the Arrangement. We were not engaged to review any legal, regulatory, tax or accounting aspects of the Arrangement and, accordingly, express no view thereon and have assumed the accuracy and completeness of assessments by the Company and its advisors with respect to legal, regulatory, tax and accounting matters. In addition to the foregoing, Acumen's opinion does not address the consideration that may be received by Non-Eligible US Shareholders under the Arrangement.

This Fairness Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of Investment Industry Regulatory Organization of Canada ("IIROC") but IIROC has not been involved in the preparation or review of this Fairness Opinion.

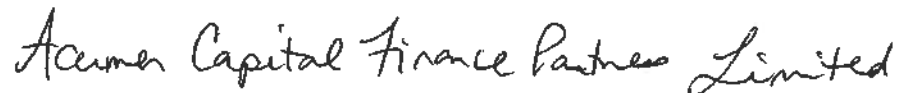
## **CONCLUSION**

Based upon and subject to the foregoing and such other matters as Acumen considers relevant, it is Acumen's opinion that, as of the date hereof, the consideration to be received by shareholders of the Company (other than Non-Eligible US Shareholders) under Arrangement is fair from a financial point of view, to the shareholders.

This Fairness Opinion is not, and is not intended to be, a recommendation to shareholders as to how to vote at the Special Meeting. This Fairness Opinion has been provided solely for the use of the Board and the Company for the purposes of its consideration of the Arrangement and may not

be used or relied upon by any other person or for any other purpose without the express prior written consent of Acumen. This Fairness Opinion shall not be reproduced, disseminated, quoted from or referred to (in whole or in part) and no public reference to Acumen Capital Finance Partners Limited or its affiliates relating to the Arrangement or this Fairness Opinion shall be made without the express prior written consent of Acumen, except that we consent to the inclusion of the complete text of this Fairness Opinion and to appropriate references to, or summaries of, this Fairness Opinion, subject to our review to our satisfaction of the final form and context of such disclosures in the Information Circular, or other form of document(s) required to be mailed or disseminated to shareholders in connection with the Arrangement.

Yours sincerely,

A handwritten signature in cursive script that reads "Acumen Capital Finance Partners Limited".

**Acumen Capital Finance Partners Limited**

---

APPENDIX C – ARRANGEMENT AGREEMENT

---



## ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is made as of the 20th day of July, 2020

### AMONG:

**ALARIS EQUITY PARTNERS INCOME TRUST**, an open-ended unincorporated investment trust formed under the laws of the Province of Alberta ("**Trust**")

- and -

**ALARIS ROYALTY CORP.**, a corporation amalgamated under the laws of Canada ("**Alaris**")

- and -

**12184231 CANADA INC.**, a corporation existing under the laws of Canada ("**AcquireCo**")

### WHEREAS:

- (a) The parties hereto wish to propose an arrangement under the provisions of the *Canada Business Corporations Act*.
- (b) The parties hereto have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for the other matters relating to such arrangement.

**NOW THEREFORE**, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto hereby covenant and agree as follows:

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions

In this Agreement, the following terms have the following meanings:

"**affiliate**" has the meaning described in the Securities Act in effect on the date hereof.

"**Agreement**" means this arrangement agreement, including all schedules hereto, as it may be amended or supplemented or otherwise modified from time to time in accordance with the terms hereof.

"**Arrangement**" means the arrangement under Section 192 of the CBCA on and subject to the terms and conditions set forth in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with this Arrangement Agreement or the Plan of Arrangement, or made at the discretion of the Court.

"**Arrangement Resolution**" means the special resolution in respect of the Arrangement in substantially the form attached as Appendix A to the Circular.

"**Articles of Arrangement**" means the articles of arrangement of Alaris in respect of the Arrangement, to be filed with the Director after the Final Order is made, which shall include the Plan of Arrangement.

"**Board**" means the board of directors of Alaris as constituted from time to time.

"**Board Recommendation**" has the meaning specified in Section 2.4(b).

"**Business Day**" means a day, other than a Saturday, Sunday or statutory or civic holiday, when banks are generally open for the transaction of business in Calgary, Alberta.

"**CBCA**" means the *Canada Business Corporations Act*, as amended, including the regulations promulgated thereunder.

"**Certificate of Arrangement**" means the certificate of arrangement issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement.

"**Circular**" means the management information circular of Alaris relating to the Arrangement, including all appendices and schedules thereto, and any information incorporated by reference therein, sent to Shareholders in connection with the Meeting, as amended, supplemented or otherwise modified from time to time.

"**Client**" has the meaning specified in Section 7.6.

"**Common Shares**" means voting common shares in the share capital of Alaris.

"**Consideration**" means the consideration to be received by the Shareholders (other than Dissenting Shareholders) pursuant to the Arrangement, being one (1) Trust Unit per Common Share, or, in the case of a Non-Eligible U.S. Shareholder, the net proceeds from the sale of the Trust Units otherwise issuable to such Shareholder under the Arrangement.

"**Constituting Documents**" means (a) articles of incorporation, amalgamation, arrangement or continuation, as applicable, and by-laws, (b) declarations of trust, or (c) other applicable governing instruments, and all amendments thereto.

"**Convertible Debenture Indenture**" means the debenture indenture dated as of June 11, 2019 between Alaris and the Convertible Debenture Trustee.

"**Convertible Debenture Trustee**" means Computershare Trust Company of Canada and its successors, or any other trustee appointed pursuant to the Convertible Debenture Indenture.

"**Convertible Debentures**" means the outstanding 5.5% convertible unsecured subordinated debentures of Alaris due June 30, 2024, which debentures are convertible into Common Shares at a price of \$24.25 per Common Share and were issued pursuant to the Convertible Debenture Indenture.

"**Court**" means the Court of Queen's Bench in the Province of Alberta.

"**Declaration of Trust**" means the declaration of trust of the Trust dated May 31, 2020, as amended, supplemented or amended and restated from time to time.

"**Depositary**" means Computershare Investor Services Inc. or such other Person that may be appointed by Alaris and the Trust to act as depositary in connection with the Arrangement.

"**Director**" means the Director appointed pursuant to Section 260 of the CBCA.

"**Dissent Rights**" means the right of a registered Shareholder to dissent to the Arrangement Resolution and to be paid the fair value of the Common Shares in respect of which such registered Shareholder dissents, all in accordance with section 190 of the CBCA, as modified by the Interim Order.

**"Dissenting Shareholders"** means registered Shareholders who validly exercise, and do not withdraw, their Dissent Rights in accordance with Section 190 of the CBCA, as modified by the Interim Order.

**"Effective Date"** means the date on which the Arrangement becomes effective pursuant to the CBCA.

**"Effective Time"** means the time on the Effective Date at which the Arrangement becomes effective pursuant to the CBCA.

**"Final Order"** means the order of the Court approving the Arrangement, as such order may be amended by the Court (with the consent of each of the Parties, acting reasonably) at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended (provided that such amendment is satisfactory to each of the Parties, acting reasonably) on appeal.

**"Governmental Entity"** means (a) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission (including any securities commission or similar regulatory authority), board, bureau, ministry, agency or instrumentality, domestic or foreign, (b) any subdivision, agent or authority of any of the above, (c) any quasi-governmental body, professional body or private body exercising any regulatory, expropriation or Taxing authority under or for the account of any of the foregoing, or (d) any stock exchange.

**"Interim Order"** means the interim order of the Court containing declarations and directions with respect to the Arrangement and the Meeting and issued pursuant to the application of Alaris, as such order may be affirmed, amended or modified by any court of competent jurisdiction.

**"Law"** means, with respect to any Person, any and all applicable law (including statutory and common law), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling, published administrative policy, or other similar requirement, whether domestic or foreign, enacted, adopted, incorporated by reference, promulgated or applied by a Governmental Entity, in each case having the force of law and that is binding upon or applicable to such Person or its business, undertaking, property or securities.

**"Meeting"** means the special meeting of Shareholders, and any adjournments) or postponement(s) thereof, to be held in accordance with the Interim Order for the purpose of considering and, if thought advisable, approving the Arrangement Resolution and other matters set out in the notice of meeting accompanying the Circular.

**"Misrepresentation"** has the meaning specified under the Securities Act.

**"Non-Eligible U.S. Shareholder"** has the meaning specified in the Plan of Arrangement.

**"Opinion"** means the fairness opinion of Acumen Capital Finance Partners Limited to the Board to the effect that, as of July 21, 2020, the Consideration to be received by Shareholders (other than Non-Eligible U.S. Shareholders) under the Arrangement is fair, from a financial point of view, to the Shareholders.

**"Option Plan"** means the share option plan of Alaris, as amended, supplemented or restated from time to time.

**"Options"** means the vested and unvested options of Alaris subject to, governed by and administered by the Option Plan and the agreements entered into in respect thereto.

**"Parties"** means Alaris, AcquireCo and the Trust and **"Party"** means any one of them.

**"Person"** means any individual, partnership, association, body corporate, trust, trustee, executor, administration, legal representative, government, regulatory authority or any other entity.

**"Plan of Arrangement"** means the plan of arrangement set out as Schedule A hereto, as the same may be amended or supplemented from time to time in accordance with the terms thereof.

"**Replacement Option**" means an option or right to purchase Trust Units to be granted by the Trust pursuant to the Trust Option Plan in replacement of Options pursuant to the Arrangement;

"**Replacement RTU**" means a restricted trust unit, to be granted by the Trust pursuant to the Trust Restricted Unit Plan in replacement of Restricted Share Units pursuant to the Arrangement.

"**Restricted Share Unit Plan**" means the restricted share unit plan of Alaris as amended, supplemented or restated from time to time.

"**Restricted Share Units**" means the vested and unvested restricted share units of Alaris subject to and administered under the Restricted Share Unit Plan.

"**Sale Trustee**" has the meaning specified in the Plan of Arrangement.

"**Securities Act**" means the *Securities Act* (Alberta).

"**Securities Authority**" means the Alberta Securities Commission and any other applicable securities commissions or securities regulatory authority of a province or territory of Canada.

"**Shareholders**" means the holders of Common Shares from time to time, and "**Shareholder**" means any one of them.

"**Subsidiary**" has the meaning ascribed to subsidiary in the Securities Act.

"**Tax Act**" means the *Income Tax Act* (Canada), including the regulations promulgated thereunder.

"**Taxes**" means (a) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employer health, payroll, workers' compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; and (b) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (a) above or this clause (b).

"**Trust Restricted Unit Plan**" means the restricted trust unit plan of the Trust that will become effective as of the Effective Time, as amended, supplemented or restated from time to time.

"**Trust Unit**" means a unit of the Trust (other than a Special Voting Unit (as such term is defined in the Declaration of Trust)) authorized and issued under the Declaration of Trust for the time being outstanding and entitled to the benefits and subject to the limitations set forth in the Declaration of Trust.

"**Trust Option Plan**" means the unit option plan of the Trust that will become effective as of the Effective Time, as amended, supplemented or restated from time to time.

"**TSX**" means the Toronto Stock Exchange.

## 1.2 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

### **1.3 Interpretation Not Affected by Headings**

The division of this Agreement into articles, sections and schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

### **1.4 Article References**

Unless reference is specifically made to some other document or instrument, all references herein to articles, sections and schedules are to articles, sections and schedules of this Agreement.

### **1.5 Extended Meanings**

Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, bodies corporate, trusts, unincorporated organizations, governments, regulatory authorities, and other entities.

### **1.6 Date for any Action**

In the event that any date on which any action required to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding Business Day in such place.

### **1.7 Entire Agreement**

This Agreement, together with the schedule attached hereto, constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof.

### **1.8 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of Alberta and the laws of Canada applicable in Alberta and shall be treated in all respects as an Alberta contract.

### **1.9 References to Trust**

Where any reference is made herein to an act to be performed by, for or on behalf of, or an obligation of, the Trust, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, for or on behalf of, or an obligation of, the trustee or trustees of the Trust, in their capacity as trustees, as the case may be, to the extent necessary to give effect thereto.

### **1.10 Schedules**

Schedule A annexed to this Agreement, being the Plan of Arrangement, is incorporated by reference into this Agreement and forms a part hereof.

## **ARTICLE 2 THE ARRANGEMENT**

### **2.1 Arrangement**

The Parties agree that the Arrangement will be implemented in accordance with and subject to the terms and conditions of this Agreement and the Plan of Arrangement.

## 2.2 Arrangement

As soon as practicable after the date of this Agreement, Alaris shall apply pursuant to section 192 of the CBCA and, in cooperation with the Trust, prepare, file and diligently pursue an application for the Interim Order, which must provide, among other things:

- (a) for the class(es) of persons to whom notice is to be provided in respect of the Arrangement and the Meeting and for the manner in which such notice is to be provided;
- (b) that the required level of approval for the Arrangement Resolution shall be 66 2/3% of the votes cast on the Arrangement Resolution by Shareholders present in person at the Meeting or represented by proxy at the Meeting;
- (c) that, in all other respects, other than as ordered by the Court, the terms, restrictions and conditions of Alaris' Constating Documents, including quorum requirements and all other matters, shall apply in respect of the Meeting;
- (d) for the notice requirements with respect to the presentation of the application to the Court for the Final Order;
- (e) that the Meeting may be adjourned or postponed from time to time by Alaris in accordance with the terms of this Agreement without the need for additional approval of the Court;
- (f) that, except as required by applicable Law or the Court, the record date for the Shareholders entitled to receive notice of and to vote at the Meeting will not change in respect of or as a consequence of any adjournment(s) or postponement(s) of the Meeting;
- (g) confirmation of the record date for the purposes of determining the Shareholders entitled to receive material and vote at the Meeting in accordance with the Interim Order;
- (h) for the grant of Dissent Rights to those Shareholders who are registered Shareholders as contemplated in the Plan of Arrangement; and
- (i) for such other matters as the Trust or Alaris may reasonably require, subject to obtaining the prior consent of the other, such consent not to be unreasonably withheld, delayed or conditioned, and subject to approval by the Court.

## 2.3 Meeting

Alaris shall:

- (a) convene and conduct the Meeting in accordance with the Interim Order, Alaris' Constating Documents and Law as soon as reasonably practicable, but in any event no later than September 30, 2020, and not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the Meeting without the prior written consent of the Trust, except (i) in the case of an adjournment as required for quorum purposes, or (ii) as required by applicable Law or by a Governmental Entity; and
- (b) not change the record date for the Shareholders entitled to vote at the Meeting in connection with any adjournment or postponement of the Meeting unless required by Law or the Court.

## 2.4 Circular

- (a) Subject to the Trust's compliance with Section 2.4(c), Alaris shall promptly prepare and complete the Circular together with any other documents required by Law in connection with the Meeting and the Arrangement, and Alaris shall, promptly after obtaining the Interim Order, cause the Circular and such

other documents to be filed with the applicable Securities Authority and sent to each Shareholder and other Persons as required by the Interim Order and Law, in each case so as to permit the Meeting to be held as soon as reasonably practicable;

- (b) Alaris shall ensure that the Circular complies in all material respects with Law and does not contain any Misrepresentation. Without limiting the generality of the foregoing, the Circular will include a statement that the Board, after consulting with outside legal counsel and financial advisors (including the Opinion), has determined that the Arrangement Resolution is fair to the Shareholders and in the best interests of Alaris and recommends that Shareholders vote their Common Shares in favour of the Arrangement Resolution (the "**Board Recommendation**"); and
- (c) The Trust shall promptly provide to Alaris in writing all necessary information concerning the Trust and the Trust Units as may reasonably be required by Alaris to be included by Alaris in the Circular or other related documents and shall ensure that any information so provided to Alaris does not contain, or cause the Circular to contain, any Misrepresentation. The Trust shall also obtain any necessary consents from any of its auditors and any other advisors to the use of any financial, technical, or other expert information included in the Circular and to the identification in the Circular of such advisors.

## **2.5 Final Order**

If the Interim Order is obtained and the Arrangement Resolution is passed at the Meeting as provided for in the Interim Order, Alaris shall take all steps necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order pursuant to section 192 of the CBCA, as soon as reasonably practicable after the Arrangement Resolution is passed at the Meeting.

## **2.6 Court Proceedings**

In connection with all Court proceedings relating to obtaining the Interim Order and the Final Order, Alaris shall:

- (a) diligently pursue the Interim Order and the Final Order;
- (b) ensure that all material filed with the Court in connection with the Arrangement is consistent in all material respects with the terms of this Agreement and the Plan of Arrangement, as they may be amended in accordance with their terms;
- (c) oppose any proposal from any Party that the Final Order contain any provision inconsistent with this Agreement; and
- (d) if at any time after the issuance of the Final Order and prior to the Effective Date, Alaris is required by the terms of the Final Order or by Law to return to Court with respect to the Final Order, it shall do so.

## **2.7 Articles of Arrangement and Effective Date**

- (a) The Articles of Arrangement shall implement the Plan of Arrangement. The Articles of Arrangement shall include the form of the Plan of Arrangement attached to this Agreement as Schedule A, as it may be amended from time to time by written agreement of the Parties;
- (b) Alaris shall send the Articles of Arrangement to the Director as soon as practicable after the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is, of the conditions set out in Article 4 (other than conditions that by their nature are to be satisfied on the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is, of those conditions as of the Effective Date), unless another time or date is agreed to in writing by the Parties; and

- (c) The closing of the Arrangement will take place at the offices of Burnet, Duckworth & Palmer LLP, Suite 2400, 525-8th Avenue SW, Calgary, Alberta T2P 1G1 or at such other location as may be agreed upon by the Parties.

## **2.8 Withholding Rights**

The Trust, Alaris and the Depositary (or the Sale Trustee if different than the Depositary), as applicable, shall be entitled to deduct or withhold from any amount otherwise payable or distributable under this Agreement and the Arrangement to any holder or former holder of securities of Alaris, such amounts as it is directed to deduct or withhold or is required to deduct and withhold with respect to such payment under the Tax Act or any provision of any Law and remit such deduction and withholding amount to the appropriate Governmental Entity. To the extent that amounts are so properly deducted or withheld, such deducted or withheld amounts shall be treated for all purposes of this Agreement and the Arrangement as having been paid to the person to whom such amounts would otherwise have been paid, provided that such withheld amounts are actually remitted to the appropriate Governmental Entity.

## **2.9 Effective Date**

The Arrangement shall become effective at the Effective Time on the Effective Date.

## **ARTICLE 3 COVENANTS**

### **3.1 Regarding the Arrangement**

- (a) Each of the Parties shall use its commercially reasonable efforts to take or cause to be taken all actions and to do or cause to be done all things required or necessary under Law to consummate the Arrangement as soon as practicable, including:
- (i) using its commercially reasonable efforts to satisfy, or cause the satisfaction of, each of the conditions set forth in Section 4.1 to the extent the same is within its control;
  - (ii) carrying out the terms of the Interim Order and the Final Order applicable to it and complying with all material requirements imposed by Law on it or its Subsidiaries with respect to this Agreement or the Arrangement;
  - (iii) using its commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Entities from it and its Subsidiaries relating to this Agreement or the Arrangement; and
  - (iv) using its commercially reasonable efforts to obtain all necessary exemptions, consents, approvals and authorizations as are required by it under all applicable Laws.

### **3.2 Additional Covenants of the Trust and AcquireCo**

- (a) The Trust covenants and agrees that it will, on or prior to the Effective Date, reserve and authorize for issuance the Trust Units issuable pursuant to the Arrangement (including Trust Units to be issued from time to time on exercise, conversion or settlement, as the case may be, of the Replacement Options, the Replacement RTUs and the Convertible Debentures).
- (b) The Trust and AcquireCo each covenants and agrees that it will, until the Effective Date, other than as contemplated herein (including pursuant to the Plan of Arrangement), not issue any securities or enter into any agreements to issue securities or grant options, warrants or rights to purchase any of its securities, except to Alaris or as agreed to by Alaris.



### **3.3 Listing Application**

As soon as reasonably practicable, each of Alaris and the Trust shall apply to list the Trust Units (including Trust Units to be issued from time to time on exercise, conversion or settlement, as the case may be, of the Replacement Options, the Replacement RTUs and the Convertible Debentures) on the TSX, and shall use its respective commercially reasonable efforts to obtain approval, subject to customary conditions, for the listing of such Trust Units on the TSX. The Trust and Alaris shall cooperate with each other in making the application to list the Trust Units (including Trust Units to be issued from time to time on exercise, conversion or settlement, as the case may be, of the Replacement Options, the Replacement RTUs and the Convertible Debentures) on the TSX.

## **ARTICLE 4 CONDITIONS PRECEDENT**

### **4.1 Mutual Conditions Precedent**

The respective obligations of the Parties to complete the transactions contemplated by this Agreement shall be subject to the fulfilment or satisfaction, on or before the Effective Date, of each of the following conditions, any of which may be waived collectively by them without prejudice to their right to rely on any other condition:

- (a) the Interim Order shall have been granted in form and substance satisfactory to the Parties, acting reasonably, not later than August 15, 2020 or such later date as the Parties may agree and shall not have been set aside or modified in a manner unacceptable to such Parties on appeal or otherwise;
- (b) the Arrangement Resolution shall have been approved by the requisite number of votes cast by the Shareholders at the Meeting in accordance with the provisions of the Interim Order and any applicable regulatory requirements;
- (c) the Final Order shall have been granted in form and substance satisfactory to the Parties, acting reasonably, not later than October 1, 2020 or such later date as the Parties may agree;
- (d) the Articles of Arrangement and all necessary related documents, in form and substance satisfactory to the Parties, acting reasonably, shall have been accepted for filing by the Director together with the Final Order in accordance with the CBCA;
- (e) no material action or proceeding shall be pending or threatened by any person, company, firm, governmental authority, regulatory body or agency and there shall be no action taken under any existing applicable law or regulation, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or governmental authority or similar agency, domestic or foreign, that:
  - (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Arrangement or any other transactions contemplated herein; or
  - (ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated herein;
- (f) all necessary material third party and regulatory consents, approvals and authorizations with respect to the transactions contemplated hereby shall have been completed or obtained including, without limitation, consents and approvals from Alaris' principal lenders (excluding, for greater certainty, the holders of Convertible Debentures);
- (g) there shall not, as of the Effective Date, be registered holders of Common Shares that hold, in aggregate, in excess of 5% of all outstanding Common Shares, that have validly exercised and not withdrawn their Dissent Rights; and

- (h) the TSX shall have conditionally approved the listing or the substitutional listing of: (i) the Trust Units to be issued, or issuable; and (ii) the Convertible Debentures to be assumed, pursuant to the Arrangement, subject only to the filing of required documents which cannot be filed prior to the Effective Date.

#### **4.2 Notice and Effect of Failure to Comply with Conditions**

If any of the conditions precedents set forth in sections 4.1 hereof shall not be complied with or waived by the Party or Parties for whose benefit such conditions are provided on or before the date required for the performance thereof, then a Party for whose benefit the condition precedent is provided may, in addition to any other remedies they may have at law or equity, rescind and terminate this Agreement provided that prior to the filing of the Articles of Arrangement for the purpose of giving effect to the Arrangement, the Party intending to rely thereon has delivered a written notice to the other Party, specifying in reasonable detail all breaches of covenants or other matters which the Party delivering such notice is asserting as the basis for the non fulfillment of the applicable conditions precedent and the Party in breach shall have failed to cure such breach within three Business Days of receipt of such written notice thereof (except that no cure period shall be provided for a breach which by its nature cannot be cured). More than one such notice may be delivered by a Party.

#### **4.3 Satisfaction of Conditions**

The conditions set out in this Article 4 are conclusively deemed to have been satisfied, waived or released, with the agreement of the Parties, when the Certificate of Arrangement is issued by the Director.

### **ARTICLE 5 NOTICES**

#### **5.1 Notices**

All notices which may or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be served personally or delivered by facsimile or electronic transmission.

### **ARTICLE 6 AMENDMENT AND TERMINATION**

#### **6.1 Amendments**

This Agreement may, at any time and from time to time before or after the Meeting, be amended in any respect whatsoever by written agreement of the Parties without further notice to or authorization on the part of their respective securityholders; provided that any such amendment that changes the Consideration is brought to the attention of the Court before approval of the Final Order and is subject to such requirements as may be ordered by the Court.

#### **6.2 Termination**

This Agreement shall be terminated in each of the following circumstances:

- (a) the mutual agreement of the Parties;
- (b) the Arrangement shall not have become effective on or before December 31, 2020 or such later date as may be agreed to by the Parties; and
- (c) termination of this Agreement under Section 4.2 hereof.

**ARTICLE 7  
GENERAL****7.1 Binding Effect**

This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.

**7.2 No Assignment**

No Party may assign its rights or obligations under this Agreement.

**7.3 Exclusivity**

None of the covenants contained herein shall prevent the Board from responding as required by Law to any submission or proposal regarding any acquisition or disposition of assets or any unsolicited proposal to amalgamate, merge or effect an arrangement or any unsolicited acquisition proposal generally or make any disclosure to Alaris' securityholders with respect thereto which in the judgment of the Board, acting upon the advice of outside counsel, is required under applicable Law.

**7.4 Equitable Remedies**

All representations, warranties and covenants herein or to be given hereunder as to enforceability in accordance with the terms of any covenant, agreement or document shall be qualified as to applicable bankruptcy and other Laws affecting the enforcement of creditors' rights generally and to the effect that specific performance, being an equitable remedy, may only be ordered at the discretion of the Court.

**7.5 No Liability**

The Parties acknowledge and agree that the obligations and liabilities under this Agreement, or in any document delivered in connection therewith, are not personally binding upon and resort shall not be had to, nor shall recourse or satisfaction be sought from the private property of any of the securityholders, constituent members, limited partners, unitholders, annuitants under a plan of which a unitholder of a Party acts as a trustee or carrier, or the officers, trustees, employees or agents of a Party hereto but only the property of the Parties hereto shall be bound.

**7.6 Counsel Acting for More Than One Party**

Each of the Parties has been advised and acknowledges that Burnet, Duckworth & Palmer LLP, Felesky Flynn LLP, Carter, Ledyard & Milburn LLP and Greenberg Traurig, LLP is acting as counsel to and jointly representing more than one of the Parties (each Party a "**Client**" and, collectively, "**Clients**") and, in this role, information disclosed to Burnet, Duckworth & Palmer LLP and/or Felesky Flynn LLP by one Client will not be kept confidential and shall be disclosed to all Clients and each of the Parties consents to Burnet, Duckworth & Palmer LLP, Felesky Flynn LLP, Carter, Ledyard & Milburn LLP and Greenberg Traurig, LLP so acting. In addition, should a conflict arise between any Clients, Burnet, Duckworth & Palmer LLP, Felesky Flynn LLP, Carter, Ledyard & Milburn LLP and/or Greenberg Traurig, LLP may not be able to continue to act for any of such Clients.

**7.7 Severability**

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and

- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

#### **7.8 Further Assurances**

Each Party shall, from time to time and at all times hereafter, at the request of another Party, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

#### **7.9 Time of Essence**

Time shall be of the essence in this Agreement.

#### **7.10 Liability of the Trust**

The Parties acknowledge that the trustees of the Trust are entering into this Agreement solely in their capacity as trustees on behalf of the Trust and the obligations of the Trust hereunder shall not be personally binding upon the trustees (or any successor trustees) of the Trust, or any Unitholder (as defined in the Declaration of Trust) or Annuitant (as defined in the Declaration of Trust) and that any recourse against the Trust, the trustees (or any successor trustees) of the Trust, or any Unitholder or Annuitant in any manner in respect of any indebtedness, obligation or liability of the Trust arising hereunder or arising in connection herewith or from the matters to which this Agreement relates, if any, including claims based on negligence or otherwise tortious behaviour, shall be limited to, and satisfied only out of, the Trust Property (as defined in the Declaration of Trust).

#### **7.11 Counterparts**

This Agreement may be executed in any number of counterparts (including counterparts by electronic mail) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such executed electronic copy shall be legally effective to create a valid and binding agreement among the Parties.

IN WITNESS WHEREOF this Agreement has been executed and delivered by the Parties effective as of the date first above written.

**ALARIS EQUITY PARTNERS INCOME TRUST**

Per: (signed) "Michael D. Ervin"  
Name: Michael D. Ervin  
Title: Chief Legal Officer & Corporate Secretary

**ALARIS ROYALTY CORP.**

Per: (signed) "Michael D. Ervin"  
Name: Michael D. Ervin  
Title: Chief Legal Officer & Corporate Secretary

**12184231 CANADA INC.**

Per: (signed) "Michael D. Ervin"  
Name: Michael D. Ervin  
Title: Chief Legal Officer & Corporate Secretary

**SCHEDULE "A"**

**PLAN OF ARRANGEMENT  
UNDER SECTION 192  
OF THE CANADA BUSINESS CORPORATIONS ACT**

**ARTICLE 1  
INTERPRETATION**

**1.1 Definitions**

In this Plan of Arrangement, the following terms have the following meanings:

"**Accredited Investor**" means an "accredited investor" within the meaning of Rule 501(a) of Regulation D adopted pursuant to the US Securities Act.

"**AcquireCo**" means 12184231 Canada Inc., a corporation incorporated under the CBCA;

"**AcquireCo Common Shares**" means the class "A" common shares in the share capital of AcquireCo;

"**AcquireCo NIB Note**" has the meaning ascribed thereto in Section 3.1(f);

"**Alaris**" means Alaris Royalty Corp., a corporation incorporated under the CBCA;

"**Arrangement**" means the arrangement under Section 192 of the CBCA on and subject to the terms and conditions set forth in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the Arrangement Agreement or this Plan of Arrangement, or made at the discretion of the Court;

"**Arrangement Agreement**" means the arrangement agreement dated July 20, 2020 among Alaris, AcquireCo and the Trust (including the schedules thereto), as amended, supplemented or modified from time to time in accordance with the terms thereof;

"**Arrangement Resolution**" means the special resolution in respect of the Arrangement in substantially the form attached as Appendix A to the Circular;

"**Articles of Arrangement**" means the articles of arrangement of Alaris in respect of the Arrangement, to be filed with the Director after the Final Order is made, which shall include this Plan of Arrangement;

"**AT ARC Common Shares**" has the meaning ascribed thereto in Section 3.1(d);

"**AT NIB Note 1**" means the non-interest bearing demand promissory note currently payable by the Trust to Alaris;

"**AT NIB Note 2**" has the meaning ascribed thereto in Section 3.1(b);

"**Business Day**" means a day, other than a Saturday, Sunday or statutory or civic holiday, when banks are generally open for the transaction of business in Calgary, Alberta;

"**CBCA**" means the *Canada Business Corporations Act*, as amended, including the regulations promulgated thereunder;

"**Certificate of Arrangement**" means the certificate of arrangement issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement;

"**Certification Deadline**" means 5:00 p.m. (Calgary time) on the second Business Day immediately preceding the date of the Effective Date;

"**Circular**" means the management information circular of Alaris relating to the Arrangement, including all appendices and schedules thereto, and any information incorporated by reference therein, sent to Shareholders in connection with the Meeting, as amended, supplemented or otherwise modified from time to time;

"**Common Share**" means a voting common share in the capital of Alaris;

"**Convertible Debenture Indenture**" means the debenture indenture dated as of June 11, 2019 between Alaris and the Convertible Debenture Trustee;

"**Convertible Debenture Trustee**" means Computershare Trust Company of Canada and its successors, or any other trustee appointed pursuant to the Convertible Debenture Indenture;

"**Convertible Debentures**" means the outstanding 5.5% convertible unsecured subordinated debentures of Alaris due June 30, 2024, which debentures are convertible into Common Shares at a price of \$24.25 per Common Share and were issued pursuant to the Convertible Debenture Indenture;

"**Court**" means the Court of Queen's Bench in the Province of Alberta;

"**Declaration of Trust**" means the declaration of trust of the Trust dated May 31, 2020, as amended, supplemented or amended and restated from time to time;

"**Depository**" means Computershare Investor Services Inc. at its offices referred to in the Letter of Transmittal;

"**Director**" means the Director appointed pursuant to Section 260 of the CBCA;

"**Dissent Procedure**" means the procedure under Section 190 of the CBCA, as modified by the Interim Order, by which a Dissenting Shareholder exercises his, her or its Dissent Rights;

"**Dissent Rights**" means the right of a registered Shareholder to dissent to the Arrangement Resolution and to be paid the fair value of the Common Shares in respect of which such registered Shareholder dissents, all in accordance with section 190 of the CBCA, as modified by the Interim Order;

"**Dissenting Shareholders**" means registered Shareholders who validly exercise, and do not withdraw, their Dissent Rights in accordance with the Dissent Procedure;

"**Effective Date**" means the date on which the Arrangement becomes effective pursuant to the CBCA;

"**Effective Time**" means the time on the Effective Date at which the Arrangement becomes effective pursuant to the CBCA;

"**Eligible U.S. Shareholder**" means a U.S. Shareholder that has submitted a properly completed Qualified U.S. Shareholder Certification in accordance with the Letter of Transmittal on or before the Certification Deadline, confirming to the satisfaction of Alaris and the Trust in their sole discretion that such U.S. Shareholder is a Qualified U.S. Shareholder and who Alaris and the Trust have no reason to believe is not a Qualified U.S. Shareholder;



"**Encumbrance**" means any encumbrance, lien, charge, mortgage, pledge, hypothec, security interest, option, privilege or other restriction or similar right of any kind or nature, in each case whether absolute or contingent, and any right or privilege capable of becoming any of the foregoing;

"**ERISA**" means the *United States Employment Retirement Income Security Act of 1974*, as amended;

"**ERISA Person**" means any Person which is or is acting on behalf of an ERISA Plan;

"**ERISA Plan**" means an "employee benefit plan" (within the meaning of Section 3(3) of ERISA) that is subject to Title I of ERISA, a plan, individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Tax Code, or an entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement pursuant to ERISA, the U.S. Tax Code, and any retirement or benefit plan that is not subject to Title I of ERISA or Section 4975 of the U.S. Tax Code but is subject to Similar U.S. Law;

"**Fair Market Value**" means the price determined in an open and unrestricted market between informed and prudent parties, acting at arm's length and under no compulsion to act, expressed in terms of money or money's worth and taking into account any applicable minority discounts, as determined at the applicable time by the board of directors of Alaris;

"**Final Order**" means the order of the Court approving the Arrangement, as such order may be amended by the Court (with the consent of each of the parties to the Arrangement Agreement, acting reasonably) at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended (provided that such amendment is satisfactory to each of the parties to the Arrangement Agreement, acting reasonably) on appeal;

"**Initial Trust Unit**" means the one (1) Trust Unit issued to Alaris upon formation of the Trust;

"**Interim Order**" means the interim order of the Court containing declarations and directions with respect to the Arrangement and the Meeting and issued pursuant to the application of Alaris, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"**Letter of Transmittal**" means the letter of transmittal accompanying the Circular applicable to a registered holder of Common Shares pursuant to which such holder is required to deliver certificates representing Common Shares and to make the certifications (including, if applicable, Qualified U.S. Shareholder Certification) contemplated therein;

"**Meeting**" means the special meeting of Shareholders, and any adjournment(s) or postponement(s) thereof, to be held in accordance with the Interim Order for the purpose of considering and, if thought advisable, approving the Arrangement Resolution and other matters set out in the notice of meeting accompanying the Circular;

"**Non-Eligible U.S. Shareholder**" means a U.S. Shareholder that is not an Eligible U.S. Shareholder;

"**Option Plan**" means the share option plan of Alaris, as amended, supplemented or restated from time to time;

"**Options**" means the vested and unvested options of Alaris subject to and governed by and administered by the Option Plan and the agreements entered into in respect thereto;

"**Person**" means any individual, partnership, association, body corporate, trust, trustee, executor, administrator, legal representative, government, regulatory authority or any other entity;

"**Plan of Arrangement**" means this plan of arrangement, as amended, supplemented or modified from time to time in accordance with the terms hereof or the Arrangement Agreement;

"**Qualified Institutional Buyer**" means a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act;

"**Qualified Purchaser**" means a U.S. Shareholder that is a "qualified purchaser" within the meaning of Section 2(a)(51)(A) of the U.S. Investment Company Act;

"**Qualified U.S. Shareholder**" means a U.S. Shareholder that is (i)(A) located in the United States, (B) is a U.S. Person or (C) that is receiving Trust Units for the account or benefit of a U.S. Person; (ii) an Accredited Investor, (iii) a Qualified Purchaser and, if applicable, a Qualified Institutional Buyer and (iv) is not and is not acting on behalf of any ERISA Person.

"**Qualified U.S. Shareholder Certification**" means either a Qualified U.S. Shareholder Certification (Non-QIB) or Qualified U.S. Shareholder Certification (QIB);

"**Qualified U.S. Shareholder Certification (Non-QIB)**" means the certification to be provided by a U.S. Shareholder confirming that: (i) it is not and is not acting on behalf of an ERISA Person and (ii) it is an Accredited Investor, and (iii) it is a Qualified Purchaser, while it is not a Qualified Institutional Buyer;

"**Qualified U.S. Shareholder Certification (QIB)**" means the certification to be provided by a U.S. Shareholder confirming that: (i) it is not and is not acting on behalf of an ERISA Person, (ii) it is a Qualified Purchaser and (iii) it is a Qualified Institutional Buyer;

"**Replacement Option**" means an option or right to purchase Trust Units to be granted by the Trust pursuant to the Trust Option Plan in replacement of Options pursuant to the Arrangement;

"**Replacement RTU**" means a restricted trust unit, to be granted by the Trust pursuant to the Trust Restricted Unit Plan in replacement of Restricted Share Units pursuant to the Arrangement;

"**Restricted Share Unit Plan**" means the restricted share unit plan of Alaris as amended, supplemented or restated from time to time;

"**Restricted Share Units**" or "**RSUs**" means the vested and unvested restricted share units of Alaris subject to and administered under the Restricted Share Unit Plan;

"**Sale Trustee**" means the Depositary or such other person as Alaris and the Trust may select prior to the Effective Date;

"**Securities Act**" means the *Securities Act* (Alberta);

"**Shareholders**" means the holders of Common Shares from time to time;

"**Similar U.S. Laws**" means any state or local law that would have the same effect as ERISA Section 3(42) and the regulations of the U.S. Department of Labor codified at 29 C.F.R. Section 2510.3-101 as to cause the underlying assets of the Trust to be treated as assets of an investing entity by virtue of its investment (or any beneficial interest) in the Trust and thereby subject the Trust to laws or regulations that are similar

to the fiduciary or prohibited transaction provisions contained in Title I of ERISA or Section 4975 of the U.S. Tax Code;

**"Supplemental Convertible Debenture Indenture"** means the first supplemental debenture indenture to be entered into among the Trust, Alaris and the Convertible Debenture Trustee evidencing the Trust's assumption, as successor to and co-obligor jointly and severally with Alaris, of the covenants and obligations of Alaris under the Convertible Debenture Indenture and the Convertible Debentures;

**"Tax Act"** means the *Income Tax Act* (Canada), including the regulations promulgated thereunder;

**"Trust"** means Alaris Equity Partners Income Trust, an unincorporated open-ended trust established under the laws of the Province of Alberta pursuant to the Declaration of Trust;

**"Trust Option Plan"** means the unit option plan of the Trust that will become effective as of the Effective Time, as amended, supplemented or restated from time to time;

**"Trust Restricted Unit Plan"** means the restricted trust unit plan of the Trust that will become effective as of the Effective Time, as amended, supplemented or restated from time to time;

**"Trust Unit"** means a unit of the Trust (other than a Special Voting Unit (as such term is defined in the Declaration of Trust)) authorized and issued under the Declaration of Trust for the time being outstanding and entitled to the benefits and subject to the limitations set forth in the Declaration of Trust;

**"TSX"** means the Toronto Stock Exchange;

**"U.S. Investment Company Act"** means the United States Investment Company Act of 1940, as amended, and the rules, regulations and orders promulgated thereunder;

**"U.S. Person"** has the meaning assigned to it in Rule 902 of Regulation S promulgated under the U.S. Securities Act;

**"U.S. Shareholder"** means a registered or beneficial holder of Common Shares that is a U.S. Person;

**"U.S. Securities Act"** means the United States Securities Act of 1933, as amended, and the rules, regulations and interpretations thereunder, as amended; and

**"U.S. Tax Code"** means the United States Internal Revenue Code of 1986, as amended, and the rules, regulations and orders promulgated thereunder, as amended.

## **1.2 Construction**

In this Plan of Arrangement, unless otherwise expressly stated or the context otherwise requires:

- (a) references to "herein", "hereby", "hereunder", "hereof" and similar expressions are references to this Plan of Arrangement and not to any particular Article, Section, paragraph or Schedule;
- (b) references to an "Article", "Section", "paragraph", "Exhibit" or "Schedule" are references to an Article, Section, paragraph, Exhibit or Schedule of or to this Plan of Arrangement;
- (c) words importing the singular shall include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders;

- (d) the use of headings is for convenience of reference only and shall not affect the construction or interpretation hereof;
- (e) the word "including", when following any general term or statement, is not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as referring to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
- (f) reference to any contract, agreement or any other instrument will be deemed to include references to the same as varied, amended, supplemented, restated or replaced from time to time;
- (g) a reference to a statute or code includes every regulation made pursuant thereto, all amendments to the statute or code or to any such regulation in force from time to time, and any statute, code or regulation which supplements or supersedes such statute, code or regulation; and
- (h) any reference to a Person shall include, and be deemed to be a reference also to, any successor or assign of such Person.

### **1.3 Acknowledgement**

This Plan of Arrangement shall not be personally binding upon the trustees (or any successor trustees) of the Trust, or any Unitholder (as defined in the Declaration of Trust) or Annuitant (as defined in the Declaration of Trust) and that any recourse against the Trust, the trustees (or any successor trustees) of the Trust, or any Unitholder or Annuitant in any manner in respect of any indebtedness, obligation or liability of the Trust arising hereunder or arising in connection herewith or from the matters to which this Plan of Arrangement relates, if any, including claims based on negligence or otherwise tortious behaviour, shall be limited to, and satisfied only out of, the Trust Property (as defined in the Declaration of Trust).

### **1.4 Time Periods; Time**

Other than events that are expressed to take place on the Effective Date, in the event that the date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day. Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein are in Calgary, Alberta local time unless otherwise stipulated herein.

### **1.5 Currency**

Except where otherwise specified, all references to currency herein are to lawful money of Canada.

## **ARTICLE 2 ARRANGEMENT AGREEMENT**

### **2.1 Arrangement Agreement**

This Plan of Arrangement is made pursuant, and subject to the provisions of the Arrangement Agreement, except in respect of the sequence of the steps comprising the Arrangement, which shall occur in the order as set forth herein.

## 2.2 Binding Effect

This Plan of Arrangement, upon the filing of the Articles of Arrangement in accordance with the CBCA and the Final Order and the issuance of the Certificate of Arrangement, will become effective at, and be binding at and after, the Effective Time on: (a) Alaris, the Trust and AcquireCo; (b) the Shareholders (including Dissenting Shareholders); (c) all holders of Options, RSUs and Convertible Debentures; (d) the Convertible Debenture Trustee and the registrars and transfer agents of the securities of Alaris, AcquireCo and the Trust; and (e) such other Persons as are affected hereby, in each case, without any further authorization, act or formality on the part of any Person, except as expressly provided herein.

## 2.3 Evidence of Effectiveness

The Certificate of Arrangement shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein.

# ARTICLE 3 ARRANGEMENT

## 3.1 Arrangement

On the Effective Date, commencing at the Effective Time, except as otherwise noted herein, each of the events set out below shall occur and be deemed to occur sequentially, in the order set forth below, without further act or formality:

### Subdivision of Initial Trust Unit

- (a) the Initial Trust Unit held by Alaris shall be subdivided into that number of Trust Units as is equal to the quotient obtained by dividing (i) the Fair Market Value of the Initial Trust Unit at the Effective Time by (ii) the volume weighted average price of the Common Shares on the TSX over the five (5) consecutive trading days immediately prior to the Effective Date, determined by dividing the aggregate sale price of all Common Shares sold on the TSX over such period by the total number of Common Shares so sold, and such additional Trust Units resulting from such subdivision shall be outstanding as fully paid and non-assessable Trust Units and held by Alaris;

### Purchase and Cancellation of Initial Trust Units

- (b) each issued and outstanding Trust Unit, other than one (1) Trust Unit, held by Alaris (as subdivided pursuant to Section 3.1(a)) shall be transferred and assigned by Alaris to the Trust (free and clear of any Encumbrances) for cancellation (and shall upon such transfer and assignment be cancelled) in exchange for the issuance by the Trust to Alaris of a non-interest bearing demand promissory note (the "AT NIB Note 2") in the principal amount equal to the Fair Market Value of such purchased and cancelled Trust Units;

### Dissenting Shareholders

- (c) the Common Shares held by Dissenting Shareholders who have validly exercised, and not withdrawn, Dissent Rights shall be deemed to have been transferred and assigned to AcquireCo (free and clear of any Encumbrances) for an amount to be determined and paid in the manner and in accordance with Article 4;

### **Transfer of Common Shares to the Trust**

- (d) each outstanding Common Share (other than Common Shares held by Dissenting Shareholders) (such Common Shares, the "**AT ARC Common Shares**") shall be transferred and assigned to the Trust (free and clear of any Encumbrances) in exchange for the issuance by the Trust of one (1) fully paid and non-assessable Trust Unit, provided that, and notwithstanding the foregoing, Non-Eligible U.S. Shareholders shall not receive Trust Units. Instead, Trust Units that would otherwise be issuable to Non-Eligible U.S. Shareholders will be issued and delivered to the Sale Trustee for sale pursuant to Section 3.3;

### **Purchase for Cancellation of Trust Unit held by Alaris**

- (e) the remaining one (1) issued and outstanding Trust Unit held by Alaris (after the purchase for cancellation of such Trust Units pursuant to Section 3.1(b)) shall be transferred and assigned to the Trust, free and clear of any Encumbrances) for cancellation (and shall upon such transfer and assignment be cancelled) in consideration for an increase to the principal amount of the AT NIB Note 2 for an amount equal to the Fair Market Value of such purchased and cancelled Trust Unit;

### **Disposition by the Trust to AcquireCo of AT ARC Common Shares**

- (f) the Trust shall transfer and assign all of the AT ARC Common Shares held by the Trust to AcquireCo in consideration for the issuance by AcquireCo to the Trust of: (i) that number of AcquireCo Common Shares as is equal to the number of outstanding AT ARC Common Shares; and (ii) a non-interest-bearing promissory note of AcquireCo (the "**AcquireCo NIB Note**"), payable on demand, with a principal amount equal to the sum of the aggregate principal amount of the AT NIB Note 1 and the aggregate principal amount of the AT NIB Note 2;

### **Repayment of AT NIB Note 1 and AT NIB Note 2**

- (g) the Trust shall repay and satisfy all amounts outstanding and payable to Alaris under the AT NIB Note 1 and AT NIB Note 2 by transferring and assigning to Alaris the AcquireCo NIB Note, and repaying any remaining balance in cash;

### **Convertible Debentures**

- (h) the Trust shall, among other things, assume, as successor to Alaris and as co-obligor jointly and severally with Alaris, all the covenants and obligations of Alaris under the Convertible Debenture Indenture including without limitation all the covenants and obligations of Alaris under the Convertible Debentures, and the Supplemental Convertible Debenture Indenture will become effective;

### **Equity Compensation Plans**

- (i) the Trust Option Plan shall become effective and each Option shall be exchanged for one Replacement Option and each such Replacement Option will have the same terms and conditions as such exchanged Option, and each such Option so exchanged will be cancelled; and
- (j) the Trust Restricted Unit Plan shall become effective and each RSU shall be exchanged for one Replacement RTU and each such Replacement RTU will have the same terms and conditions as such exchanged RSU, and each such RSU so exchanged will be cancelled.

### 3.2 Registers of Holders and Certificates

- (a) In connection with the steps involving Common Shares, AcquireCo Common Shares, Trust Units, Options, Restricted Share Units, Replacement Options or Replacement RTUs:
- (i) effective at the time of the step in Section 3.1(b):
    - (A) Alaris shall cease to be the holder of the Trust Units held by Alaris so purchased and cancelled and Alaris shall cease to have any rights as a holder of such Trust Units other than the right to receive the AT NIB Note 2 in accordance with Section 3.1(b);
    - (B) Alaris' name shall be removed as the holder of such Trust Units from the register of the Trust Units maintained by or on behalf of the Trust;
    - (C) the Trust shall be deemed to be the transferee of (free and clear of all Encumbrances) and to have purchased and cancelled such Trust Units;
  - (ii) effective at the time of the step in Section 3.1(c):
    - (A) each Dissenting Shareholder shall cease to be the holder of such Common Shares and to have any rights as a holder of such Common Shares, other than the right to be paid fair value, as determined under Article 4, for such Common Shares;
    - (B) the Dissenting Shareholders' names shall be removed as the holders of such Common Shares from the registers of the Common Shares maintained by or on behalf of Alaris;
    - (C) AcquireCo shall be deemed to be the transferee of such Common Shares (free and clear of all Encumbrances) and shall be entered in the register of the Common Shares maintained by or on behalf of Alaris;
  - (iii) effective at the time of the step in Section 3.1(d):
    - (A) each former holder of such Common Shares shall cease to be the holder of such Common Shares and to have any rights as a holder of such Common Shares other than the right to receive Trust Units (or the proceeds from the sale thereof in accordance with Sections 3.1(d) and 3.3) from the Trust (or the Sale Trustee on behalf of the Trust) in accordance with Section 3.1(d);
    - (B) such former holders of Common Shares names shall be removed from the register of the Common Shares maintained by or on behalf of Alaris;
    - (C) the holders of such Common Shares names (or the name of the Sale Trustee on their behalf) will be added to the register of holders of Trust Units;
    - (D) the Trust shall be deemed to be the transferee of such Common Shares (free and clear of all Encumbrances) and shall be entered in the register of the Common Shares maintained by or on behalf of Alaris;
  - (iv) effective at the time of the step in Section 3.1(e):

- (A) Alaris shall cease to be the holder of the Trust Unit held by Alaris so purchased and cancelled and Alaris shall cease to have any rights as a holder of such Trust Units other than the right to receive an increase to the principal amount of the AT NIB Note 2 in accordance with Section 3.1(e);
  - (B) Alaris' name shall be removed as the holder of such Trust Unit from the register of the Trust Units maintained by or on behalf of the Trust;
  - (C) the Trust shall be deemed to be the transferee of (free and clear of all Encumbrances) and to have purchased and cancelled such Trust Unit;
- (v) effective at the time of the step in Section 3.1(f):
- (A) the Trust shall cease to be the holder of the AT ARC Common Shares held by the Trust and the Trust shall cease to have any rights as a holder of such Common Shares other than the right to receive the AcquireCo Common Shares and the AcquireCo NIB Note in accordance with Section 3.1(f);
  - (B) the Trust's name shall be removed as the holder of such AT ARC Common Shares from the register of the Common Shares maintained by or on behalf of Alaris;
  - (C) AcquireCo shall be deemed to be the transferee of such AT ARC Common Shares (free and clear of all Encumbrances) and shall be entered in the register of the Common Shares maintained by or on behalf of the Alaris; and
  - (D) the Trust shall be deemed to be the owner of the AcquireCo Common Shares issuable pursuant to Section 3.1(f) (free and clear of all Encumbrances) and shall be entered in the register of AcquireCo Common Shares maintained by or on behalf of AcquireCo;
- (vi) effective at the time of the step in Section 3.1(i):
- (A) holders of Options exchanged shall cease to be the holders of such Options and to have any rights as holders of such Options, other than the right to receive the Replacement Options for such Options;
  - (B) such holders' names shall be removed as the holders of such Options from the registers of the Options maintained by or on behalf of Alaris;
  - (C) the name of such former holder of Options shall be added to the register of holders of Replacement Options maintained by or on behalf of the Trust; and
- (vii) effective at the time of the step in Section 3.1(j):
- (A) holders of RSUs exchanged shall cease to be the holders of such RSUs and to have any rights as holders of such RSUs, other than the right to receive the Replacement RTUs for such RSUs,
  - (B) such holders' names shall be removed as the holders of such RSUs from the registers of the RSUs maintained by or on behalf of Alaris; and



- (C) the name of such former holder of RSUs shall be added to the register of holders of Replacement RTUs maintained by or on behalf of the Trust.
- (b) No certificates will be issued for securities that are issued and subsequently cancelled in accordance with the provisions of this Plan of Arrangement.

### **3.3 Sale Trustee**

Any Trust Units delivered to the Sale Trustee pursuant to Section 3.1(d), will be pooled and sold as soon as practicable after the Effective Date, on such dates and at such prices as the Sale Trustee determines in its sole discretion, acting reasonably. The Sale Trustee shall not be obligated to seek or obtain a minimum price for any of the Trust Units sold by it. Each such Person referred to in Section 3.1(d) will receive such Person's *pro rata* share (by reference to their holding of Common Shares) of the cash proceeds from the sale of the Trust Units sold by the Sale Trustee (less applicable withholding taxes) in lieu of Trust Units. None of Alaris, the Trust, the Sale Trustee or any other Person will be liable for any loss arising out of any such sales or the remittance of the proceeds thereof.

## **ARTICLE 4 DISSENTING SHAREHOLDERS**

### **4.1 Rights of Dissent**

Each registered Shareholder shall have the right to dissent with respect to their Common Shares on the Arrangement Resolution as hereinafter provided. The right of dissent will be effected in accordance with Section 190 of the CBCA, as modified by the Interim Order, provided that a Dissenting Shareholder who for any reason is not ultimately entitled to be paid the fair value for their Common Shares shall be deemed to have participated in the Arrangement on the same basis and at the same time as a non-dissenting Shareholder pursuant to Section 3.1(d) and shall be entitled to receive only the consideration contemplated by Section 3.1(d) that such Shareholder would have received pursuant to the Arrangement if such Shareholder had not exercised Dissent Rights. The fair value of the Common Shares of a Dissenting Shareholder shall be determined as of the point in time immediately prior to the approval of the Arrangement Resolution by the Shareholders in accordance with Section 190 of the CBCA, but in no event shall Alaris (or its successors) be required to recognize such Dissenting Shareholders as Shareholders of Alaris (or its successors) after the Effective Date, and the names of such Dissenting Shareholders shall be removed from the applicable register of Common Shares maintained by or on behalf of Alaris as contemplated in Section 3.2(a)(ii). For greater certainty, in addition to any other restrictions in Section 190 of the CBCA:

- (a) no Shareholder (or proxyholder on behalf of such Shareholder) who has voted in favour of the Arrangement Resolution shall be entitled to Dissent Rights with respect to the Arrangement Resolution; and
- (b) no holder of Options, RSUs or Convertible Debentures shall be entitled to Dissent Rights in relation to the Options, RSUs and/or Convertible Debentures so held, as applicable.

In no circumstances shall Alaris, AcquireCo, the Trust or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is a registered Shareholder of the Common Shares in respect of which such rights are sought to be exercised. All payments made to a Dissenting Shareholder in accordance with this Article 4 will be subject to, and paid net of, all applicable deductions and withholding taxes.

## **ARTICLE 5 OUTSTANDING CERTIFICATES AND FRACTIONAL SECURITIES**

### **5.1 Certificates After the Effective Time**

From and after the Effective Time, certificates formerly representing Common Shares under the Arrangement shall represent only the right to receive the consideration to which the holders are entitled under the Arrangement, or as to those held by Dissenting Shareholders, other than those Dissenting Shareholders deemed to have participated in the Arrangement pursuant to Section 4.1, to receive the fair value of the Common Shares represented by such certificates.

### **5.2 Deposit of Certificates**

The Depositary shall, as soon as practicable following the later of the Effective Date and the date of deposit by a former Shareholder of a duly completed Letter of Transmittal, and instruments or certificates representing such Common Shares and such additional documents as the Depositary may reasonably require (including, if applicable, a Qualified U.S. Shareholder Certification) contemplated therein, either:

- (a) forward or cause to be forwarded by first class mail (postage prepaid) to such former Shareholder at the address specified in the Letter of Transmittal; or
- (b) if requested by such Shareholder in the Letter of Transmittal, make available or cause to be made available at the Depositary for pickup by such Shareholder;

instruments or certificates representing the number of Trust Units issued and/or transferred to such holder or to which such holder is entitled pursuant to the Arrangement.

### **5.3 Lost Certificates**

If any instrument or certificate which immediately prior to the Effective Time represented an interest in outstanding Common Shares that were exchanged or transferred pursuant to Section 3.1 has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such instrument or certificate to have been lost, stolen or destroyed, the Depositary will issue and deliver in exchange for such lost, stolen or destroyed instrument or certificate the consideration to which the Person is entitled pursuant to the Arrangement (and any distributions with respect thereto) as determined in accordance with the Arrangement. The Person who is entitled to receive such consideration shall, as a condition precedent to the receipt thereof, give a bond to each of the Trust, Alaris and their respective transfer agents, which bond is in form and substance satisfactory to each of the Trust, Alaris and their respective transfer agents, or shall otherwise indemnify the Trust, Alaris and their respective transfer agents against any claim that may be made against any of them with respect to the instrument or certificate alleged to have been lost, stolen or destroyed.

### **5.4 Entitlement to Distributions**

All distributions made with respect to any Trust Unit allotted and issued or transferred pursuant to this Arrangement but for which an instrument or certificate has not been issued shall be paid or delivered to the Depositary to be held by the Depositary for the registered holder thereof. All monies received by the Depositary shall be held by it upon such terms as the Depositary may reasonably deem appropriate. The Depositary shall pay and deliver to any such registered holder, as soon as reasonably practicable after application therefor is made by the registered holder to the Depositary in such form as the

Depository may reasonably require, such distributions to which such holder is entitled, net of applicable deductions and withholding taxes, upon delivery of the instrument or certificates representing Trust Units issued to such holder in accordance with Section 5.2.

### **5.5 Deadline for Delivery of Certificates**

Subject to any applicable escheat laws, any certificate formerly representing Common Shares that is not deposited with all other documents as required by this Plan of Arrangement on or before the day prior to the third anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature, including the right of the holder of such Common Shares to receive Trust Units. Trust Units issued or made pursuant to the Arrangement shall be deemed to be surrendered to the Trust (in the case of the Trust Units contemplated by Section 3.1(d)), together with all distributions thereon, as applicable, held for such holder.

### **5.6 Fractional Securities**

No fractional Trust Units shall be issued pursuant to the Arrangement. In the event that any exchange ratio referred to herein would in any case result in a former holder of Common Shares being entitled to a fractional Trust Unit, such Trust Units shall be rounded to the nearest whole number, provided that each beneficial former holder of Common Shares shall be entitled to the benefit of only one adjustment in respect of each of such holder's Trust Units.

## **ARTICLE 6 WITHHOLDING RIGHTS**

### **6.1 Withholding Rights**

Alaris, the Trust and the Depository (or the Sale Trustee if different than the Depository) shall be entitled to deduct and withhold from any consideration or distribution otherwise payable to any former holder of Common Shares, such amounts as Alaris, the Trust and the Depository (or the Sale Trustee if different than the Depository) is required to deduct and withhold with respect to such payment under the Tax Act or any provision of any federal, provincial, territorial, state, local or foreign tax law. Amounts so deducted and withheld shall be treated for all purposes as having been paid to the former holder of the Common Shares in respect of which such deduction and withholding was made, provided that such deducted and withheld amounts are actually remitted to the appropriate taxing authority. Alaris, the Trust and the Depository (or the Sale Trustee if different than the Depository), on behalf of the former holder of Common Shares, shall be entitled to sell or otherwise dispose of such portion of the consideration or distribution as is necessary to provide sufficient funds, after expenses, to enable it to comply with such deduction or withholding requirements and shall notify the former holder thereof and remit to the former holder any unapplied balance of the net proceeds of such sale.

## **ARTICLE 7 AMENDMENTS**

### **7.1 Amendments Prior to the Effective Time**

The parties to the Arrangement Agreement may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be: (a) set out in writing, (b) approved by the Trust and Alaris, (c) filed with the Court and, if made following the Meeting, approved by the Court, and (d) communicated to any Persons if and as required by the Court.

**7.2 Amendments Prior to the Meeting**

Any amendment, modification and/or supplement to this Plan of Arrangement may be proposed by the Trust or Alaris at any time prior to the Meeting (provided that the Trust and Alaris shall have consented thereto) with or without any other prior notice or communication to any Person, and if so proposed and accepted by the Persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

**7.3 Amendments following Effective Date**

Any amendment, modification and/or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Trust, provided that it concerns a matter which, in the reasonable opinion of the Trust, is of an administrative nature or required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interests of the former Shareholders or holders of Convertible Debentures and such amendments, modifications or supplements to the Plan of Arrangement need not be filed with the Court or communicated to any Person including former Shareholders.

**7.4 Withdrawal of Plan of Arrangement**

This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

**ARTICLE 8  
MISCELLANEOUS****8.1 Further Assurances**

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instalments or documents as may reasonably be required by any of them to further document or evidence any of the transactions or events set out herein.

**8.2 Paramountcy**

From and after the Effective Time: (a) this Plan of Arrangement shall apply to any and all Common Shares, Options, RSUs and Convertible Debentures issued or granted prior to the Effective Time; (b) the rights and obligations of the registered Shareholders and holders of Options, RSUs and Convertible Debentures and Alaris, the Trust and any transfer agent or other depositary therefor in relation thereto, shall be solely as provided for in this Plan of Arrangement; and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Common Shares, Options, RSUs or Convertible Debentures shall be deemed to have been settled, compromised, released and determined without liability except as set forth herein.

---

APPENDIX D – INTERIM ORDER

---

Clerk's Stamp:

COURT FILE NUMBER 2001-08643  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

MATTER IN THE MATTER OF SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING ALARIS ROYALTY CORP., ALARIS EQUITY PARTNERS INCOME TRUST, 12184231 CANADA INC. AND THE SECURITYHOLDERS OF ALARIS ROYALTY CORP.

APPLICANT **ALARIS ROYALTY CORP.**

RESPONDENTS Not Applicable

DOCUMENT **INTERIM ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Burnet, Duckworth & Palmer LLP  
2400, 525 – 8<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 1G1  
Lawyer: Joanne Luu  
Phone Number: (403) 806-7826  
Fax Number: (403) 260-0332  
Email Address: [jluu@bdplaw.com](mailto:jluu@bdplaw.com)  
File No. 61986-117

**DATE ON WHICH ORDER WAS PRONOUNCED:** July 21, 2020

**NAME OF JUDGE WHO MADE THIS ORDER:** The Honourable Justice Campbell

**LOCATION OF HEARING:** Calgary – Calgary Courts Centre  
601 – 5 Street S.W.,  
Calgary, AB T2P 5P7

**ORDER**

**UPON** the Originating Application (the "**Originating Application**") of Alaris Royalty Corp. ("**Alaris**" or the "**Corporation**" or the "**Applicant**");

**AND UPON** reading the Originating Application and the Affidavit of Michael Ervin, Chief Legal Officer and Corporate Secretary of the Corporation, sworn July 20, 2020 (the "**Ervin Affidavit**"), and the documents referred to therein;

**AND UPON** hearing counsel for the Corporation;

**AND UPON** noting that the Director (the "**Director**") appointed under Section 260 of *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "**CBCA**") has been served with notice of this application as required by subsection 192(5) of the *CBCA* and that the Director does not need to appear or be heard on the application;

**FOR THE PURPOSES OF THIS ORDER:**

- (a) the capitalized terms not defined in this Order shall have the meanings attributed to them in the management information circular and proxy statement of Alaris dated July 21, 2020 (the "**Information Circular**"), a draft copy of which is attached as Exhibit "A" to the Ervin Affidavit; and
- (b) all references to "**Arrangement**" used herein mean the plan of arrangement as described in the Ervin Affidavit and in the form attached as Schedule A to the Arrangement Agreement, which is attached as Appendix "C" to the Information Circular.

**IT IS HEREBY ORDERED THAT:****General**

1. Alaris shall seek approval of the Arrangement by the holders ("**Shareholders**") of common voting shares ("**Common Shares**") of Alaris in the manner set forth below.

## Shareholders' Meeting

2. Alaris shall call and conduct a special meeting (the "**Meeting**") of Shareholders on or about August 31, 2020. At the Meeting, Shareholders will consider and vote upon, the Arrangement Resolution and such other business as may properly be brought before the Meeting or any adjournment or postponement thereof, all as more particularly described in the Information Circular.
3. A quorum at the Meeting shall consist of two (2) or more persons present in person and holding or representing by proxy in the aggregate not less than 5% of the outstanding Common Shares entitled to be voted at the Meeting.
4. If within 30 minutes a quorum is not present at the appointed time fixed for the holding of the Meeting, it shall stand adjourned to such day being not less than 7 days later and to such place and time as may be determined by the Chair of the Meeting. No notice of the adjourned Meeting shall be required and, if at such adjourned Meeting a quorum is not present, the Shareholders present at the adjourned Meeting in person, or represented by proxy, shall be a quorum for all purposes.
5. Each Common Share entitled to be voted at the Meeting will entitle the holder to one vote at the Meeting in respect of the Arrangement Resolution and any other matters to be considered at the Meeting. The Board of Directors of the Corporation has fixed a record date for Shareholders entitled to receive notice of and vote at the Meeting of July 17, 2020 (the "**Record Date**"). Only Shareholders whose names have been entered on the register of Common Shares on the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting in accordance with this paragraph 6.
6. The Meeting shall be called, held and conducted in accordance with the applicable provisions of the *CBCA*, the articles and by-laws of the Corporation in effect at the relevant time, the Information Circular, the rulings and directions of the Chair of the Meeting, this Order and any further Order of this Court. To the extent that there is any inconsistency or discrepancy between this Order and the *CBCA* or the articles or by-laws of the Corporation, the terms of this Order shall govern.



**Conduct of Meeting**

7. The Chair of the Meeting shall be any officer or director of the Corporation.
8. The only persons entitled to attend and speak at the Meeting shall be the registered Shareholders or their authorized proxyholders, the Corporation's directors and officers, Alaris' auditors, Alaris' legal counsel and the Director and such other persons who may be permitted to attend by the Chair of the Meeting.
9. The number of votes required to pass the Arrangement Resolution shall be at least 66 $\frac{2}{3}$ % of the votes cast by the Shareholders, present in person or represented by proxy, at the Meeting.
10. To be valid a proxy must be deposited with Computershare Trust Company of Canada, in the manner and by the deadline described in the Information Circular.
11. The accidental omission to give notice of the Meeting or the non-receipt of the notice shall not invalidate any resolution passed or proceedings taken at the Meeting.
12. The Corporation, if it deems it to be advisable, may adjourn or postpone the Meeting on one or more occasions (whether or not a quorum is present, if applicable) and for such period or periods of time as the Corporation deems advisable, without further order of this Court and without the necessity of first convening such Meeting or first obtaining any vote of Shareholders respecting the adjournment or postponement. Notice of any such adjournment or postponement may be given by such method as the Corporation determines appropriate in the circumstances. If the Meeting is adjourned or postponed in accordance with this Order, the references to the Meeting in this Order shall be deemed to be the Meeting, as adjourned or postponed, as the context allows.

**Amendments to the Arrangement**

13. The Corporation is authorized to make such amendments, revisions or supplements to the Arrangement as it may determine necessary or desirable, provided that such amendments, revisions or supplements are made in accordance with and in the manner contemplated by the Arrangement and the Arrangement Agreement. The Arrangement so amended, revised or supplemented shall be deemed to be the Arrangement

submitted to the Meeting and the subject of the Arrangement Resolution, without need to return to this Court to amend this Order.

### **Amendments to Meeting Materials**

14. The Corporation is authorized to make such amendments, revisions or supplements ("**Additional Information**") to the Information Circular, form of proxy ("**Proxy**"), notice of the Meeting ("**Notice of Meeting**"), notice of notice-and-access ("**Notice-and-Access Notification**"), form of letter of transmittal ("**Letter of Transmittal**") and notice of Originating Application ("**Notice of Originating Application**") as it may determine, and the Corporation may disclose such Additional Information, including material changes, by the method and in the time most reasonably practicable in the circumstances as determined by the Corporation. Without limiting the generality of the foregoing, if any material change or material fact arises between the date of this Order and the date of the Meeting, which change or fact, if known prior to mailing of the Information Circular, would have been disclosed in the Information Circular, then:
- (a) the Corporation shall advise the Shareholders of the material change or material fact by disseminating a news release (a "**News Release**") through a widely-circulated news service;
  - (b) provided that the News Release describes the applicable material change or material fact in reasonable detail, the Corporation shall not be required to deliver an amendment to the Information Circular to the Shareholders or otherwise give notice to the Shareholders of the material change or material fact other than dissemination and filing of the News Release as aforesaid; and
  - (c) unless determined to be advisable by the Corporation, the Corporation shall not be required to adjourn or otherwise postpone the Meeting as a result of the disclosure of any Additional Information, including any material change, as contemplated by this paragraph.

### **Dissent Rights**

15. The registered Shareholders are, subject to the provisions of this Order and the Plan of Arrangement, accorded the right of dissent under Section 190 of the *CBCA* with respect

to the Arrangement Resolution and the right to be paid the fair value of their Common Shares by AcquireCo in respect of which such right to dissent was validly exercised.

16. In order for a registered Shareholder (a "**Dissenting Shareholder**") to exercise such right of dissent under Section 190 of the *CBCA*:
  - (a) Notwithstanding subsection 190(5) of the *CBCA*, the Dissenting Shareholder's written objection to the Arrangement Resolution must be received by Alaris c/o its counsel Burnet, Duckworth & Palmer LLP, 2400, 525 – 8th Avenue SW, Calgary, Alberta, T2P 1G1, Attention: Joanne Luu, on or before 4:00 p.m. (Calgary Time) on the second last Business Day prior to the Meeting (as it may be adjourned or postponed from time to time);
  - (b) a vote against the Arrangement Resolution, whether in person or by proxy, shall not constitute a written objection to the Arrangement Resolution as required under paragraph 17(a) herein;
  - (c) a Dissenting Shareholder shall not have voted his, her or its Common Shares at the Meeting, either by proxy or in person, in favour of the Arrangement Resolution;
  - (d) A Shareholder may not exercise the right of dissent in respect of only a portion of the holder's Common Shares, but may dissent only with respect to all of the Common Shares held by the holder; and
  - (e) the exercise of such right of dissent must otherwise comply with the requirements of Section 190 of the *CBCA*, as modified and supplemented by this Interim Order and Plan of Arrangement.
17. The fair value of the consideration to which a Dissenting Shareholder is entitled pursuant to the Arrangement shall be determined as of the close of business on the last Business Day before the day on which the Arrangement Resolution is approved by the Shareholders at the Meeting and shall be paid to the Dissenting Shareholders by AcquireCo as contemplated by the Arrangement and this Order.

18. Dissenting Shareholders who validly exercise their right to dissent, as set out in paragraphs 17 and 18 above, and who:
- (a) are determined to be entitled to be paid the fair value of their Common Shares, shall be deemed to have transferred such Common Shares as of the effective time of the Arrangement (the "**Effective Time**"), without any further act or formality and free and clear of all liens, claims and encumbrances to AcquireCo in exchange for the fair value of the Common Shares; or
  - (b) are, for any reason (including, for clarity, any withdrawal by any Dissenting Shareholder of their dissent) determined not to be entitled to be paid the fair value for their Common Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting Shareholder and such Common Shares will be deemed to be exchanged for Trust Units as contemplated under the Arrangement,
- but in no event shall the Corporation, the Trust, AcquireCo or any other person be required to recognize such Shareholders as holders of Common Shares after the Effective Time, and the names of such Shareholders shall be removed from the register of Common Shares.
19. Subject to further Order of this Court, the rights available to Shareholders under the *CBCA* and the Arrangement to dissent from the Arrangement Resolution shall constitute full and sufficient rights of dissent for the Shareholders with respect to the Arrangement Resolution.
20. Notice to the Shareholders of their right of dissent with respect to the Arrangement Resolution and to receive, subject to the provisions of the *CBCA* and the Arrangement, the fair value of their Common Shares shall be sufficiently given by including information with respect to this right as set forth in the Information Circular which is to be sent to Shareholders in accordance with paragraph 22 of this Order.

## Notice

21. The Information Circular, substantially in the form attached as Exhibit "A" to the Ervin Affidavit, with such amendments thereto as counsel to the Corporation may determine necessary or desirable (provided such amendments are not inconsistent with the terms of this Order), and including the Notice of Meeting, Notice-and-Access Notification, the Proxy, the Letter of Transmittal, the Notice of Originating Application and this Order, together with any other communications or documents determined by the Corporation to be necessary or advisable including the Letter of Transmittal (collectively, the "**Meeting Materials**"), shall be sent to those registered Shareholders who hold Common Shares as of the Record Date, the directors of the Applicant and the auditors of the Applicant, by any one or more of the following methods:
- (a) in the case of registered Shareholders, by sending the Notice-and-Access Materials (as defined below) by pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to each such holder at his, her or its address, as shown on the books and records of the Applicant as of the Record Date distributed not later than 30 days prior to the Meeting;
  - (b) in the case of the directors and auditors of the Applicant, by email, pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to the individual directors or firm of auditors, as applicable, not later than 30 days prior to the date of the Meeting; and
  - (c) in the case of the Director, by facsimile or other electronic means, by courier or by delivery in person, addressed to the Director not later than 21 days prior to the date of the Meeting.
22. The Corporation may use the "notice-and-access" provisions under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") and National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**", and together with NI 54-101, the "**Notice and Access Provisions**") for the Meeting. The Notice and Access Provisions provide that Shareholders will receive only the Notice-and-Access Notification and form of proxy or voting instruction form in

accordance with NI 54-101 and NI 51-102 (the "**Notice-and-Access Materials**"). The Notice-and-Access Notification contains certain prescribed information, including the time and place of the Meeting, the matters to be considered, where to find the Meeting Materials and how to obtain a paper copy of the same. Those Shareholders who do not hold their Common Shares in their own name ("**Beneficial Shareholders**") may provide standing instructions to their Intermediaries to obtain paper copies of the Meeting Materials. The Notice-and-Access Materials will be distributed not less than 30 days before the Meeting to Beneficial Shareholders. A copy of the Notice-and-Access Notification is attached hereto as Exhibit "B" to the Ervin Affidavit.

23. Delivery of the Notice-and-Access Materials in the manner directed by this Order shall be deemed to be good and sufficient service upon the Shareholders, the directors and auditors of the Applicant of:
- (a) the Originating Application;
  - (b) this Order;
  - (c) the Notice of the Meeting;
  - (d) the Information Circular; and
  - (e) the Notice of Originating Application.

### **Solicitation of Proxies**

24. Alaris is authorized to use the Proxy enclosed with the Information Circular, subject to its ability to insert dates and other relevant information in the final forms of such Proxy. Alaris is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as Alaris may retain for that purpose, and such solicitation may be by mail or such other forms of personal and electronic communication as they may determine.

## Final Application

25. Subject to further order of this Court and provided that the Shareholders have approved the Arrangement in the manner directed by this Court and the directors of the Corporation have not revoked their approval, Alaris may proceed with an application for a final order of the Court approving the Arrangement (the "**Final Order**") on August 31, 2020 at 3:30 p.m. (Calgary time) or as soon thereafter as counsel may be heard at the Calgary Courts Centre, Calgary, Alberta via video conference. Subject to the Final Order, and to the issuance, by the Director, of a certificate or proof of filing with respect to the articles of arrangement, Alaris, the Trust, all Shareholders and all other persons noted in the Plan of Arrangement will be bound by the Arrangement in accordance with its terms.
26. Any Shareholder or any other interested party (each an "**Interested Party**") desiring to appear and make submissions at the application for the Final Order is required to file with this Court and serve, upon Alaris, on or before 12:00 p.m. (Calgary time) on August 24, 2020 (or the Business Day that is five (5) Business Days prior to the date of the Meeting if it is not held on August 31, 2020), a Notice of Intention to Appear including the Interested Party's address for service (or alternatively, a facsimile number for service by facsimile or an email address for service by electronic mail), indicating whether such Interested Party intends to support or oppose the application or make submissions at the application, together with a summary of the position such Interested Party intends to advance before the Court and any evidence or materials which are to be presented to the Court. Service of this notice on Alaris shall be effected by service upon the solicitors for Alaris, Burnet, Duckworth & Palmer LLP, Suite 2400, 525 – 8th Avenue SW, Calgary, Alberta, T2P 1G1, Attention: Joanne Luu.
27. In the event that the application for the Final Order is adjourned, only those parties appearing before this Court for the application for the Final Order, and those Interested Parties serving a Notice of Intention to Appear in accordance with paragraph 27 of this Order, shall have notice of the adjourned date.

**Leave to Vary Interim Order**

28. Alaris may at any time to seek leave to vary this Order upon such terms and the giving of such notice as this Court may direct.

(signed) "*Justice G.A. Campbell*"

---

**Justice of the Court of Queen's Bench of  
Alberta**



---

APPENDIX E – TRUST OPTION PLAN

---

**ALARIS EQUITY PARTNERS INCOME TRUST  
UNIT OPTION PLAN**

**1. Purpose of Plan**

The purpose of this plan (the "**Plan**") is to develop the interest of officers, trustees, directors and employees of, and consultants to the Alaris Entities in the growth and development of the Alaris Entities by providing them with the opportunity through unit purchase options to acquire an increased proprietary interest in the Trust.

**2. Administration**

The Plan shall be administered by the Board of Trustees, or if appointed, by a special committee of trustees appointed from time to time by the Board of Trustees (such committee, or if no such committee is appointed, the Board of Trustees, is hereinafter referred to as the "**Committee**") pursuant to rules of procedure fixed by the Board of Trustees.

**3. Granting of Options**

The Committee may from time to time designate bona fide trustees, directors, officers, employees and consultants of the Alaris Entities (or in each case their personal holding companies) (collectively, the "**Optionees**"), to whom options ("**Options**") to purchase units ("**Units**") of the Trust (which, for greater certainty, excludes the special voting units of the Trust) may be granted, and the number of Units to be optioned to each, provided that:

- (a) the total number of Units issuable pursuant to Options outstanding at any time under the Plan shall not exceed 8.5% of the aggregate number of Outstanding Securities, subject to adjustment as set forth herein, and further subject to the applicable rules and regulations of all regulatory authorities to which the Trust is subject, including the Toronto Stock Exchange (the "**TSX**") or such other stock exchange as the Units may be listed for trading;
- (b) the maximum number of securities of the Trust issuable at any time pursuant to all Security Based Compensation Arrangements shall not exceed 9.75% of the number of Outstanding Securities;
- (c) the number of Units reserved for issuance on exercise of Options, within a one-year period, to any one Optionee shall not exceed 5% of the Outstanding Securities;
- (d) the maximum number of securities of the Trust issuable to Insiders at any time pursuant to all Security Based Compensation Arrangements shall not exceed 9.75% of the number of Outstanding Securities;
- (e) the maximum number of securities of the Trust issued to Insiders, within any one year period, under all Security Based Compensation Arrangements, shall not exceed 9.75% of the number of Outstanding Securities;
- (f) the maximum number of Units issuable at any time pursuant to outstanding Options granted to trustees of the Trust who are not officers or employees of an Alaris Entity shall be limited to 0.5% of the issued and Outstanding Securities; and
- (g) the maximum participation for trustees of the Trust who are not officers or employees of an Alaris Entity under the Plan is limited to an annual equity award value of \$100,000 per non-employee

trustee, provided that this limit shall not apply in respect of an initial grant of Options to a newly appointed or elected non-employee trustee.

Notwithstanding anything else in this Plan, including Section 14, the Board of Trustees may not, without the approval of unitholders, amend this section or any other provision of this Plan to increase the limit set forth in Section 3(f) above.

The Units that are reserved for issuance on exercise of Options granted pursuant to this Plan that are cancelled, terminated or expired in accordance with terms of the Plan prior to the exercise of all or a portion thereof shall be available for a subsequent grant of Options pursuant to this Plan to the extent of any Units issuable thereunder that are not issued under such cancelled, terminated or expired Options.

#### **4. Vesting**

The Committee may, in its sole discretion, determine the time during which Options shall vest and the method of vesting. In the absence of any determination by the Committee as to vesting, vesting shall be as to one quarter (1/4) on each of the first, second, third and fourth anniversaries of the date of grant. For greater certainty, the Committee may, in its sole discretion, accelerate the vesting of Options following their initial grant in the event of death, the occurrence of any other event giving rise to a Termination Date (as defined in Section 6(a)) or in connection with a change of control (as such term may be determined by the Committee and which shall include a business combination or other transaction where a person or persons acting jointly or in concert acquire greater than 50% of the Outstanding Securities).

#### **5. Exercise Price**

The exercise price (the "**Exercise Price**") of any Option shall be fixed by the Committee when such Option is granted, provided that such price shall not be less than the Market Price at the time the Option is granted, and further provided that if the Units are not then listed and posted for trading on the TSX or any other stock exchange, the Exercise Price shall be determined by the Committee in its sole discretion acting reasonably and in good faith.

In the event that the Trust proposes to reduce the Exercise Price of Options granted to an Optionee who is an Insider of the Trust at the time of the proposed amendment, said amendment shall not be effective until disinterested unitholder approval has been obtained in respect of said Exercise Price reduction.

#### **6. Option Terms**

The period during which an Option is exercisable shall, subject to the provisions of the Plan requiring acceleration of rights of exercise, not be in excess of five years. Each Option shall, among other things, contain provisions to the effect that the Option shall be personal to the Optionee and shall not be assignable or transferable. In addition, each Option shall provide that:

- (a) unless otherwise determined by the Committee or unless otherwise provided in a written option agreement pertaining to a particular Option or any written employment, consulting or other agreement governing an Optionee's role as a director, officer, employee of or consultant to, an Alaris Entity, upon the death of the Optionee, the Option shall terminate on the date of death, unless the Optionee was a director, officer, employee of or consultant to, an Alaris Entity for at least one year following the date of grant of the Options in question, in which case the Options shall terminate on the date that is six months following the date of death of the Optionee (the "**Termination Date**"); and

- (b) unless otherwise determined by the Committee or unless otherwise provided in a written option agreement pertaining to a particular Option or any written employment, consulting or other agreement governing an Optionee's role as a director, officer, employee of or consultant to, an Alaris Entity, if the Optionee shall no longer be a director or officer of, be in the employ of, or be providing ongoing management or consulting services to, an Alaris Entity, the Option shall terminate on the earlier of the expiry date of the Option and the expiry of a period of 90 days (the "**Termination Date**"), following the date that the Optionee ceases to be a director, officer, or employee of an Alaris Entity, or ceases to provide ongoing management or consulting services to, an Alaris Entity, as the case may be.

provided that the number of Units that the Optionee (or his heirs or successors) shall be entitled to purchase until the Termination Date shall be the number of Units which the Optionee was entitled to purchase on the date of death or the date the Optionee ceased to be an officer, director or employee of, or ceased providing ongoing management or consulting services to, an Alaris Entity, as the case may be.

If the normal expiry date of any Option falls within any Blackout Period or within 10 business days (being a day other than a Saturday, Sunday or other than a day when banks in Calgary, Alberta are not generally open for business) following the end of any Blackout Period (the "**Restricted Options**"), then the Expiry Date of such Restricted Options shall, without any further action, be extended to the date that is 10 business days following the end of such Blackout Period. The foregoing extension applies to all Options whatever the date of grant and shall not be considered an extension of the term of the Options as referred to in Section 14 hereof.

## 7. Exercise of Options

Subject to the provisions of the Plan, an Optionee may:

- (a) exercise, from time to time, Options granted to the Optionee by delivery to the Trust, at its head office or such other place as may be specified by the Trust, of a written notice of exercise (the "**Exercise Notice**") specifying the number of Units with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the Units then being purchased and payment in full of any amount required to be paid pursuant to Section 8 herein;
- (b) make an offer (the "**Surrender Offer**") to the Trust, at any time, for the disposition and surrender by the Optionee to the Trust (and the termination thereof) of any Options granted hereunder for an amount specified therein (the "**Surrender Price**") and the Trust may, but is not obligated to, accept the Surrender Offer, subject to any regulatory approval that may be required. If the Surrender Offer, either as made or as re-negotiated, is accepted:
- (i) the Trust will cause to be delivered to the Optionee a cheque representing the Surrender Price (less the amount of the withholding tax and any other amount required to be paid pursuant to Section 8 herein in connection with the exercise of the Surrender Offer) within three (3) business days of the date of receipt of the Surrender Offer; and
  - (ii) upon the surrender and termination of the Options pursuant to the Surrender Offer, the Units issuable pursuant to such Options shall, for purposes of the number of Units reserved for issuance with the TSX, be available for further grants.
- (c) exercise the right (the "**Cashless Exercise Right**") from time to time to request the Trust to issue Units in exchange for all or any part of the Options of the Optionee by surrendering such Options and delivery to the Trust, at its head office or such other place as may be specified by the Trust, (1)

a written notice of exercise ("**Cashless Exercise Notice**") specifying the number of Options with respect to which the Cashless Exercise is being exercised; and (2) any payment required to be paid pursuant to Section 8 herein. Upon exercise of the Cashless Exercise Right, for each Option held for which a Cashless Exercise Notice is delivered, the Trust will issue such number of Units to the Optionee as is equal to the number determined as follows:

- (i) dividing the difference between the Market Price and the Exercise Price of such Options by the Market Price;

multiplied by

- (ii) the number of Options specified in the Cashless Exercise Notice (the date of receipt of the Cashless Exercise Notice being the "**Cashless Exercise Right Notice Date**").

Subject to any procedure as authorized by the Board of Trustee and the approval of the TSX, if applicable, the Trust will use its reasonable efforts to deliver to the Optionee the number of Units as determined in accordance with this Section 7(c) within five (5) business days of the Cashless Exercise Right Notice Date. Notwithstanding the foregoing, the Trust may, at its sole discretion, decline to accept and, accordingly, have no obligations with respect to the exercise of a Cashless Exercise Right at any time and from time to time.

## **8. Tax Withholding & No Guarantees Regarding Tax Treatment**

- (a) The Trust shall have the power and the right to deduct or withhold, or require (as a condition of exercise) an Optionee to remit to the Trust, the required amount to satisfy, in whole or in part, federal, provincial, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan, including the grant or exercise of Options granted under the Plan. With respect to required withholding, the Trust shall have the irrevocable right to (and the Optionee consents to) the Trust setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Trust to such Optionee (whether arising pursuant to the Optionee's relationship as a director, officer or employee of an Alaris Entity or as a result of the Optionee providing services on an ongoing basis to an Alaris Entity or otherwise), or may make such other arrangements satisfactory to the Optionee and the Trust. In addition, the Trust may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding such number of Units as it determines are required to be sold by the Trust, as trustee, to satisfy the withholding obligation net of selling costs (which costs shall be the responsibility of the Optionee and which shall be and are authorized to be deducted from the proceeds of sale). The Optionee consents to such sale and grants to the Trust an irrevocable power of attorney to effect the sale of such Units and acknowledges and agrees that the Trust does not accept responsibility for the price obtained on the sale of such Units. Any reference in this Plan to the issuance of Units or a payment of cash in connection with an Option is expressly subject to this Section 8.
- (b) With respect to all Surrender Offers that are accepted by the Trust pursuant to Section 7 hereof, the Trust agrees to elect under subsection 110(1.1) of the *Income Tax Act* (Canada) so as to permit the Optionee to claim a deduction under paragraph 110(1)(d) of the said Act with respect to the Surrender Price.
- (c) Optionees (or their beneficiaries) shall be responsible for all taxes with respect to any Option under the Plan, whether arising as a result of the grant or exercise of Options or otherwise. The Trust and the Committee make no guarantees to any person regarding the tax treatment of an Option or

payments made under the Plan and none of the Trust or any of its trustees, employees or representatives shall have any liability to an Optionee with respect thereto.

#### **9. Mergers, Amalgamation and Sale**

If the Trust shall become merged (whether by plan of arrangement or otherwise) or amalgamated within or with another person or shall sell the whole or substantially the whole of its assets and undertakings for shares or securities of another person, the Trust shall, subject to this Section 9, make provision that, upon exercise of an Option during its unexpired period after the effective date of such merger, amalgamation or sale, the Optionee shall receive such number of securities of the continuing successor person in such merger or amalgamation or the securities or shares of the purchasing person as the Optionee would have received as a result of such merger, amalgamation or sale if the Optionee had purchased Units immediately prior thereto for the same consideration paid on the exercise of the Option and had held such Units on the effective date of such merger, amalgamation or sale and, upon such provision being made, the obligation of the Trust to the Optionee in respect of the Units subject to the Option shall terminate and be at an end and the Optionee shall cease to have any further rights in respect thereof.

#### **10. Termination of Option in the Event of Take-Over Bid**

In the event a take-over bid (as defined in the *Securities Act* (Alberta)), which is not exempt from the take-over bid requirements of Part 14 of the *Securities Act* (Alberta) (or its replacement or successor provisions) shall be made for the Outstanding Securities, the Trust may in the agreement providing for the grant of Options herein provide that the Trust may require the disposition of the Optionee and the termination of any obligations of the Trust to the Optionee in respect of any Options granted by paying to the Optionee in cash the difference between the exercise price of unexercised Options and the fair market value of the securities to which the Optionee would have been entitled upon exercise of the unexercised Options on such date, which determination of fair market value shall be conclusively made by the Committee, subject to approval by the TSX or such stock exchanges upon which the Units are then listed, if required by such exchanges. Upon payment as aforesaid, the Options shall terminate and be at an end and the Optionee shall cease to have any further rights in respect thereof. The Trust may, at its sole discretion, elect to allow an Optionee to claim such deductions in computing taxable income of such Optionee, if any, that may be available to the Optionee in respect of any amount received by the Optionee pursuant to this Section 10, however, the Trust is under no obligation, express or implied, to make such election.

#### **11. Alterations in Units**

Appropriate adjustments in the number of Units optioned and in the Exercise Price, as regards Options granted or to be granted, may be made by the Committee in its discretion to give effect to adjustments in the number of Units resulting subsequent to the approval of the Plan by the Committee from subdivisions, consolidations or reclassifications of the Units, the payment of distributions by the Trust, or other relevant changes in the capital of the Trust.

#### **12. Option Agreements**

A written agreement will be entered into between the Trust and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Units subject to Option, the Exercise Price, provisions as to vesting (if applicable) and expiry, and any other terms approved by the Committee, all in accordance with the provisions of this Plan. The agreement will be in such form as the Committee may from time to time approve, or authorize the officers of the Trust to enter into, and may contain such terms as may be considered necessary in order that the Option will comply with this Plan, any provisions

respecting Options in the income tax or other laws in force in any country or jurisdiction of which the person to whom the Option is granted may from time to time be a resident or citizen, and the rules of any regulatory body having jurisdiction over the Trust.

### **13. Regulatory Authorities Approvals**

The Plan shall be subject to the approval, if required, of the TSX or any stock exchange on which the Units are listed for trading. Any Options granted prior to such approval shall be conditional upon such approval being given, and no such Options may be exercised unless such approval, if required, is given.

### **14. Amendment or Discontinuance of the Plan**

The Committee may not, without the prior approval of the unitholders: (i) make any amendment to the Plan to increase the percentage of Units issuable on exercise of outstanding Options at any time pursuant to Section 3(a) hereof; (ii) reduce the exercise price of any outstanding Options; (iii) extend the term of any outstanding Option beyond the original expiry date of such Option; (iv) make any amendment to increase the maximum limit on the number of securities that may be issued to Insiders pursuant to Sections 3(d) or (e) hereof; (v) make any amendment to Section 3(f) to increase the maximum number of Units issuable on exercise of Options granted to trustees who are not officers or employees of an Alaris Entity; (vi) make any amendment to the Plan that would permit an Optionee to transfer or assign Options to a new beneficial Optionee other than in the case of death of the Optionee; or (vii) amend this Section 14.

Except as restricted by the foregoing, the Committee may amend or discontinue the Plan or Options granted thereunder at any time without unitholder approval provided that any amendment to the Plan that requires approval of the TSX or any stock exchange on which the Units are listed for trading may not be made without approval of such stock exchange. In addition, no amendment to the Plan or Options granted pursuant to the Plan may be made without the consent of the Optionee, if it adversely alters or impairs any Option previously granted to such Optionee under the Plan.

### **15. Hold Period**

In addition to any resale restrictions imposed under applicable securities laws, if required by the TSX, any stock exchange on which the units are listed for trading or any other regulatory authority, Options granted under the Plan and Units issued on exercise of such Options may be required to be legended evidencing that the Options and the Units issued upon exercise of the Options are subject to a hold period or restricted period as required by the TSX or other applicable regulatory authority and the Optionee by accepting the Option agrees to comply therewith.

### **16. Units Duly Issued**

Units issued upon the exercise of an Option granted hereunder will be validly issued and allotted as fully paid and non-assessable upon (i) receipt by the Trust of the Exercise Price therefor, (ii) receipt by the Optionee of the Surrender Price therefor, or (iii) the delivery of such Units pursuant to a Cashless Exercise Right, as applicable, in accordance with the terms of the Option, and the issuance of Units thereunder will not require a resolution or approval of the Board of Trustees.

## 17. Prior Plans

Pursuant to the terms of the Plan of Arrangement, this Plan shall become effective on the Effective Time as set forth in the Plan of Arrangement and each stock option granted under the Corporation's stock option plan (as the same had been amended and restated) and outstanding immediately prior to the Effective Time has been exchanged for an Option granted under the Plan in accordance with, and at such time set forth in, the Plan of Arrangement and shall be governed by and subject to this provisions of this Plan.

## 18. Definitions

- (a) "**Alaris Entities**" means collectively, the Trust and any of its subsidiaries, partnerships or other controlled entities but does not, for greater certainty, include the Private Company Partners.
- (b) "**Blackout Period**" means the period of time when, pursuant to any policies of the Trust, any securities of the Trust may not be traded by certain persons as designated by the Trust, including any holder of an Option.
- (c) "**Board of Trustees**" means the board of trustees of the Trust, as it may be comprised from time to time.
- (d) "**Corporation**" means Alaris Royalty Corp. and includes any successor corporation thereof.
- (e) "**Effective Time**" has the meaning ascribed to it in the Plan of Arrangement.
- (f) "**Exchangeable Securities**" has the meaning ascribed thereto in the Declaration of Trust of the Trust made as of May 31, 2020, as amended from time to time.
- (g) "**insider**", "**associate**", "**affiliate**" have the meanings ascribed thereto in the *Securities Act* (Alberta).
- (h) "**Insider**" means an insider of the Trust and any person who is an associate or an affiliate of an insider of the Trust.
- (i) "**Market Price**" means the VWAP on the TSX or another stock exchange where the majority of the trading volume and value of the Units occurs, for the five (5) trading days immediately preceding the relevant date; provided that if the five (5) day VWAP does not accurately reflect the current market price for the Units, the TSX may adjust the VWAP based on relevant factors as determined by the TSX, in which case the Market Price shall be the price so determined.
- (j) "**Outstanding Securities**" at the time of any securities issuance or grant of Options means the aggregate number of Units (including any Exchangeable Securities, on an exchanged basis) that are outstanding immediately prior to the securities issuance or grant of Options in question on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Trust is subject, including the TSX or such other stock exchange as the Units may be listed for trading.
- (k) "**Plan of Arrangement**" means the plan of arrangement made under section 192 of the *Canada Business Corporations Act*, involving (among others) the Corporation, the Trust and 12184231 Canada Inc.



- (l) **"Private Company Partners"** means the corporations, partnerships or other entities with which the Trust or another Alaris Entity has directly or indirectly entered into a financing structure in exchange for an annual distribution or other return.
- (m) **"Security Based Compensation Arrangements"** has the meaning ascribed thereto in Part VI of the Company Manual of the TSX, as amended from time to time.
- (n) **"Service Provider"** means a Trustee, director, officer, or employee of an Alaris Entity or a person or company engaged by an Alaris Entity to provide services for an initial, renewable or extended period of twelve months or more.
- (o) **"Trust"** means Alaris Equity Partners Income Trust.
- (p) **"unitholders"** means the holders of Units (and where the context requires, the holders of Exchangeable Securities).
- (q) **"VWAP"** means the volume weighted average trading price of the Units, calculated by dividing the total value by the total volume of Units traded for the relevant period; provided that the TSX may require the exclusion of certain internal crosses and certain other special terms trades from the calculation.

**19. Effective Date**

This Plan is effective on the Effective Time on [•], 2020, the effective date of the Plan of Arrangement.

**ALARIS EQUITY PARTNERS INCOME TRUST**

Per: \_\_\_\_\_

Chairman of the Board of Trustees

---

APPENDIX F – TRUST RTU PLAN

---

**RESTRICTED TRUST UNIT PLAN**  
**ALARIS EQUITY PARTNERS INCOME TRUST**

[•, 2020]

**ALARIS EQUITY PARTNERS INCOME TRUST**

**RESTRICTED TRUST UNIT PLAN  
EFFECTIVE ●, 2020**

**ARTICLE 1  
DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

For purposes of the Plans:

- (a) "**Account**" means an account maintained by the Plan Administrator for each Participant and which will be credited with RTUs in accordance with the terms of the Plans;
- (b) "**Alaris Entities**" means collectively, the Trust and any of its subsidiaries, partnerships, trusts or other controlled entities and "**Alaris Entity**" means any one of them, however and for greater certainty, "**Alaris Entities**" shall not include the Private Company Partners;
- (c) "**ASA**" means the *Securities Act* (Alberta), as amended from time to time;
- (d) "**Award Date**" means the date or dates on which an award of RTUs is made to a Participant in accordance with section 4.2 or 5.2;
- (e) "**Basic Administration Expenses**", as determined in the Board's sole discretion, may include, but shall not be limited to, expenses incurred in connection with the establishment and tracking of Accounts and the preparation and distribution of Account statements, ancillary administration costs, fees and expenses payable pursuant to the terms of any agreement or agreements executed from time to time between the Trust and either the Plan Trustee or the Plan Administrator, any brokerage fees or commissions applicable to the purchase of Units to be delivered to Participants following the vesting of RTUs granted under the Market Plan, and any fees of the Trust's transfer agent incurred in connection with the issuance or transfer of Units under the Plans;
- (f) "**Blackout Period**" means the period of time when, pursuant to any policies of the Trust, any securities of the Trust may not be traded by certain persons as designated by the Trust, including any holder of an RTU;
- (g) "**Board**" means the board of trustees of the Trust as constituted from time to time;
- (h) "**Change of Control**" means:
  - (i) a successful takeover bid; or
  - (ii) (A) any change in the beneficial ownership or control of the outstanding securities or other interests of the Trust which results in:
    - (I) a person or group of persons "acting jointly or in concert" (as defined in the ASA); or
    - (II) an affiliate or associate of such person or group of persons;holding, owning or controlling, directly or indirectly, more than 50% of the outstanding voting securities or interests of the Trust; and

- (B) members of the Board who are members of the Board immediately prior to the earlier of such change and the first public announcement of such change cease to constitute a majority of the Board at any time within one hundred twenty days of such change;
- (iii) Incumbent Trustees no longer constituting a majority of the Board; or
- (iv) the winding up or termination of the Trust or the sale, lease or transfer of all or substantially all of the directly or indirectly held assets of the Trust to any other person or persons (other than pursuant to an internal reorganization or in circumstances where the business of the Trust is continued and where the unitholdings or other securityholdings, as the case may be, in the continuing entity and the constitution of the board of directors or similar body of the continuing entity is such that the transaction would not be considered a "Change of Control" if paragraph (ii) above was applicable to the transaction); or
- (v) any determination by a majority of the Board that a change of control has occurred or is about to occur and any such determination shall be binding and conclusive for all purposes of the Plans;
- (i) "**Committee**" has the meaning ascribed thereto in section 2.4;
- (j) "**Corporation**" means Alaris Royalty Corp., and includes any successor entity thereto;
- (k) "**Distribution Equivalent**" means a bookkeeping entry whereby each RTU is credited with the equivalent amount of the distribution paid on a Unit in accordance with section 4.3 or 5.3, as applicable;
- (l) "**Distribution Market Value**" means the Fair Market Value per Unit on the distribution record date;
- (m) "**Effective Time**" has the meaning ascribed to it in the Plan of Arrangement;
- (n) "**Employee**" means an employee of an Alaris Entity, other than seasonal and contract employees and independent contractors, and who is not a Trustee;
- (o) "**Exchange**" means the TSX or any other stock exchange on which Units are listed and posted for trading, as applicable;
- (p) "**Exchangeable Securities**" has the meaning ascribed thereto in the Declaration of Trust of the Trust made as of May 31, 2020, as amended from time to time;
- (q) "**Fair Market Value**" with respect to a Unit, as at any date, means the higher of: (i) the weighted average of the prices at which the Units traded on the TSX (or, if the Units are not then listed and posted for trading on the TSX or are then listed and posted for trading on more than one stock exchange, on such stock exchange on which the majority of the trading volume and value of the Units occurs) for the five (5) trading days on which the Units traded on the said exchange immediately preceding such date; and (ii) the last offering price per Unit for an offering of Units approved by the Board. In the event that the Units are not listed and posted for trading on any stock exchange, the Fair Market Value shall be the fair market value of the Units as determined by the Board in its sole discretion, acting reasonably and in good faith;
- (r) "**Forfeited RTU**" means a RTU that relates to an award of RTUs that does not vest and is forfeited by a Participant pursuant to section 6.5 or 6.7, as applicable;
- (s) "**Forfeiture Date**" means the date, as determined by the Board, on which a Participant:
  - (i) resigns from employment with the Alaris Entities as contemplated in section 6.5 and "**Forfeiture Date**" in such circumstances specifically does not mean the date on which any period of reasonable notice that the Trust may be required at law to provide to the Participant, would expire; or
  - (ii) is terminated as contemplated in section 6.7 and, except as specifically provided in section 6.7, "**Forfeiture Date**" specifically does not mean the date on which any statutory or common law

severance period or any period of reasonable notice that the Trust may be required at law to provide to the Participant, would expire;

- (t) **"Incumbent Trustees"** means any member of the Board who was a member of the Board at the effective date of the Plans and any successor to an Incumbent Trustee who was recommended or elected or appointed to succeed any Incumbent Trustees by the affirmative vote of the Board, including a majority of the Incumbent Trustees then on the Board, prior to the occurrence of the transaction, transactions, elections or appointments giving rise to a Change of Control;
- (u) **"Insider"**, **"associate"** and **"affiliate"** each have the meaning ascribed thereto in Part VI of the Company Manual of the TSX, as amended from time to time;
- (v) **"Market Plan"** means the Restricted Trust Unit Plan established by the Trust under Article 4 and pursuant to which Units are purchased by the Plan Trustee through the facilities of an Exchange and held by the Plan Trustee in the Market Plan Trust Fund pending delivery to Participants following the vesting of corresponding RTUs;
- (w) **"Market Plan Trust Fund"** means the assets held by the Plan Trustee pursuant to the Market Plan, as more fully set out in section 4.7;
- (x) **"Options"** means options to purchase Units granted under the Trust's Unit Option Plan;
- (y) **"Outstanding Securities"** at the time of any securities issuance or grant of RTUs, means the aggregate number of Units (including any Exchangeable Securities on an exchanged basis) that are outstanding immediately prior to the securities issuance or grant of RTUs in question on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Trust is subject, including the Exchange;
- (z) **"Participant"** means a Service Provider determined to be eligible to participate in the Plans in accordance with section 3.1 and, where applicable, a former Service Provider deemed eligible to continue to participate in the Plans in accordance with section 6.6 or 6.7;
- (aa) **"Plan Administrator"** means the Trust acting in its capacity as administrator of the Plans or any third party service provider, if any, retained from time to time by the Trust to perform certain of the administrative functions of the Plans as delegated by the Board in accordance with section 2.4;
- (bb) **"Plan of Arrangement"** means the plan of arrangement made under section 192 of the *Canada Business Corporations Act*, involving (among others) the Corporation, the Trust and 12184231 Canada Inc.;
- (cc) **"Plans"** means together the Market Plan and the Treasury Plan;
- (dd) **"Plan Trustee"** means such Plan Trustee or Plan Trustees from time to time appointed for purposes of the Market Plan pursuant to section 4.11;
- (ee) **"Private Company Partners"** means the corporations, partnerships or other entities with which the Trust or another Alaris Entity has directly or indirectly entered into a financing structure in exchange for an annual distribution or other return;
- (ff) **"Retirement"** means the retirement of a Participant at normal retirement age or earlier in accordance with the then policies and practices of the Trust or as otherwise approved by the Board, and **"Retire"** has a corresponding meaning;
- (gg) **"RTU"** means a unit equivalent in value to a Unit credited by means of a bookkeeping entry in the Participants' Accounts;
- (hh) **"RTU Agreement"** has the meaning set forth in section 3.2;

- (ii) **"Security Based Compensation Arrangements"** has the meaning ascribed thereto in Part VI of the Company Manual of the TSX, as amended from time to time;
- (jj) **"Service Provider"** means a Trustee, director, officer, or employee (including an Employee) of an Alaris Entity and a person or company engaged by an Alaris Entity to provide services for an initial, renewable or extended period of twelve months or more;
- (kk) **"takeover bid"** means a "take-over bid" as defined in the ASA pursuant to which the "offeror" would as a result of such takeover bid, if successful, beneficially own, directly or indirectly, in excess of 50% of the Outstanding Securities;
- (ll) **"Treasury Plan"** means the Restricted Unit Plan established by the Trust under Article 5 and pursuant to which Units are issued to Participants by the Trust from treasury following the vesting of corresponding RTUs;
- (mm) **"Trust Contributions"** means the cash contributions made to the Plan Trustee from time to time by the Trust for purposes of allowing the Plan Trustee to purchase Units through the facilities of an Exchange, as contemplated in section 4.5;
- (nn) **"Trust"** means Alaris Equity Partners Income Trust, and includes any successor entity thereto;
- (oo) **"Trustee"** means a person who is a trustee of the Trust;
- (pp) **"TSX"** means the Toronto Stock Exchange;
- (qq) **"Unit"** means a unit of the Trust (other than a special voting unit of the Trust);
- (rr) **"Unitholders"** means the holders of Units (and where the context requires, shall include the holders of Exchangeable Securities); and
- (ss) **"Unit Option Plan"** means the plan pursuant to which the Trust grants Options to Service Providers, as amended from time to time.

## 1.2 Interpretation

Words in the singular include the plural and words in the plural include the singular. Words importing male persons include female persons, corporations, trusts, partnerships or other entities, as applicable. The headings in this document are for convenience and reference only and shall not be deemed to alter or affect any provision hereof. The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to this document as a whole and not to any particular article, section, paragraph or other part hereof.

## ARTICLE 2 PURPOSE AND ADMINISTRATION OF THE PLANS

### 2.1 Purpose

The Plans have been established to retain and motivate eligible Service Providers and to promote a greater alignment of interests between Service Providers and the Unitholders.

### 2.2 Administration of the Plans

Subject to section 2.4, the Plans shall be administered by the Board.

### 2.3 Authority of the Board

The Board shall have the full power to administer the Plans, including, but not limited to, the authority to:

- (a) interpret and construe any provision hereof and decide all questions of fact arising in their interpretation;
- (b) adopt, amend, suspend and rescind such rules and regulations for administration of the Plans as the Board may deem necessary in order to comply with the requirements of the Plans, or in order to conform to any law or regulation or to any change in any laws or regulations applicable thereto;
- (c) determine the individuals to whom RTUs may be awarded;
- (d) award such RTUs on such terms and conditions as it determines including, without limitation: the time or times at which RTUs may be awarded; the time or times when each RTU becomes exercisable and the term of the RTU; whether restrictions or limitations are to be imposed on the Units issued pursuant to an RTU and the nature of such restrictions or limitations, if any; any acceleration or waiver of termination or forfeiture regarding any RTU, based on such factors as the Board may determine;
- (e) take any and all actions permitted by the Plans; and
- (f) make any other determinations and take such other action in connection with the administration of the Plans that it deems necessary or advisable.

#### **2.4 Delegation of Authority**

To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee (the "**Committee**") of the Board all or any of the powers conferred on the Board under the Plans. In such event, the Committee will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decision made or action taken by the Committee arising out of or in connection with the administration or interpretation of the Plans in this context is final and conclusive.

The Board or the Committee may delegate or sub-delegate to a Plan Administrator or any Trustee or any officer of an Alaris Entity the whole or any part of the administration of the Plans and shall determine the scope of such delegation or sub-delegation in its sole discretion.

#### **2.5 Discretionary Relief**

Notwithstanding any other provision hereof, the Board may, in its sole discretion, waive any condition set out herein if it determines that specific individual circumstances warrant such waiver.

#### **2.6 Amendment, Suspension, or Termination of Plans**

- (a) The Board may, from time to time, amend the terms set out herein or suspend the Plans in whole or in part and may at any time terminate the Plans without prior notice. However, except as expressly set forth herein, no such amendment, suspension, or termination may adversely affect RTUs credited to the Participants' Accounts at the time of such amendment, suspension, or termination without the consent of the affected Participant(s). In addition, the Board may, by resolution, amend the Plans and any RTU, without Unitholder approval, provided however, that the Board will not be entitled to amend the Treasury Plan without Exchange and Unitholder approval: (i) to increase the maximum number of Units issuable pursuant to the Treasury Plan; (ii) to extend the term of an RTU under the Treasury Plan held by an Insider; or (iii) to increase the maximum limit on the number of securities that may be issued to Insiders pursuant to sections 5.6(b) or 5.6(c) hereof. Further provided, that the Board will not be entitled to amend either of the Plans without Exchange and Unitholder approval to: (i) make any amendment to permit a Participant to transfer or assign any RTU to a new beneficial holder, other than as permitted by law; (ii) amend this section 2.6; or (iii) in any other circumstances where Exchange and Unitholder approval is required by the Exchange.
- (b) Without limitation of section 2.6(a), the Board may correct any defect or supply any omission or reconcile any inconsistency in the Plans in the manner and to the extent deemed necessary or desirable, may establish, amend, and rescind any rules and regulations relating to the Plans, and may make such determinations as it deems necessary or desirable for the administration of the Plans.



- (c) No amendment, change or modification shall be made to the Market Plan that will alter the duties of the Plan Trustee without the Plan Trustee's written consent.
- (d) On termination of a Plan, any outstanding awards of RTUs under such Plan shall immediately vest and the number of Units corresponding to the RTUs that have been awarded shall be delivered to the Participants in accordance with sections 4.9 and 5.7, as applicable. The Plans will finally cease to operate for all purposes when the last remaining Participant receives delivery of all Units corresponding to RTUs credited to the Participant's Account (or the payment for such RTUs pursuant to a Surrender Offer) and any Units held in the Market Plan Trust Fund corresponding to any Forfeited RTUs are sold by the Plan Trustee in accordance with section 6.9.

## **2.7 Final Determination**

Any determination or decision by, or opinion of, the Board, the Committee or a Trustee or any officer of an Alaris Entity made or held pursuant to the terms set out herein shall be made or held reasonably and shall be final, conclusive and binding on all parties concerned, including, but not limited to, the Trust, the Participants and their beneficiaries and legal representatives.

Subject to section 2.5, all rights, entitlements and obligations of Participants under the Plans are set forth in the terms hereof and cannot be modified by any other documents, statements or communications, except by amendment to the terms set out in section 2.6.

## **2.8 Taxes**

- (a) A Participant shall be solely responsible for reporting and paying all taxes payable in respect of the Units received by the Participant under the Plans. The Trust makes no guarantees to any person regarding the tax treatment of an RTU, the Units received by a Participant under the Plans or payments made under the Plans and none of the Trust or any of its employees or representatives shall have any liability to a Participant with respect thereto. The applicable Alaris Entity will provide each Participant with (or cause each Participant to be provided with) a T4 slip or such requisite statement as may be required by applicable law to report income for income tax purposes.
- (b) The Trust shall have the power and the right to deduct or withhold, or require a Participant to remit to the Trust, the required amount to satisfy, in whole or in part, federal, provincial, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plans, including, but not limited to, the vesting of RTUs granted under the Plans. With respect to required withholding, the Trust shall have the irrevocable right to (and the Participant consents to) the Trust setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Trust to such Participant (whether arising pursuant to the Participant's relationship as a Trustee, director, officer or employee of any of the Alaris Entities or as a result of the Participant providing services on an ongoing basis to any of the Alaris Entities or otherwise), or may make such other arrangements satisfactory to the Participant and the Trust. In addition, the Trust may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding, or directing the Plan Trustee to withhold, such number of Units as it determines are required to be sold by the Trust, as Plan Trustee, or by the Plan Trustee on behalf of the Trust, to satisfy the withholding obligation net of selling costs (which costs shall be the responsibility of the Participant and which shall be and are authorized to be deducted from the proceeds of sale). The Participant consents to such sale and grants to the Trust, or the Plan Trustee, as the case may be, an irrevocable power of attorney to effect the sale of such Units and acknowledges and agrees that neither the Trust nor the Plan Trustee accepts responsibility for the price obtained on the sale of such Units. Any reference in the Plans to the issuance of Units or a payment of cash in connection with a RTU is expressly subject to this section 2.8.

## **2.9 Expenses**

Subject to section 6.8, the Trust shall pay all Basic Administration Expenses.

## **2.10 Information**

Each Participant shall provide the Trust with all of the information (including personal information) that it requires in order to administer the Plans. The Trust may from time to time transfer or provide access to such information to the Plan Trustee or the Plan Administrator for purposes of the administration of the Plans.

## **2.11 Account Information**

Information pertaining to the RTUs in Participants' Accounts will be made available to the Participants at least annually in such manner as the Plan Administrator may determine and shall include such matters as the Board may determine from time to time or as otherwise may be required by law.

## **2.12 Indemnification**

Each member of the Board or Committee is indemnified and held harmless by the Trust against any cost or expense (including any sum paid in settlement of a claim with the approval of the Trust) arising out of any act or omission to act in connection with the terms hereof to the extent permitted by applicable law. This indemnification is in addition to any rights of indemnification a Board or Committee member may have as Trustee or otherwise under the declaration of trust governing the Trust, any agreement, any vote of Unitholders, or disinterested Trustees, or otherwise.

## **ARTICLE 3 ELIGIBILITY AND PARTICIPATION IN THE PLANS**

### **3.1 Participation**

The Board, in its sole discretion, shall determine, or shall delegate to the Committee the determination of which Service Providers will participate in either of the Plans.

### **3.2 RTU Agreement**

A Participant shall confirm acknowledgement of an award of RTUs made to such Participant in such form as determined by the Board from time to time (the "**RTU Agreement**"), within such time period and in such manner as specified by the Board or the Plan Administrator. If acknowledgement of an award of RTUs is not confirmed by a Participant within the time specified, the Trust reserves the right to revoke the crediting of RTUs to the Participant's Account.

### **3.3 Participant's Agreement to be Bound**

Participation in either of the Plans by any Participant shall be construed as irrevocable acceptance by the Participant of the terms and conditions set out herein and all rules and procedures adopted hereunder and as amended from time to time.

## **ARTICLE 4 THE MARKET PLAN**

### **4.1 The Market Plan**

The Market Plan is hereby established for Participants who are Trustees or Employees. The Market Plan is intended to constitute an employee benefit plan as defined in subsection 248(1) of the *Income Tax Act* (Canada) or any successor provision under which Trust Contributions are made to the Plan Trustee and under which payments are made to or for the benefit of a Participant under the Market Plan in the form of Units purchased by the Plan Trustee through the facilities of the Exchange.

## 4.2 Grant of RTUs

Subject to section 3.2, an award of RTUs will be made and the number of such RTUs awarded will be credited to each Participant's Account, effective as of the Award Date. The number of RTUs to be credited to each Participant's Account shall be determined by the Board, or the Committee if delegated by the Board to do so, each in its sole discretion. The RTUs credited to a Participant's Account pursuant to this section shall be noted as having been granted under the Market Plan.

## 4.3 Distributions

In the event that a distribution is declared and paid on the Units, the Board shall have the discretion to award Participants (each of section 4.3(a), (b) and (c), referred to in this section as a "**Distribution Payment Method**"):

- (a) a cash payment equivalent to the distribution that would have been paid on the Units underlying the RTUs credited to a Participant's Account had such Units been outstanding from the date of the grant of the RTUs;
- (b) Units in an amount computed by dividing (A) the amount obtained by multiplying the amount of the distribution declared and paid per Unit by the number of RTUs recorded in the Participant's Account on the record date for the payment of such distribution, by (B) the Distribution Market Value, with fractions computed to the nearest whole number;
- (c) a Distribution Equivalent in the form of additional RTUs as of the distribution payment date in respect of which distributions are paid on Units, such Distribution Equivalent shall be computed by dividing (X) the amount obtained by multiplying the amount of distribution declared and paid per Unit by the number of RTUs recorded in the Participant's Account on the record date for the payment of such distribution, by (Y) the Distribution Market Value, with fractions computed to three decimal places; or
- (d) any combination of (a), (b) or (c);

provided that if the Board determines to award a Distribution Payment Method to Participants, the Board shall have the sole discretion to determine which Distribution Payment Method, or combination thereof, a Participant shall receive. Any Distribution Payment Method awarded pursuant to this section 4.3 shall vest and be payable in accordance with the terms of RTUs associated therewith.

To the extent that a Participant receives any distributions in accordance with section 4.3 in the form of Units or additional RTUs, such Units or additional RTUs shall be excluded for the purposes of determining any adjustments in accordance with section 4.10.

## 4.4 Vesting

- (a) Subject to Article 6, an award of RTUs under the Market Plan shall vest in accordance with the terms specified in the Participant's RTU Agreement. The vesting provisions in any RTU Agreement will be determined either by the Board, or the Committee if delegated by the Board to do so, each in its sole discretion; provided that unless forfeited prior to such date, all awards of RTUs under the Market Plan shall vest no later than December 15 of the third calendar year following the Award Date of the corresponding RTU, or such later date as may be permitted by applicable income tax laws.
- (b) For greater certainty, the vesting of RTUs may be determined from time to time by the Board, or the Committee if so delegated by the Board, to include criteria such as, but not limited to:
  - (i) time vesting, in which a Unit is not delivered to a Participant until the Participant has held the corresponding RTU for a specified period of time; and
  - (ii) performance vesting, in which the number of Units to be delivered to a Participant for each RTU that vests may fluctuate based upon the Trust's performance and/or the market price of the Units, in such manner as determined by the Board or, if so delegated, the Committee, in their sole discretion.

#### **4.5 Restricted Unit Purchases by Plan Trustee**

At its discretion, the Trust shall remit one or more Trust Contributions to the Plan Trustee in the amount necessary to allow the Plan Trustee to arrange for the purchase of Units equal to the maximum number of Units that may be delivered to a Participant following the vesting of RTUs awarded to Participants under section 4.2 prior to the date that such RTUs vest in accordance with section 4.4.

The Plan Trustee shall arrange for the purchase of the requisite number of Units through an Exchange participating organization and the facilities of the Exchange as soon as practicable (but in any event within 30 calendar days) after receipt of any Trust Contributions. The Units shall be purchased at prevailing market prices and in accordance with any Exchange rules applicable thereto.

In the event that any Trust Contribution received by the Plan Trustee is insufficient to acquire the number of Units required at a particular time, the Plan Trustee will notify the Trust of the additional Trust Contribution required and the Trust shall forthwith provide such amount to the Plan Trustee.

The Trust will be responsible for, and Trust Contributions may be used by the Plan Trustee to pay, all brokerage commissions or similar fees in connection with such purchases.

#### **4.6 Limit on Purchases**

Notwithstanding the provisions of section 4.5, the Plan Trustee, in its discretion, may limit the daily volume of purchases of Units or cause such purchases to be made over several trading days to the extent that such action is deemed by it to be necessary to avoid disrupting the market price for Units or otherwise be in the best interests of the Trust.

#### **4.7 Assets of the Market Plan Trust Fund**

The Plan Trustee shall receive Trust Contributions from the Trust. Trust Contributions and the Units acquired therewith shall constitute the Market Plan Trust Fund and shall be held, administered and dealt with by the Plan Trustee pursuant to the terms of the Market Plan.

#### **4.8 Registration of Units and Rights of Ownership**

All Units purchased by the Plan Trustee pursuant to the Market Plan shall be registered in the name of the Plan Trustee or a nominee thereof and shall be held in the Market Plan Trust Fund in accordance with the terms hereof.

Each Participant shall have the right and shall be afforded the opportunity to instruct the Plan Trustee in writing how to vote, on any issue coming before the Unitholders, with respect to the Units held for the benefit of such Participant by the Plan Trustee in the Market Plan Trust Fund at the record date for any meeting of the Unitholders. Instructions by a Participant to the Plan Trustee shall be in such form and delivered pursuant to such regulations as the Board may prescribe, subject to the approval of the Plan Trustee, and any such instructions to the Plan Trustee shall remain in the strict confidence of the Plan Trustee. If the Plan Trustee does not receive timely and proper instructions from a Participant regarding the voting of Units held for the benefit of such Participant by the Plan Trustee in the Market Plan Trust Fund, such Units shall not be voted. Similar procedures shall apply to any consent solicitation of the Unitholders. Units corresponding to Forfeited RTUs shall not be voted.

#### **4.9 Delivery of Units by the Plan Trustee following Vesting**

Provided that the relevant vesting date of an award of RTUs under the Market Plan shall have occurred, unless the Trust and the Participant have agreed in the Participant's RTU Agreement to a different withdrawal and delivery schedule to follow vesting, the Plan Trustee shall, as soon as practicable after the earliest to occur of (i) the date on which the Units corresponding to a vested award of RTUs are required to be delivered in accordance with Article 6, (ii) the date of delivery specified in a written notice from the Participant to the Plan Trustee requesting the delivery of the Units corresponding to the vested award of RTUs, provided that such delivery date may not be earlier than January 1st nor later than December 31st of the third calendar year following the calendar year of

the Award Date of the RTUs, and (iii) December 31st of the third calendar year following the calendar year of the Award Date of the RTUs, withdraw from the Market Plan Trust Fund the number of Units required to be delivered to a Participant pursuant to the vested RTUs in the Participant's Account and shall transfer title, register and deliver certificates or other confirmation of issuance including a direct registration statement for such Units to the Participant by first class insured mail, unless the Plan Trustee shall have received alternate instructions from the Participant (through the Plan Administrator) for the registration and/or delivery of the certificates or other confirmation of issuance including a direct registration statement. For greater certainty, unless forfeited prior to such date, all Units to be delivered to Participants following the vesting of RTUs shall be delivered to Participants no later than December 31st of the third calendar year following the Award Date of the RTUs awarded to the Participants, or such later date as may be permitted by applicable income tax laws.

#### **4.10 Changes in Units**

In the event there is any change in Units through the declaration of distributions or subdivisions, consolidations, or exchanges of Units or otherwise, the number of Units available for issuance following the vesting of RTUs granted under the Market Plan shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Market Plan.

#### **4.11 Plan Trustee**

The Committee will appoint one or more persons or a company to act as Plan Trustee and purchasing agent for the Market Plan upon the grant of any RTUs under the Market Plan.

### **ARTICLE 5 THE TREASURY PLAN**

#### **5.1 The Treasury Plan**

The Treasury Plan is hereby established for Participants.

#### **5.2 Grant of RTUs**

Subject to section 3.2, an award of RTUs pursuant to the Treasury Plan will be made and the number of such RTUs awarded will be credited to each Participant's Account, effective as of the Award Date. The number of RTUs to be credited to each Participant's Account shall be determined by the Board, or the Committee delegated by the Board to do so, each in its sole discretion. The RTUs credited to a Participant's Account pursuant to this section shall be noted as having been granted under the Treasury Plan.

#### **5.3 Distributions**

In the event that a distribution is declared and paid on the Units, the Board shall have the discretion to award Participants (each of 5.3(a), (b) and (c) referred to in this section as a "**Distribution Payment Method**"):

- (a) a cash payment equivalent to the distribution that would have been paid on the Units underlying the RTUs credited to a Participant's Account had such Units been outstanding from the date of the grant of the RTUs;
- (b) Units in an amount computed by dividing (A) the amount obtained by multiplying the amount of the distribution declared and paid per Unit by the number of RTUs recorded in the Participant's Account on the record date for the payment of such distribution, by (B) the Distribution Market Value, with fractions computed to the nearest whole number;
- (c) a Distribution Equivalent in the form of additional RTUs as of the distribution payment date in respect of which distributions are paid on Units, such Distribution Equivalent shall be computed by dividing (X) the amount obtained by multiplying the amount of distribution declared and paid per Unit by the number of RTUs recorded in the Participant's Account on the record date for the payment of such distribution, by (Y) the Distribution Market Value, with fractions computed to three decimal places; or

- (d) any combination of (a), (b) or (c);

provided that if the Board determines to award a Distribution Payment Method to Participants, the Board shall have the sole discretion to determine which Distribution Payment Method, or combination thereof, a Participant shall receive. Any Distribution Payment Method awarded pursuant to this section 5.3 shall vest and be payable in accordance with the terms of RTUs associated therewith.

To the extent that a Participant receives any distributions in accordance with section 5.3 in the form of Units or additional RTUs, such Units or additional RTUs shall be excluded for the purposes of determining any adjustments in accordance with section 5.6.

#### **5.4 Vesting**

- (a) Subject to Article 6, an award of RTUs under the Treasury Plan shall vest in accordance with the terms specified in the Participant's RTU Agreement. The vesting provisions in any RTU Agreement will be determined by the Board, or the Committee if delegated by the Board to do so, each in its sole discretion.
- (b) For greater certainty, the vesting of RTUs may be determined from time to time by the Board or the Committee if so delegated by the Board, to include criteria such as, but not limited to:
- (i) time vesting, in which a Unit is not delivered to a Participant until the Participant has held the corresponding RTU for a specified period of time; and
  - (ii) performance vesting, in which the number of Units to be delivered to a Participant for each RTU that vests may fluctuate based upon the Trust's performance and/or the market price of the Units, in such manner as determined by the Board or, if so delegated, the Committee, in their sole discretion.

#### **5.5 Allotment of Units for Issuance by the Trust**

The Trust shall allot for issuance from treasury such number of Units corresponding to the maximum number of Units that may be deliverable to Participants following the vesting of RTUs awarded to Participants under the Treasury Plan.

#### **5.6 Limits on Issuances**

Subject to adjustments in accordance with section 5.3 of the Treasury Plan, the maximum number of Units available for issuance under the Treasury Plan at any time shall not exceed 2.5% of the aggregate number of Outstanding Securities from time to time and the maximum number of Units available for issuance under the Treasury Plan and the Unit Option Plan, if there is such a plan in place, shall not exceed 2.5% of Outstanding Securities from time to time plus the number of Units reserved for issuance under any outstanding Options. This prescribed maximum may be subsequently increased to any specified amount, provided the change is authorized by a vote of the Unitholders.

In addition, the number of Units reserved for issuance and which may be issued pursuant to the Treasury Plan and other Security Based Compensation Arrangements established by the Trust shall be limited as follows:

- (a) the number of Units reserved for issuance to any one individual shall not exceed 2.5% of the Outstanding Securities;
- (b) the number of Units reserved for issuance under all Security Based Compensation Arrangements granted to Insiders shall not exceed 2.5% of the Outstanding Securities plus the number of Units reserved for issuance under any outstanding options (which combined number can never exceed 9.75% in the aggregate);
- (c) the number of Units that may be issued to Insiders within any one-year period under all Security Based Compensation Arrangements shall not exceed 2.5% of the Outstanding Securities plus the number of Units

reserved for issuance under any outstanding Options (which combined number can never exceed 9.75% in the aggregate);

- (d) the maximum number of Units issuable at any time pursuant to outstanding RTUs under the Treasury Plan granted to Trustees who are not officers or employees of an Alaris Entity shall be limited to 0.5% of the Outstanding Securities; and
- (e) the maximum participation for Trustees who are not officers or employees of an Alaris Entity under the Treasury Plan is limited an annual equity award value of \$150,000 per non-employee Trustee, provided that this limit shall not apply in respect of an initial grant of options to a newly appointed or elected non-employee Trustee and further provided that the maximum annual equity award value for non-employee Trustee under all Security Based Compensation Arrangements shall not exceed \$150,000.

Notwithstanding anything else in the Plans, including section 2.6, the Board may not, without the approval of Unitholders, amend this section or any other provision of the Treasury Plan to increase the limits set forth in paragraphs 5.6(d) and (e) above.

For the purposes of this section 5.6, any increase in the issued and outstanding Units (whether as a result of the issue of Units pursuant to RTUs or Options or otherwise) will result in an increase in the number of Units that may be issued pursuant to RTUs at any time and any increase in the number of RTUs granted will, upon issue of Units pursuant to such RTUs, make new RTUs available under the Plan.

RTUs that are forfeited or otherwise cancelled, terminated or expire shall result in the Units that were reserved for issuance thereunder being available for a subsequent grant of RTUs pursuant to the Treasury Plan to the extent of any Units issuable thereunder that are not issued under such forfeited or otherwise cancelled, terminated or expired RTUs.

### **5.7 Delivery of Units by the Trust following Vesting**

Provided that the relevant vesting date of an award of RTUs under the Treasury Plan shall have occurred, unless the Trust and the Participant have agreed in the Participant's RTU Agreement to a different issuance and delivery schedule to follow vesting, the Trust shall, as soon as practicable after the earliest to occur of (i) the date on which the Units corresponding to a vested award of RTUs are required to be delivered in accordance with Article 6, and (ii) the date of delivery specified in a written notice from the Participant to the Trust requesting the delivery of the Units corresponding to the vested award of RTUs, issue from treasury to such Participant the number of Units required to be delivered to the Participant pursuant to such Participant's vested RTUs in the Participant's Account. The Trust shall register and deliver certificates or other confirmation of issuance including a direct registration statement for such Units to the Participant by first class insured mail, unless the Trust shall have received alternative instructions from the Participant (through the Plan Administrator) for the registration and/or delivery of the certificates or other confirmation of issuance including a direct registration statement. For greater certainty, unless forfeited prior to such date, all Units to be delivered to Participants following the vesting of RTUs shall be delivered to Participants no later than December 31st of the third calendar year following the Award Date of the RTUs awarded to the Participants, or such later date as may be permitted by applicable income tax laws.

### **5.8 Surrender Offer**

At any time prior to the earliest of:

- (i) the date on which the Units corresponding to a vested award of RTUs are required to be delivered in accordance with Article 6; and
- (ii) the date of delivery specified in a written notice from the Participant to the Trust requesting the delivery of the Units corresponding to the vested award of RTUs,

a Participant may make an offer (the "**Surrender Offer**") to the Trust, at any time, for the disposition, surrender and termination of any of the RTUs granted under the Plans to such Participant for an amount (not to exceed fair market value) specified therein by the Participant and the Trust may, but is not obligated to, accept the Surrender Offer,

subject to any regulatory approval required. If the Surrender Offer, either as made or as renegotiated, is accepted, the RTUs in respect of which the Surrender Offer relates shall be surrendered and deemed to be terminated and cancelled and shall cease to grant the Participant any further rights thereunder upon payment of the amount of the agreed Surrender Offer by the Trust to the Participant.

### **5.9 Changes in Units**

In the event there is any change in the Units through the declaration of distributions or subdivisions, consolidations or exchanges of Units, or otherwise, the number of Units available for issuance upon the vesting of RTUs granted under the Treasury Plan shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Treasury Plan.

## **ARTICLE 6 ACCELERATED VESTING AND FORFEITURE**

### **6.1 Vesting During Blackout**

If the normal vesting date of any RTU falls within any Blackout Period or within 5 business days (being a day other than a Saturday, Sunday or other than a day when banks in Calgary, Alberta are not generally open for business) following the end of any Blackout Period (the "**Restricted RTUs**"), then the vesting date of such Restricted RTUs shall, without any further action, be extended to the date that is 5 business days following the end of such Blackout Period. The foregoing extension applies to all RTUs whatever the date of grant.

### **6.2 Accelerated Vesting**

The Board in its sole discretion may, by resolution, permit all unvested awards of RTUs to vest immediately and the Units corresponding to the RTUs in the Participants' Accounts to be delivered in accordance with section 4.9 or 5.7, as applicable.

### **6.3 Delivery on Forfeiture**

Unless otherwise determined by the Board or unless otherwise provided in an RTU Agreement pertaining to a particular RTU or any written employment, consulting or other agreement governing a Participant's role as a Service Provider, where a Participant ceases to be a Participant pursuant to sections 6.4 or 6.6, any Units corresponding to any remaining vested award of RTUs shall be delivered to the former Participant in accordance with section 4.9 or 5.7, as applicable, as soon as practicable after the Forfeiture Date and the former Participant shall not be entitled to any further distribution of Units or any payment from the Plans.

### **6.4 Retirement**

If a Participant Retires from employment with all applicable Alaris Entities or Retires as a trustee of the Trust (or in the case of a Participant who is both an employee and a trustee, who Retires from employment and as a trustee) before all awards respecting RTUs credited to the Participant's Account have vested or are forfeited pursuant to any other provision hereof, such RTUs shall vest on the effective date of Retirement, as determined by the Board.

### **6.5 Resignation**

Unless otherwise determined by the Board or unless otherwise provided in a RTU Agreement pertaining to a particular RTU or any written employment, consulting or other agreement governing a Participant's role as a Service Provider, if a Participant resigns from employment with the Trust resigns as a trustee of the Trust (or in the case of a Participant is both an employee and a trustee, resigns from employment and a trustee of the Trust), as determined by the Board in its sole discretion, before all of the awards respecting RTUs credited to the Participant's Account have vested or are forfeited pursuant to any other provision hereof, such Participant shall cease to be a Participant as of the Forfeiture Date, and the former Participant shall forfeit all unvested awards respecting RTUs in the Participant's Account effective as at the Forfeiture Date.



## **6.6 Disability and Leaves of Absence**

If a Participant becomes eligible for long-term disability benefits under the terms of a long-term disability plan of the applicable Alaris Entity or is eligible for short term disability or is on approved leave, as determined by the Board in its sole discretion, before all of the awards respecting RTUs credited to the Participant's Account have vested or are forfeited pursuant to any other provision hereof, such Participant shall be deemed to continue to be a Participant for purposes of the Plans. For greater certainty, so long as a Participant continues to be deemed a Participant for purposes of this paragraph, the vesting of such Participant's RTUs pursuant to section 4.4 or 5.4, as applicable, and this Article 6 shall continue to apply to such Participant.

## **6.7 Termination of Employment**

Unless otherwise determined by the Board or unless otherwise provided in an RTU Agreement pertaining to a particular RTU or any written employment, consulting or other agreement governing a Participant's role as a Service Provider, if a Participant is terminated from all applicable Alaris Entities for any reason (including involuntary termination without cause), as determined by the Board in its sole discretion, before all of the awards respecting RTUs credited to the Participant's Account have vested or are forfeited pursuant to any other provision hereof, such Participant shall cease to be a Participant as of the Forfeiture Date, and the former Participant shall forfeit all awards respecting unvested RTUs in his Account effective as at the Forfeiture Date. Notwithstanding the previous sentence, in the event of an involuntary termination without cause, the Board may, in its sole discretion, permit a Participant to continue to participate in the Plans during any statutory or common law severance period or any period of reasonable notice that the applicable Alaris Entities may be required at law or pursuant to any written employment, consulting or other agreement governing a Participant's role as a Service Provider, to provide to the Participant. In such circumstances, the Participant shall cease to be a Participant following the expiry of the severance period or period of reasonable notice, as applicable.

## **6.8 Death**

If a Participant dies before all of the awards respecting RTUs credited to the Participant's Account have vested or are forfeited pursuant to any other provision hereof, all unvested awards respecting RTUs will vest effective on the date of death. The Trust and/or Plan Administrator will notify the Plan Trustee as soon as practicable after receiving notice of such death. Upon receipt of satisfactory evidence of the Participant's death from the authorized legal representative of the deceased Participant, the Units corresponding to the number of RTUs in such Participant's Account shall be paid out to the legal representative of the deceased former Participant's estate in accordance with section 4.9 or 5.7, as applicable.

## **6.9 Forfeited Units**

The Plan Trustee shall sell a sufficient number of Units held in the Market Plan Trust Fund corresponding to Forfeited RTUs through an Exchange participating organization and the facilities of the Exchange and shall use the proceeds of such sale to pay Basic Administration Expenses of the Plan Trustee under the Market Plan and to return amounts in respect of Trust Contributions. The Plan Trustee, in its discretion, may limit the daily volume of such sale(s) or cause such sales to be made over several trading days to the extent that such action is deemed by it to be necessary to avoid disrupting the market price for Units or otherwise be in the best interests of the Trust. To the extent that the proceeds of such sale(s) of such Units exceed the Basic Administration Expenses of the Plan Trustee, the excess sale proceeds shall revert to the Trust as soon as practicable as a return of Trust Contributions. The Plan Trustee may also use Units corresponding to Forfeited RTUs to satisfy any future awards of RTUs made pursuant to section 4.2. In no circumstances shall the Plan Trustee transfer and deliver Units (including any which correspond to Forfeited RTUs) to the Trust.

## **6.10 Termination on Divestiture**

- (a) In the event that a divestiture of a business unit (including a divestiture by sale, closure or outsourcing) of the Trust results in the termination of a Participant's term as an officer, Trustee, director or employee of all applicable Alaris Entities and such Participant becomes a director, officer or employee of the person acquiring or operating such business unit, the Board may:

- (i) accelerate the vesting of all or any portion of a Participant's RTUs; or
  - (ii) determine that such Participant shall continue to be a Participant for the purposes of the Plan, but subject to such terms and conditions (including vesting), if any, established by the Board in its sole discretion.
- (b) In the event that a divestiture of a business unit (including a divestiture by sale, closure or outsourcing) of the Trust results in the termination of employment of a Participant and such Participant is not offered another directorship, trusteeship, office or employment with an Alaris Entity or with the entity to whom the divestiture is made (or any affiliate thereof), then the provisions of section 6.7 shall apply.

#### **6.11 Change of Control**

- (a) Upon the Trust entering into an agreement relating to, or otherwise becoming aware of, a transaction which, if completed, would result in a Change of Control, the Trust shall give written notice of the proposed transaction to the Participants not less than ten days prior to the closing of the transaction resulting in the Change of Control.
- (b) Upon the occurrence of a Change of Control, the Board may, in its sole discretion, accelerate the vesting of all or a portion of all the RTUs of all Participants.

### **ARTICLE 7 GENERAL**

#### **7.1 Compliance with Laws**

The administration of the Plans, including without limitation all purchases of Units under the Market Plan or issuance of Units under the Treasury Plan, shall be subject to and made in conformity with all applicable laws and any applicable regulations of a duly constituted authority.

#### **7.2 Reorganization of the Trust**

The existence of any RTUs or Units corresponding to such RTUs shall not affect in any way the right or power of the Trust or its Unitholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Trust's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Trust or to create or issue any bonds, debentures, Units or other securities of the Trust or the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Trust or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

#### **7.3 General Restrictions and Assignment**

Except as required by law, the rights of a Participant hereunder are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

The rights and obligations hereunder may be assigned by the Trust to a successor in the business of the Trust.

#### **7.4 Market Fluctuations**

No amount will be paid to, or in respect of, a Participant under the Plans to compensate for a downward fluctuation in the price of Units, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

The Trust makes no representations or warranties to Participants with respect to the Plans or the RTUs whatsoever. Participants are expressly advised that Trust Contributions will be used to acquire Units under the Market Plan and that the value of any RTUs and Units under the Plans will fluctuate as the trading price of Units

fluctuates. If the Board or Committee has attached performance vesting criteria to any RTUs under sections 4.4 or 5.4, the number of Units delivered to a Participant following the vesting of such RTU may fluctuate based upon the terms of such vesting criteria.

In seeking the benefits of participation in the Plans, a Participant agrees to exclusively accept all risks associated with a decline in the market price of Units and all other risks associated with the holding of RTUs.

#### **7.5 No Rights to Employment**

- (a) Nothing in this document or in the opportunity to participate in the Plans shall confer upon any Participant any right to continued employment with any Alaris Entity nor shall interfere in any way with the right of an Alaris Entity to terminate the Participant's employment at any time.
- (b) Nothing in this document or in the opportunity to participate in the Plans shall be construed to provide the Participant with any rights whatsoever to participate or to continue participation in the Plans, or to compensation or damages in lieu of participation or the right to participate in the Plans upon the termination of the Participant's employment for any reason whatsoever.
- (c) A Participant shall not be entitled to any right to participate or to continue to participate in the Plans or to compensation or damages in lieu of participation or the right to participate in the Plans in consequence of the termination of his employment the applicable Alaris Entities for any reason (including, without limitation, any breach of contract by any Alaris Entity or in consequence of any other circumstances whatsoever).

#### **7.6 No Trading on Undisclosed Information**

No Participant shall in any manner participate in the trading of Units based upon insider or undisclosed material corporate information. Any trading based on undisclosed material information by a Participant may be subject to prosecution and may result in discipline by the Trust up to and including termination of a Participant's employment with the applicable Alaris Entities. Participants should consult the Disclosure, Confidentiality & Trading Policy of the Trust available from the Trust.

#### **7.7 No Unitholder Rights**

Under no circumstances shall RTUs be considered an interest in any Units, convertible debentures or any other securities or interest of the Trust or other Alaris Entity as applicable, nor shall any Participant be considered to be the owner of any Units by virtue of an award of RTUs until such RTUs have vested and Units are delivered to the Participant in accordance with the terms of the Plans. RTUs shall not entitle any Participant to exercise voting rights with respect to Units (except as provided in section 4.8) nor any other rights attaching to the ownership of Units or other securities of the Trust. To the extent the assets that constitute the Market Plan Trust Fund are insufficient to satisfy the rights of Participants under the Market Plan, such rights shall be no greater than the rights of an unsecured creditor of the Trust.

#### **7.8 Governing Law**

The validity, construction and effect of the Plans and any actions taken or relating to the Plans shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein.

#### **7.9 Currency**

All amounts paid or values to be determined under the Plans shall be in Canadian dollars.

#### **7.10 Severability**

The invalidity or unenforceability of any provision of this document shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this document.

**7.11 Effectiveness**

Pursuant to the terms of the Plan of Arrangement, this Plan shall become effective on the Effective Time as set forth in the Plan of Arrangement and each restricted share unit granted under the Corporation's restricted share unit plan (as the same had been amended and restated) and outstanding immediately prior to the Effective Time has been exchanged for an RTU granted under the Plan in accordance with, and at such time set forth in, the Plan of Arrangement and shall be governed by and subject to this provisions of this Plan.

**ALARIS EQUITY PARTNERS INCOME TRUST**

Per: \_\_\_\_\_  
Chairman of the Board of Trustees

---

APPENDIX G – AUDITED BALANCE SHEET OF THE TRUST

---



KPMG LLP  
205 5th Avenue SW  
Suite 3100  
Calgary AB T2P 4B9  
Tel (403) 691-8000  
Fax (403) 691-8008  
www.kpmg.ca

To the Board of Directors of Alaris Royalty Corp.

*Opinion*

We have audited the financial statement of Alaris Equity Partners Income Trust (the Entity), which comprise the opening statement of financial position as at May 31, 2020 (date of formation), and notes to the financial statement, including a summary of significant accounting policies (hereinafter referred to as the “financial statement”).

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the Entity as at May 31, 2020 (date of formation) in accordance with International Financial Reporting Standards (IFRS).

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “Auditors’ Responsibilities for the Audit of the Financial Statements” section of our auditors’ report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statement in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statement in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Entity’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.



### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statement.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

Calgary, Canada  
July 21, 2020



Audited Financial Statements of

**ALARIS EQUITY PARTNERS INCOME TRUST**

As at May 31, 2020 (date of formation)

**Alaris Equity Partners Income Trust**

Statement of financial position as at May 31, 2020 (date of formation)

**(Canadian dollars)****Assets**

Cash	\$	100
Total assets		<u>100</u>

**Equity**

Unitholder's equity		<u>100</u>
Total equity		<u>100</u>

## Alaris Equity Partners Income Trust

### Notes to financial statement

#### 1. Reporting entity:

Alaris Equity Partners Income Trust ("AEP Trust" or the "Trust") is an entity domiciled in Calgary, Alberta, Canada. Alaris Equity Partners Income Trust was created pursuant to the Declaration of Trust dated May 31, 2020, when one trust unit was issued for cash consideration of \$100.

#### 2. Statement of compliance:

##### (a) Statement of compliance

The financial statement of the Trust has been prepared in accordance with International Financial Reporting Standards ("IFRS") and using the accounting policies described herein.

This financial statement was approved by the Board of Trustees on July 20, 2020.

##### (b) Functional and presentation currency

This financial statement is presented in Canadian dollars which is the Trust's functional currency.

##### (c) Basis of measurement

The financial statement has been prepared on the historical cost basis.

#### 3. Significant accounting policies:

##### *Cash:*

- Cash includes cash on hand of \$100.

##### *Unitholders Equity:*

- AEP Trust units are redeemable at the holder's option subject to certain limitations and restrictions. As a result, the units of the AEP Trust are liabilities by definition but qualify for presentation as equity under certain limited exceptions within International Accounting Standards 32 – Financial Instruments: Presentation ("IAS 32").

#### 4. Unitholder's Equity

Unitholders equity of AEP Trust is as follows:

	<u>Special Voting Units</u>	<u>Trust Units</u>	<u>\$</u>
Authorized	Unlimited	Unlimited	
Issued and Outstanding Trust Units	Nil	One	100
Unitholder's Equity			100

**5. Subsequent Events**

The Trust is a wholly owned subsidiary of Alaris Royalty Corp. Alaris Royalty Corp. has two other wholly owned subsidiaries, Alaris Cooperatief U.A. and Alaris USA Inc. Subsequent to May 31, 2020, certain intercompany loans and receivables between Alaris Royalty Corp. and its subsidiaries were assigned to the Trust in the amount of USD\$180,860,000. The Trust also borrowed an additional USD\$10,000,000 from Alaris Royalty Corp. and loaned USD\$10,000,000 to Alaris USA Inc. to partially fund a new investment. The Trust earned interest income on the intercompany receivable subsequent to May 31, 2020 based on contractual rates, and did not pay any interest on the intercompany loans as the loans bear no interest and are due on demand.

---

APPENDIX H – PRO-FORMA FINANCIAL STATEMENTS OF THE TRUST

---

**Alaris Equity Partners Income Trust ("AEP")**  
Pro Forma Consolidated Balance Sheet (unaudited)  
As at December 31, 2019  
(in thousands of Canadian dollars)

	AEP	Alaris Royalty Corp	Subtotal	Pro Forma Adjustments	Note 3	Pro Forma
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ 17,104	\$ 17,104	\$ (1,400)	C	\$ 15,704
Prepayments	-	1,509	1,509			1,509
Derivative contracts	-	555	555			555
Trade and other receivables	-	1,226	1,226			1,226
Income taxes receivable	-	4,205	4,205			4,205
Investment tax credit receivable	-	1,032	1,032	(1,032)	B	-
Assets acquired held for sale	-	97,173	97,173			97,173
Promissory notes receivable	-	6,580	6,580			6,580
Total current assets	-	129,384	129,384	(2,432)	-	126,952
Promissory notes and other receivables	-	19,663	19,663			19,663
Deposits	-	20,206	20,206			20,206
Property and equipment	-	1,053	1,053			1,053
Investments	-	881,037	881,037			881,037
Investment tax credit receivable	-	2,243	2,243	(2,243)	B	-
Deferred income taxes	-	986	986			986
Total non-current assets	-	925,188	925,188	(2,243)	-	922,945
Total assets	-	1,054,572	1,054,572	(4,675)	-	1,049,897
<b>Liabilities</b>						
Accounts payable and accrued liabilities	-	2,713	2,713	15,037	E,F	17,750
Dividends/distributions payable	-	5,047	5,047			5,047
Liabilities acquired held for sale	-	60,297	60,297			60,297
Office Lease	-	837	837			837
Income tax payable	-	384	384			384
Total current liabilities	-	69,278	69,278	15,037	-	84,315
Deferred income taxes	-	4,715	4,715	(2,289)	B,F	2,426
Loans and borrowings	-	285,193	285,193			285,193
Convertible debenture	-	90,939	90,939			90,939
Total non-current liabilities	-	380,847	380,847	(2,289)	-	378,558
Total liabilities	-	450,125	450,125	12,748	-	462,873
<b>Equity</b>						
Share capital/trust units	-	625,313	625,313			625,313
Equity component of convertible debenture	-	4,059	4,059	(4,059)	F	-
Equity reserve	-	14,763	14,763	(11,114)	E	3,649
Translation reserve	-	17,076	17,076			17,076
Retained earnings / (deficit)	-	(56,764)	(56,764)	(2,250)	B,C,D,F	(59,014)
Total equity	-	604,447	604,447	(17,423)	-	587,024
Total liabilities and equity	-	1,054,572	1,054,572	(4,675)	-	1,049,897

**Alaris Equity Partners Income Trust ("AEP")**

Pro Forma Consolidated Statement of Income and Comprehensive Income (unaudited)

For the year ended December 31, 2019

(in thousands of Canadian dollars)

	AEP	Alaris Royalty Corp	Subtotal	Pro Forma Adjustments	Note 3	Pro Forma
Revenues, net of realized foreign exchange contracts	\$ -	\$ 114,956	\$ 114,956			\$ 114,956
Net realized gain from investments	-	11,724	11,724			11,724
Net unrealized losses of investments at fair value	-	(11,304)	(11,304)			(11,304)
Loss on assets held for sale	-	(45,883)	(45,883)			(45,883)
<b>Total revenue and other operating income / loss</b>	-	69,493	69,493	-	-	69,493
General and administrative	-	10,718	10,718	1,400	C	12,118
Transaction diligence costs	-	2,754	2,754			2,754
Non-cash stock based/unit based compensation	-	4,315	4,315	(1,577)	E	2,738
Bad debt expense / (recovery)	-	(2,018)	(2,018)			(2,018)
Depreciation and amortization	-	384	384			384
<b>Total operating expenses</b>	-	16,153	16,153	(177)	-	15,976
<b>Earnings / (loss) from operations</b>	-	53,340	53,340	177	-	53,517
Finance costs	-	19,294	19,294			19,294
Realized (gain) / loss on foreign exchange	-	-	-	(9,045)	D	(9,045)
Unrealized (gain) / loss on foreign exchange	-	6,069	6,069	9,045	D	15,114
<b>Earnings / (loss) before taxes</b>	-	27,977	27,977	177	-	28,154
Current income tax expense / (recovery)	-	5,347	5,347			5,347
Deferred income tax recovery	-	(13,628)	(13,628)	2,427	B	(11,201)
Total income tax expense / (recovery)	-	(8,281)	(8,281)	2,427	-	(5,854)
<b>Earnings / (loss)</b>	-	36,258	36,258	(2,250)	-	34,008
<b>Other comprehensive income / (loss)</b>						
Foreign currency translation differences	-	(15,649)	(15,649)			(15,649)
<b>Total comprehensive income / (loss)</b>	-	20,609	20,609	(2,250)	-	18,359

**Alaris Equity Partners Income Trust ("AEP")**  
Pro Forma Consolidated Balance Sheet (unaudited)  
As at March 31, 2020  
(in thousands of Canadian dollars)

	AEP	Alaris Royalty Corp	Subtotal	Pro Forma Adjustments	Note 3	Pro Forma
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ 24,371	\$ 24,371	\$ (1,200)	C	\$ 23,171
Prepayments	-	1,847	1,847			1,847
Trade and other receivables	-	2,614	2,614			2,614
Income taxes receivable	-	9,639	9,639			9,639
Investment tax credit receivable	-	1,731	1,731	(1,731)	B	-
Promissory notes receivable	-	6,130	6,130			6,130
Total current assets	-	46,332	46,332	(2,931)	-	43,401
Promissory notes and other receivables	-	21,239	21,239			21,239
Deposits	-	20,206	20,206			20,206
Property and equipment	-	978	978			978
Investments	-	739,720	739,720			739,720
Investment tax credit receivable	-	1,506	1,506	(1,506)	B	-
Deferred income taxes	-	5,481	5,481			5,481
Total non-current assets	-	789,130	789,130	(1,506)	-	787,624
Total assets	-	835,462	835,462	(4,437)	-	831,025
<b>Liabilities</b>						
Accounts payable and accrued liabilities	-	3,066	3,066	7,385	E,F	10,451
Dividends/distributions payable	-	5,019	5,019			5,019
Derivative contracts	-	6,835	6,835			6,835
Office Lease	-	775	775			775
Income tax payable	-	449	449			449
Total current liabilities	-	16,144	16,144	7,385	-	23,529
Deferred income taxes	-	2,985	2,985	(2,299)	B,F	686
Loans and borrowings	-	150,493	150,493			150,493
Convertible debenture	-	91,366	91,366			91,366
Total non-current liabilities	-	244,844	244,844	(2,299)	-	242,545
Total liabilities	-	260,988	260,988	5,086	-	266,074
<b>Equity</b>						
Share capital/trust units	-	623,035	623,035			623,035
Equity component of convertible debenture	-	4,059	4,059	(4,059)	F	-
Equity reserve	-	15,343	15,343	(10,602)	E	4,741
Translation reserve	-	46,577	46,577			46,577
Retained earnings / (deficit)	-	(114,540)	(114,540)	5,138	B,C,D,F	(109,402)
Total equity	-	574,474	574,474	(9,523)	-	564,951
Total liabilities and equity	-	835,462	835,462	(4,437)	-	831,025



**Alaris Equity Partners Income Trust ("AEP")**

Pro Forma Consolidated Statement of Income and Comprehensive Income (unaudited)

For the three months ended March 31, 2020

(in thousands of Canadian dollars)

	AEP	Alaris Royalty Corp	Subtotal	Pro Forma Adjustments	Note 3	Pro Forma
Revenues, net of realized foreign exchange contracts	\$ -	\$ 33,971	\$ 33,971			\$ 33,971
Net realized gain from investments	-	11,603	11,603			11,603
Net unrealized losses of investments at fair value	-	(96,527)	(96,527)			(96,527)
<b>Total revenue and other operating income / loss</b>	-	(50,953)	(50,953)	-	-	(50,953)
General and administrative	-	2,773	2,773	1,200	C	3,973
Transaction diligence costs	-	1,977	1,977			1,977
Non-cash stock based/unit based compensation	-	743	743	(7,217)	E	(6,474)
Depreciation and amortization	-	77	77			77
<b>Total operating expenses</b>	-	5,570	5,570	(6,017)	-	(447)
<b>Earnings / (loss) from operations</b>	-	(56,523)	(56,523)	6,017	-	(50,506)
Finance costs	-	4,754	4,754	(1,500)	F	3,254
Realized (gain) / loss on foreign exchange	-	-	-	(21,729)	D	(21,729)
Unrealized (gain) / loss on foreign exchange	-	(6,993)	(6,993)	21,729	D	14,736
<b>Earnings / (loss) before taxes</b>	-	(54,284)	(54,284)	7,517	-	(46,767)
Current income tax expense / (recovery)	-	(5,586)	(5,586)			(5,586)
Deferred income tax recovery	-	(6,036)	(6,036)	2,379	B	(3,657)
Total income tax expense / (recovery)	-	(11,622)	(11,622)	2,379	-	(9,243)
<b>Earnings / (loss)</b>	-	(42,662)	(42,662)	5,138	-	(37,524)
<b>Other comprehensive income / (loss)</b>						
Foreign currency translation differences	-	29,501	29,501			29,501
<b>Total comprehensive income / (loss)</b>	-	(13,161)	(13,161)	5,138	-	(8,023)

## 1. Basis of Preparation

Alaris Equity Partners Income Trust (“Alaris” or the “Trust”) was created pursuant to the Declaration of Trust dated May 31, 2020, when one trust unit was issued for cash consideration of \$100. The accompanying unaudited pro forma consolidated financial statements (the “Pro Formas”) have been prepared for inclusion in the Information Circular dated July 21, 2020 relating to the conversion of Alaris Royalty Corp. (the “Company”) into the Trust. The unaudited pro forma consolidated balance sheet gives effect to the Trust conversion as if it occurred on December 31, 2019 and March 31, 2020. The unaudited pro forma consolidated statements of income and comprehensive income for the three months ended March 31, 2020 and the year ended December 31, 2019 give effect to the Trust conversion as if it had occurred on January 1, 2019.

Since the conversion to the Trust does not contemplate a change of control for accounting purposes, the financial statements of the Trust will be a continuation of the Company’s financial statements. As a result of the conversion, the Pro Formas reflect the assets and liabilities at the Company’s respective carrying amounts subject to the pro forma adjustments presented in note 3.

The Pro Formas have been prepared in accordance with the accounting policies of the Company as contained in its March 31, 2020, unaudited interim condensed consolidated financial statements and in its December 31, 2019 audited annual consolidated financial statements. These policies are consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

The Pro Formas do not include all the information and disclosures required by IFRS for annual financial statements and therefore should be read in conjunction with the March 31, 2020 unaudited interim consolidated financial statements of the Company and the December 31, 2019 audited annual consolidated financial statements of the Company.

## 2. Transaction

The Company is proposing to convert to the Trust under the Plan of Arrangement (the “Arrangement”). Through a series of steps, the Arrangement will result in shareholders transferring their common shares to the Company in consideration for an equal number of Trust units.

## 3. Pro Forma Adjustments

- (a) *Trust units* – The Trust is an open-ended mutual fund trust and, as a result, the Trust units are redeemable at the holders’ option. This puttable feature would generally result in recognizing the Trust units as a financial liability. However, under International Accounting Standard 32, “Financial Instruments: Presentation” (“IAS 32”), the Trust units meet the narrow scope exception to be presented as equity, including meeting the condition as the most residual class of units.
- (b) *Investment Tax Credit Receivable* - Included in the Pro Formas are adjustments to the investment tax credit receivable for the periods ended March 31, 2020 and December 31, 2019 to reflect the tax structure of the Trust and its subsidiaries following the conversion under the Plan of Arrangement. The remeasurement of the ITC’s reflected in the pro forma consolidated balance sheet as at March 31, 2020 and December 31, 2019 relates to the planned reorganization of the Company into a corporate subsidiary of the Trust.
- (c) *Transaction costs* - Estimated additional non-recurring costs associated with the conversion to a Trust of approximately \$1.5 million have been reflected as an adjustment to transaction costs and cash for the periods ended December 31, 2019 and March 31, 2020.

Transaction costs spent to date of \$0.3 million were included in the March 31, 2020 unaudited interim consolidated financial statements and \$0.1 million were included in the December 31, 2019 audited annual consolidated financial statements.

- (d) *Foreign exchange* – Included in the Pro Formas are adjustments for foreign exchange gains and losses as the conversion to a trust is a taxable event resulting in amounts previously recorded as unrealized gains and losses on intercompany debt would become realized.
- (e) *Unit-based compensation plans* - Included in the Pro Formas is the reclassification between equity reserve and liabilities related to the Trust’s plans for unit options and restricted units. The grants under the unit-based compensation plans are considered to be grants of financial liabilities because there is a contractual obligation for the Trust to deliver Trust units (which are accounted

for as liabilities but presented as equity instruments under IAS 32) upon conversion of the unit options and restricted units.

Holders of units granted under the restricted unit plans receive distributions in the form of additional units when the Trust declares distributions on its Trust units. The additional units are recognized as compensation expense.

The calculation of the fair value of the outstanding vested portion of grants under the unit-based compensation plans has been based on the Company's share prices at the relevant dates. Changes in fair value are recorded as an increase or (decrease) to non-cash stock based/unit based compensation each period.

(f) *Convertible debentures* – Included in the Pro Formas is the reclassification of the equity portion of the convertible debentures to liabilities. Upon reclassification, the conversion option is separated from the debt instrument and accounted for as a separable embedded derivative that is measured at fair value through profit and loss, and included in accounts payable and accrued liabilities. Changes in the fair value of the embedded derivative each period are recorded as a finance cost.

---

**APPENDIX I – SECTION 190 OF THE CANADA BUSINESS CORPORATIONS ACT**

---

**Right to dissent**

190. (1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
- (b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
- (c) amalgamate otherwise than under section 184;
- (d) be continued under section 188;
- (e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
- (f) carry out a going-private transaction or a squeeze-out transaction.

**Further right**

(2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

*If one class of shares*

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

**Payment for shares**

(3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

**No partial dissent**

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

**Objection**

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

**Notice of resolution**

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

**Demand for payment**

(7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

- (a) the shareholder's name and address;

- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares.

**Share certificate**

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

**Forfeiture**

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

**Endorsing certificate**

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

**Suspension of rights**

(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

- (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
- (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
- (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

**Offer to pay**

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

- (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

**Same terms**

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

**Payment**

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

**Corporation may apply to court**

(15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

Shareholder application to court

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

#### **Venue**

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

#### **No security for costs**

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

#### **Parties**

(19) On an application to a court under subsection (15) or (16),

(a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and

(b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

#### **Powers of court**

(20) On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

#### **Appraisers**

(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

#### **Final order**

(22) The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

#### **Interest**

(23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

Notice that subsection (26) applies

(24) If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

Effect where subsection (26) applies

(25) If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

(a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

**Limitation**

(26) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or
- (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

QUESTIONS MAY BE DIRECTED TO THE COMPANY'S SOLICITATION AGENT:



NORTH AMERICAN TOLL FREE:

1-877-452-7184

OUTSIDE NORTH AMERICA:

1-416-304-0211

EMAIL: [ASSISTANCE@LAURELHILL.COM](mailto:ASSISTANCE@LAURELHILL.COM)