



ANNUAL INFORMATION FORM
(For the period ended December 31, 2020)

Dated: March 30, 2021

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ABOUT THIS ANNUAL INFORMATION FORM

This annual information form ("**AIF**") contains important information that will help you make informed decisions about investing in Alaris Equity Partners Income Trust. It describes Alaris and our operations, prospects, risks and other factors that affect our business.

CONVENTIONS

We carry on our business directly and through our subsidiaries. In this AIF, all references to "**we**", "**us**", "**our**", "**Alaris Equity Partners Income Trust**", "**Alaris**" and the "**Trust**" refer collectively to Alaris Equity Partners Income Trust and our subsidiaries unless the context specifies or implies otherwise.

We prepare our financial statements in Canadian dollars and conformity with Canadian International Financial Reporting Standards ("**IFRS**") for reporting purposes. Unless otherwise stated, this AIF expresses all currency in Canadian dollars.

Words importing the singular also include the plural and vice versa, and words importing any gender include all genders.

DATE OF INFORMATION

This AIF is dated as of March 30, 2021. Unless otherwise stated, this AIF provides all information as at or for the year ended December 31, 2020.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS, NON-IFRS MEASURES AND U.S. INVESTORS

Alaris' public communications often include written or oral statements which contain forward-looking information. This AIF, our other filings with Canadian securities regulators and our other communications include statements of this type. Statements other than historical facts are forward-looking and can often be identified by looking for words such as "believe", "plan", "expect", "could", "seek", "would", "will", "intend", "strategy", "project", "anticipate", "target", "estimate", "continue" or similar words and expressions, or the negative of such words and expressions. All such statements are made and are intended to be forward-looking statements or forward-looking information (collectively, "forward-looking statements") under applicable Canadian securities legislation. Forward-looking statements in this AIF include, without limitation, comments related to: our objectives and priorities for 2021 and beyond; our and our Partners' (defined below) growth strategies or future actions; the results of or outlook for our and our Partners' operations or the Canadian and U.S. economies; the risks that may impact our or our Partners' businesses; the timing and terms of any resolution to issues facing our Partners; timing of follow-on investments with Partners; restart of Distributions (defined below) or an increase to partial payments from certain Partners; expected results of any Canada Revenue Agency ("**CRA**") audit proceedings; benefits of the Alaris investment structure to our Partners and potential Partners; benefits of using common equity in our investing structure; and estimates and adjustments of each Distribution and the percentage change in each Partner's performance metric. See "*Description of the Business and Operation—Our Philosophy*", "*Description of the Business and Operations—Our Growth Strategy*", "*Our Financing Arrangements*", "*Our Current Partners—LMS—Business Overview, Operations and Customers*", "*Our Current Partners—SCR—Business Overview and Operations*", "*Our Current Partners—Stride—Business Overview and Operations*", "*Our Current Partners—Kimco—Business Overview and Operations*", "*Our Current Partners—PFGP—Business and Operations*", "*Our Current Partners—DNT—Business Overview and Operations*", "*Our Current Partners—Federal Resources—Business Overview and Operations*", "*Our Current Partners—Unify—Business Overview, Operations and Customers*", "*Our Current Partners—ccComm—Business Overview, Operations and Customers*", "*Our Current Partners—Accscent—Business Overview and Operations*", "*Our Current Partners—Heritage—Business Overview and Operations*", "*Our Current Partners—Fleet—Business Overview and Operations*", "*Our Current Partners—GWM—Business Overview and Operations*", "*Our Current Partners—Body Contour Centers—Business Overview and Operations*", "*Our Current Partners—Amur—Business Overview and Operations*", "*Our Current Partners—Carey—Business Overview and Operations*", "*Our Current Partners—FNC—Business Overview and Operations*", "*Our Current Partners—Edgewater—Business Overview and Operations*", "*Our Current Partners—B&S—Business Overview and Operations*", "*Our Current Partners—3E—Business Overview and Operations*", "*General Development of the Business*" and "*Risk Factors*" for specific forward-looking statements relating to these comments. Alaris' senior management ("**Management**") approved forward-looking statements that constitute a financial outlook (including estimated Distributions, the estimated change in performance metric used to calculate Distributions and the outlook for our and our Partners' operations) as of the date of this AIF and have included such statements to help readers understand

Management's current expectations for Alaris' financial performance and are subject to the same risks and assumptions disclosed in this AIF.

By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. Assumptions about Canadian and U.S. economic performance over the next 24 months and how that will affect our business and our ability to identify and close new Partner opportunities are material factors we consider when setting our strategic priorities, objectives and outlook for our business. Key assumptions include assumptions that: we will adequately manage the ongoing COVID-19 pandemic's impact on our and our Partners' businesses; after a reasonably short period of market stabilization following the COVID-19 pandemic, the Canadian and U.S. economies will continue to grow at a moderate pace and not deteriorate materially over the next 12 to 24 months; that interest rates will not increase dramatically more than current market forecasts over the next 12 to 24 months; that extreme government intervention to mitigate the COVID-19 pandemic will end when the pandemic ends and political leaders in Canada and the U.S. will not implement additional policies which impair Alaris' or our Partners' businesses; that a general economic recovery from the COVID-19 pandemic will see our Partners continue paying Distributions as anticipated under current arrangements; that our Partners' businesses will not experience material negative results, other than as we may have disclosed already or as relates to the COVID-19 pandemic; that current Partner issues (including operational matters or industry issues) will be resolved as anticipated; that a general economic recovery from the COVID-19 pandemic will lead to organic growth via positive Distribution resets; that Canadian and U.S. tax laws and rate will not change significantly and that any announced changes will not have a material adverse impact on the Trust or our operations; that private companies will continue to require alternative sources of capital; Alaris and our Partners will benefit from any applicable temporary measures used to assist a Partner's performance; and that we will be able to raise equity and debt financing as needed and on acceptable terms. We also assume that access to the capital markets will remain relatively stable and will perform with normal volatility levels and that Canadian dollar volatility will not be greater than the U.S. dollar. In determining our economic growth expectations, we mainly consider historical economic data from the Canadian and U.S. governments and their agencies.

There is a significant risk that our predictions, forecasts, conclusions or projections will prove inaccurate or that our assumptions are incorrect and that actual results differ materially from our predictions, forecasts, conclusions or projections. We believe our forward-looking statements reflect reasonable expectations and assumptions. But we caution readers not to place undue reliance on our forward-looking statements as numerous factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements.

Many factors may influence the future outcomes related to forward-looking statements, including, without limitation, those factors listed under the heading "*Risk Factors*". We caution that this list of risk factors is not exhaustive. Other factors could adversely affect our results. When relying on forward-looking statements to make decisions concerning Alaris, investors and others should carefully consider these factors, other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Alaris does not update forward-looking statements, whether written or oral, made, from time to time, by us or on our behalf unless required by law. This AIF includes forward-looking statements to assist our investors' understanding of our operations, prospects, risks and other external factors that impact us specifically as at and for the periods ended on the dates presented and may not be appropriate for other purposes.

NON-IFRS MEASURES

The terms "EBITDA", "normalized EBITDA" and "annual earnings coverage ratio" (collectively, "**Non-IFRS Measures**") are financial measures used in this AIF that are not standard measures under IFRS. Alaris' method of calculating Non-IFRS Measures may differ from other issuers' methods. For that reason, Non-IFRS Measures may not be like similar measures presented by other issuers. Investors should read Non-IFRS Measures along with the Trust's financial statements and management discussion and analysis (or other financial information).

EBITDA refers to earnings determined under IFRS, before depreciation and amortization, interest expense and income tax expense. Management and many investors use EBITDA to assess an issuer's ability to generate cash from operations. Management believes EBITDA is a useful supplemental measure to determine the Trust's ability to generate cash available for debt service, working capital, capital expenditures, income taxes and dividends.

Normalized EBITDA refers to EBITDA excluding non-recurring items, calculated by adjusting EBITDA for non-recurring expenses and EBITDA gains. Management considers non-recurring items to be unusual or infrequent charges that our Partners incur outside their common day-to-day operations. Foreign exchange realized and unrealized gains and losses are recurring but not considered part of operating results and are excluded from normalized EBITDA on an ongoing basis.

Annual earnings coverage ratio ("ECR") refers to each Partner's normalized EBITDA for the 12 months ended in its fiscal year divided by the sum of its debt servicing (interest and principal), unfunded capital expenditures and Distributions paid over the same 12-month fiscal period.

Readers should use Non-IFRS Measures only in conjunction with our annual audited and quarterly reviewed financial statements, complete versions of which are available on SEDAR.

U.S. INVESTOR DISCLOSURE

Investment Company Act Considerations and Restrictions

Based on our current assets and absent an exemption under the United States Investment Company Act of 1940 ("**Investment Company Act**"), Alaris may be considered an "investment company" as defined in the Investment Company Act. The Investment Company Act, among other things, prohibits foreign investment companies from publicly offering their securities in the United States. Alaris relies on the exemption provided in section 3(c)(7) of the Investment Company Act that excludes a company from the definition of an "investment company" and from regulation under the Investment Company Act if its securities have been issued only to persons (other than outside the United States to non-U.S. Persons in offshore transactions relying on Regulations S) that are: (a)(i) located in the United States (ii) are U.S. Persons or (iii) acquiring securities for the account or benefit of persons located in the United States or U.S. Persons; and that are (b) Qualified Purchasers (as defined in Section 2(a)(51)(A) of the Investment Company Act); and (c) it does not make or propose to make a public offering of its securities in the U.S.

As long as Alaris is an "investment company" under the Investment Company Act, to comply with the section 3(c)(7) exemption, Alaris will issue Trust Units only: (a) outside the United States to non-U.S. Persons in offshore transactions relying on Regulation S or (b) in the United States or to U.S. Persons, or for the account or benefit of persons located in the United States or U.S. Persons, that are Qualified U.S. Purchasers. Generally, Alaris has issued Trust Units to Qualified U.S. Purchasers (who must be Qualified Institutional Buyers). Additionally, Qualified U.S. Purchasers that hold Trust Units typically may not resell their Trust Units in the United States or to U.S. Persons or persons acquiring securities for the account or benefit of persons located in the United States or U.S. Persons. For a detailed description of the restrictions affecting the Trust Units, see "*Ownership and Transfer Restrictions*."

ERISA Restriction of No Ownership by Plans

Alaris will prohibit investment in Trust Units by "benefit plan investors" and similar investors, and therefore 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, defined below) 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 United States, 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-U.S. plans, may be subject to laws or regulations 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 U.S. Tax Internal Revenue Code of 1986 (the "**Code**") and therefore Alaris will treat as benefit plan investors. For a detailed discussion of the prohibition on investment by and transfers to benefit plan investors, see "*Ownership and Transfer Restrictions*".

GLOSSARY OF TERMS

In this AIF, unless the context otherwise requires, the following terms have the meanings set forth below:

"**3E**" means 3E, LLC.

"**653Co**" means 6536522 Canada Inc., a company incorporated under the CBCA.

"**Accscient**" means Accscient, LLC.

"**AEPI**" means Alaris Equity Partners Inc.

"**Agility**" means Agility Health, LLC.

"**AIC**" means Alaris IGF Corp., a wholly owned subsidiary of Alaris.

"**AIF**" means this annual information form of the Trust.

"**Alaris**", the "**Trust**", "**we**", "**us**" or "**our**" means Alaris Equity Partners Income Trust and its subsidiaries.

"**Alaris Coop**" means Alaris Coöperatief U.A., a cooperative formed under the laws of The Netherlands.

"**Alaris USA**" means Alaris Equity Partners USA Inc., a corporation formed under Delaware law.

"**Amur**" means Amur Financial Group Inc.

"**Arrangement**" has the meaning stated under the heading "*Corporate Structure*".

"**Board**" means, as applicable, the board of trustees of the Trust and, before the date of the Arrangement, the board of directors of AEPI, in each case, as comprised from time to time.

"**BCC**" means Body Contour Centers, LLC.

"**BCC Tranche 2**" has the meaning given to it under the heading "*Description of the Business and Operations—Our Current Partners*".

"**BCC Tranche 3**" has the meaning given to it under the heading "*Description of the Business and Operations—Our Current Partners*".

"**B&S**" or "**Brown & Settle**" means Brown & Settle Investments, LLC, and its subsidiaries.

"**Carey**" or "**Carey Electric**" means Carey Electric Contracting, LLC.

"**CBCA**" means the *Canada Business Corporations Act*.

"**CCAA**" the *Companies' Creditors Arrangement Act (Canada)*.

"**ccComm**" means C&C Communications, LLC.

"**Code**" has the meaning stated under the heading "*U.S. Investor Disclosure—ERISA Restriction of No Ownership by Plans*".

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

"**CRA**" means the Canada Revenue Agency.

"**Distribution**" means a Partner's payment of a distribution, dividend or interest to Alaris as more particularly described under the heading "*Description of the Business and Operation - Our Structure*".

"**DNT**" means DNT Construction, LLC.

"**DNT LLC Agreement**" means the third amended and restated limited liability company agreement of DNT.

"**DNT Units**" means preferred units in the capital of DNT.

"**ECR**" has the meaning stated under the heading "*Special Note Regarding Forward-Looking Statements, Non-IFRS Measures and U.S. Investors—Non-IFRS Measures*".

"**Edgewater**" means Edgewater Technical Associates, LLC.

"**ERISA**" means the U.S. Employee Retirement Income Security Act of 1974, as amended.

"**ERISA Person**" means any person who is or is acting on behalf of an ERISA Plan.

"**ERISA Plan**" means an employee benefit plan (under 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 U.S. Tax Code, an entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement under the Plan Asset Rules, and any retirement or benefit plan that is not subject to the foregoing, but is subject to laws or regulations similar in effect to the fiduciary responsibility requirements of ERISA or the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the U.S. Tax Code.

"**Federal Resources**" means Federal Resources Supply Company and its subsidiaries.

"**Federal Resources Loan Agreement**" means the subordinated credit agreement between AEPI and Federal Resources Supply Company.

"**Fleet**" means Fleet Advantage, LLC.

"**FNC**" means Falcon Master Holdings, LLC, doing business as FNC Title Services.

"**FNX**" means, collectively, FNX-Innov Inc., Thornhill G.P. and 11054953 Canada Inc.

"**FR Loan**" means the 15-year secured subordinated loan in the principal amount of US\$40 million bearing an interest rate of 17.625% under a subordinated secured loan agreement between Alaris and Federal Resources, made as of June 25, 2015.

"**FR Shares**" means the US\$7 million of preferred shares in the capital of Federal Resources held by Alaris.

"**Group SM**" means SM Group International, LP.

"**GWM**" means GWM Holdings, Inc., and one of its subsidiaries, to which Alaris has contributed capital.

"**GWM Loans**" means together (a) the 20-year subordinated loans in the principal amount of US\$41.5 million bearing a pre-tax interest rate of 13.45% and (b) the 20-year subordinated loans in the principal amount of US\$44 million paying a pre-tax interest rate of 15%, issued under a subordinated loan agreement between Alaris and GWM.

"**Heritage**" means Heritage Restoration Holdings, LLC.

"**IFRS**" has the meaning stated under the heading "*About this Annual Information Form*".

"**Investment Company Act**" has the meaning stated under the heading "*U.S. Investor Disclosure—Investment Company Act Considerations and Restrictions*".

"**Kimco**" means Kimco Holdings LLC.

"**KMH**" means KMH Limited Partnership, a limited partnership established under Ontario law.

"**LMS**" means collectively, LMS Management Limited Partnership, a limited partnership established under the laws of the Province of Alberta and LMS Reinforcing Steel USA LP, a limited partnership established under Delaware law.

"**Management**" has the meaning stated under the heading "*Special Note Regarding Forward-Looking Statements, Non-IFRS Measures and U.S. Investors*".

"**Partners**" means those corporations, partnerships, limited liability companies or other entities with which Alaris has directly or indirectly entered into a financing structure in exchange for Distributions.

"**Permanent DNT Units**" means the US\$40 million of preferred units in DNT, which are permanent and have repurchase rights similar to interests Alaris holds in other Partners.

"**PFGP**" means PF Growth Partners, LLC, a franchisee of Planet Fitness®.

"**PFGP LLC Agreement**" means the second amended and restated limited liability company agreement of PFGP dated July 11, 2019.

"**Phoenix**" means Phoenix Holdings Limited, formerly KMH.

"**PIK**" means payment in kind.

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

"**Plan Asset Rules**" mean the principles for identifying the assets of an ERISA Plan under the Plan Asset Regulations and section 3(42) of ERISA.

"**Providence**" means M-Rhino Holdings, LLC, which operated as Providence Industries.

"**Qualified Purchaser**" means a "qualified purchaser" as defined in Section 2(a)(51)(A) of the Investment Company Act.

"**Qualified Institutional Buyer**" means a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act of 1933, as amended.

"**Qualified U.S. Purchaser**" means a purchaser that is (a)(i) located in the United States, (ii) is a U.S. Person or (iii) that is purchasing Trust Units for the account or benefit of persons in the United States or U.S. Persons; (b) a Qualified Institutional Buyer and a Qualified Purchaser, and (c) is not acting on behalf of any ERISA Person.

"**Redeemable DNT Units**" means the US\$30 million of preferred units in DNT, which may be repurchased only for the same price and on the same terms as the Permanent DNT Units.

"**Sandbox**" means collectively, Sandbox Acquisitions, LLC and Sandbox Advertising Limited Partnership.

"**Salaris**" means Salaris USA Royalty Inc.

"**SBI**" means Sales Benchmark Index, LLC

"SCR" means SCR Mining and Tunnelling LP.

"SEDAR" means the System for Electronic Document Analysis and Retrieval, accessible at www.sedar.com.

"Senior Credit Facility" means the second amended and restated senior syndicated credit facility dated November 5, 2020, between AEPI and a syndicate of Canadian lenders, including HSBC Bank Canada (Co-Lead Arranger) and Bank of Montreal (Co-Lead Arranger), as amended.

"Sequel" means Sequel Youth and Family Services, LLC.

"Special Voting Units" means the non-voting common shares in the capital of Alaris.

"Stride" means Stride Consulting LLC.

"Subsidiary" has the meaning set out in the *Securities Act* (Alberta) and includes a partnership or other entity.

"Trust Units" means a unit of interest in the Trust, authorized and issued under the Trust's declaration of trust dated May 31, 2020 ("Declaration of Trust").

"TSX" means the Toronto Stock Exchange.

"Unify" means Unify Consulting LLC.

"Unitholders" means the holders of Trust Units and Special Voting Units from time to time.

"USD" and "US\$" mean United States dollars, the lawful currency of the United States.

"U.S. Person" means a "U.S. person" as defined in Rule 902(k) of Regulation S under the U.S. Securities Act of 1933, as amended.

CORPORATE STRUCTURE

The Trust's predecessor, AEPI, was formed on May 23, 2006, as "6550568 Canada Inc.", and changed its name to "Alaris Royalty Corp." on July 31, 2008. On September 1, 2020, the Trust acquired all of the issued and outstanding common shares of Alaris Royalty Corp. (as it was then named) in exchange for Trust Units under a plan of arrangement under the CBCA (the "Arrangement"). After the Arrangement, Alaris Royalty Corp. changed its name to "Alaris Equity Partners Inc."

From November 18, 2008, through the Arrangement date, Alaris listed and posted for trading its common shares on the TSX under the symbol "AD". Since the Arrangement, we have listed and posted for trading our Trust Units on the TSX under the symbol "AD:UN".

Our registered and head office is located at 250, 333 - 24th Avenue SW, Calgary, AB T2S 3E6. We currently have 16 full-time employees.

INTERCORPORATE RELATIONSHIPS

Alaris currently has six subsidiaries: (a) AEPI; (b) AIC; (c) Alaris Coop; (d) Alaris Strategic Opportunities Inc.; (e) Alaris USA; and (f) Salaris. The following table lists each subsidiary, where it was incorporated or formed and the percentage of its voting securities that we beneficially own or directly or indirectly exercise control over.

	Percentage of voting securities (directly or indirectly)	Nature of Entity	Jurisdiction of Incorporation/Formation
Alaris Equity Partners Inc. ⁽¹⁾	100%	Corporation	Canada
Alaris IGF Corp.	100% ⁽²⁾	Corporation	Canada
Alaris Coöperatief U.A.	100% ⁽³⁾	Cooperative	The Netherlands
Alaris Equity Partners USA Inc.	100% ⁽²⁾	Corporation	Delaware, USA
Salaris USA Royalty Inc.	100% ⁽⁴⁾	Corporation	Delaware, USA
Alaris Strategic Opportunities Inc.	100% ⁽⁵⁾	Corporation	Canada

Notes:

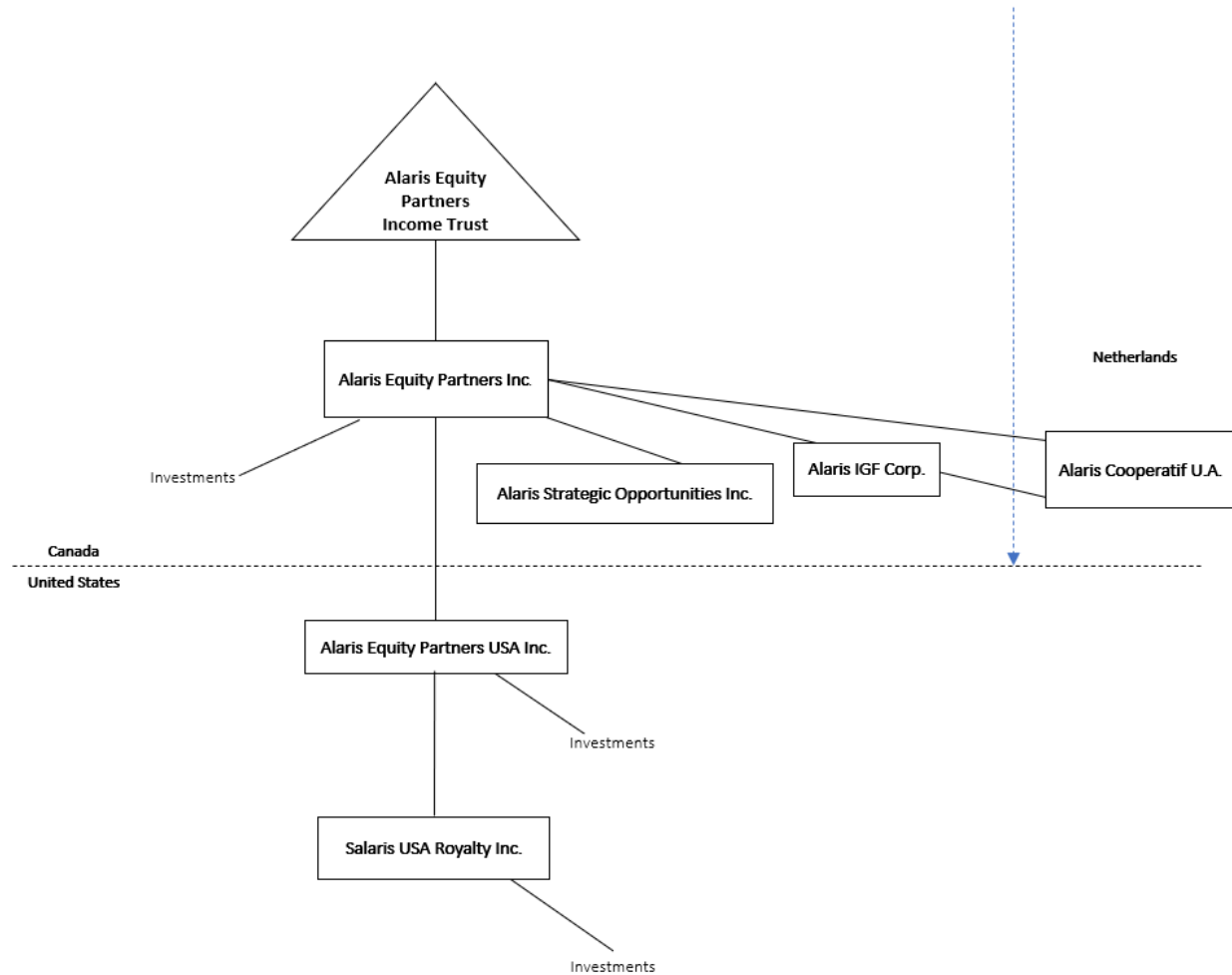
- (1) Formerly, Alaris Royalty Corp.
- (2) AEPI directly owns 100% of AIC's equity.
- (3) AEPI directly owns 99%, while AIC owns 1% of Alaris Coop's equity, representing Alaris' 100% control of Alaris Coop's equity. As previously disclosed, the Trust has initiated the wind-up and dissolution of Alaris Coop.

- (4) Alaris USA owns 100% of Salaris' equity.
- (5) AEPI directly owns 100% of this entity.

(Remainder of page left intentionally blank – organizational chart follows.)

ORGANIZATIONAL CHART

This chart represents the corporate structure as of the date of this AIF.



GENERAL DEVELOPMENT OF THE BUSINESS

GENERAL

Alaris provides 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. In pursuit of this strategy, our business planning considers the prevailing economic conditions, the evolving needs of our existing and potential Partners and our Unitholders, and the opportunities available to us. Over the past three years, we have focused on positioning our business to improve growth and performance. We continue to 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 will allow us to provide a stable and predictable distribution to our Unitholders.

THREE-YEAR HISTORY

2018

- (1) On January 19, 2018, Alaris closed the amended HSBC Credit Facility. A summary of changes is as follows: (a) an increase in capacity from \$200 million to \$280 million; (b) increasing the accordion feature from \$50 million to \$70 million; (c) the term of the Facility has been extended for another year to September 2021; and (d) an increase to the permanent leverage covenant from 1.75x EBITDA to 2.5x EBITDA, and the bridge covenant (for 90 days following certain approved transactions) from 2.25x EBITDA to 3.0x EBITDA. There continued to be no amortization payments required, and pricing also remained the same.
- (2) On January 23, 2018, Alaris contributed US\$15 million to Heritage in exchange for a pre-tax annualized Distribution of US\$2.3 million. Heritage used the funds to complete a management buyout of the founder of the company.
- (3) On February 28, 2018, a third-party purchase Agility. Alaris received \$26.7 million for our total unpaid Distributions, loans provided to Agility and unpaid interest, return of capital and a premium on our initial capital investment.
- (4) In March 2018, we amended our senior credit facility to increase the borrowing capacity from \$280 million to \$300 million and decrease the accordion to \$50 million from \$70 million.
- (5) On May 8, 2018, Mr. John (Jay) Ripley replaced Mr. John Budreski on the Board who did not run for re-election.
- (6) On May 11, 2018, Planet Fitness redeemed approximately 41% of the outstanding preferred units held by (which had an aggregate cost basis of US\$19.1 million) for US\$25 million.
- (7) On May 31, 2018, Salaris contributed US\$10 million to ccComm in exchange for equity entitled to a pre-tax annualized Distribution of US\$1.4 million.
- (8) On June 18, 2018, Alaris contributed US\$3 million to Accscient in exchange for equity entitled to a pre-tax annualized Distribution of US\$0.4 million.
- (9) On June 15, 2018, Alaris contributed US\$15 million to Fleet Advantage, LLC, in exchange for equity entitled to a pre-tax annual Distribution of US\$2.1 million.
- (10) On June 25, 2018, Labstat International, LP, redeemed Alaris' interest in full for gross proceeds of \$69.5 million, which included \$4.2 million of previously foregone Distributions, \$4 million of debt repayment and accrued interest, return of capital and a premium on our initial investment.
- (11) On June 28, 2018, End of the Roll Carpet and Vinyl repurchased its intellectual property from Alaris for \$12.6 million.
- (12) On July 27, 2018, Alaris loaned US\$3.8 million to Kimco.
- (13) On August 10, 2018, Alaris contributed US\$7 million to Accscient in exchange for equity entitled to a pre-tax annualized Distribution of US\$1 million.
- (14) On September 14, 2018, Alaris contributed US\$46 million to Body Contour Centers in exchange for equity entitled to a pre-tax annualized Distribution of US\$6.4 million.
- (15) On September 20, 2018, Alaris loaned US\$5 million to LMS, with interest payable monthly.
- (16) In October 2018, Alaris assumed certain credit facilities from Sandbox's senior lender. Sandbox breached certain financial covenants under that senior credit facility, triggering Alaris' right to assume the debt for US\$12.5 million under our subordination agreement with the senior lender.
- (17) On November 19, 2018, Alaris contributed US\$46 million to GWM. Alaris contributed US\$4.5 million of this amount in exchange for preferred equity and loaned US\$41.5 million] to its subsidiary, Global Wide Media, Inc. The contribution yielded an annualized pre-tax return of US\$5.6 million in the first calendar year after the investment.
- (18) In late August 2018, Group SM filed for and received a protection order under the CCAA, and a restructuring officer and monitor were put in place. In November 2018, Group SM, its affiliates and FNX, entered into a court-approved purchase agreement under which Group SM would sell all or substantially all of its operating assets to FNX, and FNX would assume an aggregate of \$28 million of Group SM's senior secured debt (including secured debt owing to Alaris). In December 2018, Alaris received approximately \$5.5 million of proceeds from the CCAA proceedings as partial repayment of the \$10 million in senior secured indebtedness that Group SM owed to Alaris, with FNX assuming the \$4.5 million balance.
- (19) On December 11, 2018, Unify redeemed all outstanding redeemable units held by Alaris at par for US\$6 million. Alaris continued to hold US\$12 million in non-redeemable in Unify.
- (20) On December 28, 2018, Alaris provided Sandbox with US\$1 million under Sandbox's senior credit facility to use for general working capital purposes.

2019

- (1) On January 8, 2019, Alaris contributed US\$8 million to Accscient in exchange for equity entitled to an annualized distribution of US\$1.1 million.
- (2) In January 2019, Alaris received \$0.9 million of proceeds from the Group SM under its CCAA proceedings, reducing the amount of debt owed to Alaris by FNX to \$3.6 million.
- (3) On Feb 22, 2019, Alaris contributed US\$5 million to Sandbox in exchange for preferred equity, entitling it to a pre-tax annualized Distribution of US\$0.8 million.
- (4) In March 2019, Providence's senior lenders notified Alaris that it was blocking future payments of our Distribution due to Providence's loss of a material customer. Alaris, Providence and the senior lender agreed to restart modified Distributions immediately. The senior lender also agreed to a two-year forbearance because Providence's owners contributed a material amount of capital into the business as partial repayment of the senior debt and fund working capital. The forbearance permitted US\$2.7 million of annualized Distributions for the rest of 2019 and 2020, representing approximately 50% of the contracted Distributions over that same period. The modified Distributions were US\$0.2 million per month through March 31, 2021.
- (5) On May 10, 2019, SBI redeemed all outstanding redeemable units held by Alaris at par for US\$10 million. Alaris continued to hold US\$75 million in non-redeemable units in SBI.
- (6) On May 22, 2019, Alaris signed an agreement with a syndicate of underwriters led by CIBC Capital Markets, National Bank Financial Inc., RBC Capital Markets and Scotiabank, under which Alaris would issue on a "bought deal basis" \$100 million aggregate principal amount of convertible unsecured subordinated debentures for \$1,000 per debenture, with an annual interest rate of 5.50%, payable semi-annually on the last business day of June and December beginning on December 31, 2019. The debentures will mature on June 30, 2024.
- (7) On May 31, 2019, a third-party paid Alaris US\$1.5 million to acquire our outstanding loan with Phoenix, formerly KMH. The US\$1.5 million was recorded as a recovery of a previously recorded bad debt expense.
- (8) On June 11, 2019, Alaris closed its offering of \$100 million aggregate principal amount of convertible unsecured subordinated debentures.
- (9) On June 21, 2019, Alaris contributed \$70 million to Amur. The investment was structured as \$48 million of debt, \$2 million in exchange for preferred equity and \$20 million in exchange for a minority interest in the common equity of Amur.
- (10) On June 27, 2019, Alaris loaned US\$3 million to Sandbox.
- (11) On July 2, 2019, Alaris contributed US\$2 million to ccComm in exchange for preferred units to assist with working capital needs.
- (12) On July 11, 2019, Alaris made a follow-on contribution of US\$60.2 million into PFGP. US\$43.7 million was contributed in exchange for preferred equity and US\$16.5 million in exchange for minority ownership of the common equity in PFGP, in exchange for Alaris' existing preferred units valued at US\$27.8 million, making a total investment of US\$88 million in PFGP. Alaris has also committed to a future US\$8 million investment in PFGP for an expansion into new markets.
- (13) On July 22, 2019, Fleet redeemed US\$5 million of redeemable units at par. Following the redemption, Alaris continued to hold US\$10 million of preferred units in Fleet, US\$2.5 million of which are redeemable at par.
- (14) In Q3, 2019, Alaris loaned US\$3.75 million to Sandbox.
- (15) On August 12, 2019, Mr. Peter Grosskopf was appointed to the Board.
- (16) On August 26, 2019, Alaris contributed US\$1 million to ccComm to assist with working capital needs in exchange for additional preferred units.
- (17) On August 28, 2019, Alaris received the entire US\$1.5 million of escrowed funds as part of the Agility redemption in February 2018. These funds repaid the long-term notes receivable that Alaris had been carrying due from Agility.
- (18) On November 1, 2019, Alaris completed an amendment of the Senior Credit Facility to increase the lending capacity from \$300 million to \$330 million. There were no changes to the accordion feature, the maturity date of September 2021, the covenants or pricing.
- (19) On November 7, 2019, Alaris contributed US\$6 million to Stride Consulting LLC in exchange for preferred units. The annualized Distribution on the preferred units is US\$0.8 million. Alaris has also committed to a future contribution of US\$4 million. The future contribution's timing is currently unknown and is subject to our approval and Stride achieving certain financial targets.
- (20) On December 2, 2019, Alaris contributed US\$1 million to PFGP as part of our additional funding commitment of US\$8 million.
- (21) On December 4, 2019, Alaris received \$1 million of proceeds from the Group SM CCAA proceedings. Along with monthly 2019 repayments of \$0.2 million, FNX owed another \$1.6 million under the loan amount as of December 31, 2019.

- (22) On December 17, 2019, Alaris contributed US\$10.5 million to Unify in exchange for additional preferred units. Along with the contribution, we exchanged our current preferred units, which had an aggregate cost basis of US\$12 million for new preferred units valued at US\$14.5 million, for an aggregate investment amount of US\$25 million.
- (23) On December 19, 2019, Alaris exercised its step-in rights and assumed voting control over Sandbox because they failed to meet certain requirements under our operating agreements. We exercised the step-in rights primarily to control the timing of the sales process.

2020

- (1) On January 7, 2020, SBI redeemed the entire outstanding US\$75 million of preferred units. The gross proceeds on the redemption received by Alaris were US\$91.3 million, which included US\$84.3 million for the preferred units (inclusive of a US\$9.3 million premium on redemption) and US\$7 million for Distributions that Alaris would have received up to the third anniversary of the original SBI investment on August 31, 2020. There was a requirement to make-whole on Distributions if redemption occurred before the initial investment's third anniversary, for all Distributions owed up to that anniversary date.
- (2) On February 28, 2020, Alaris agreed to sell Sandbox to a third party for aggregate proceeds of US\$32.6 million payable to Alaris. US\$4.1 million of the proceeds will be held in escrow for 24 months, pending the resolution of certain outstanding matters in the purchase agreement. The total cash consideration received by Alaris at the close was US\$28.5 million.
- (3) On March 13, 2020, Alaris contributed US\$3.5 million to PFGP as part of our previous US\$8 million funding commitment. PFGP used the proceeds for its Australian expansion. US\$3.5 million remains available after this contribution on our original US\$8 million funding commitment.
- (4) On March 20, 2020, the TSX approved Alaris' normal course issuer bid ("**NCIB**") to purchase for cancellation up to 3,473,720 common shares of the AEPI (and following the Arrangement, Trust Units of the Trust).
- (5) On March 20, 2020, Alaris announced we would change our dividend policy from monthly to quarterly payments.
- (6) On May 5, 2020, Alaris announced that we would reduce our dividend by approximately 30% to \$1.16 annually and \$0.29 per quarter (from \$1.65 annually and \$0.4125 quarterly) because of the current and unexpected impact of the COVID-19 pandemic on our Partners.
- (7) On June 16, 2020, Alaris contributed US\$17 million to Carey Electric Contracting, LLC, consisting of (i) US\$16.1 million in exchange for preferred equity entitled to an initial annualized distribution of US\$2.4 million and (ii) \$US0.9 million in exchange for a minority common equity interest.
- (8) On June 29, 2020, AEPI amended the Senior Credit Facility to allow for covenant flexibility over the next 12-18 months if required. The key amendments include: (a) increasing the maximum debt to contracted EBITDA covenant from 2.5:1 to 3.0:1 until March 30, 2021 (previously this increase was only allowed for 90 days); and (b) permitting the fixed charge coverage ratio to include the pro forma \$1.24 annualized dividend rate.
- (9) On July 17, 2020, Mrs. Sophia Langlois was appointed to the Board. On July 28, 2020, Mr. Grosskopf resigned from the Board.
- (10) On August 31, 2020, AEPI's shareholders approved the Arrangement supporting the conversion of Alaris into a publicly traded income trust named Alaris Equity Partners Income Trust through a statutory plan of arrangement under the CBCA.
- (11) On October 8, 2020, Alaris contributed US\$55 million to GWM, consisting of a combination of subordinated debt and preferred equity entitled to an initial additional annualized Distribution of US\$6.6 million.
- (12) On November 5, 2020, Alaris announced that AEPI and its lenders agreed to extend the Senior Credit Facility term until November 2023.
- (13) On December 7, 2020, Alaris contributed US\$20 million to BCC in exchange for equity, entitled to an initial additional annualized Distribution of US\$2.6 million.
- (14) On December 8, 2020, Alaris closed a US\$46 million bought deal offering of Trust Units with a syndicate of underwriters co-led by Acumen Capital Finance Partners Limited, Cormark Securities Inc., CIBC World Markets Inc. and National Bank Financial Inc.
- (15) In December 2020, Providence's management informed Alaris that, because of continuing defaults under Providence's forbearance agreement with its senior lender, the senior lender issued a foreclosure notice to enforce its security on the assets of Providence. Given the amount of senior debt ahead of Alaris and the value of the business's assets, there was no prospect of recovery for Alaris. Alaris wrote the fair value of its Providence investment down to zero in March 2020, as the expectation for recovery at the time was nil, which has since been confirmed. As a result of the write-down and the foreclosure action which caused Providence operations to cease, Providence is no longer considered a Partner.
- (16) On December 31, 2020, Alaris contributed US\$34 million to Edgewater in exchange for (a) US\$30.6 million of preferred equity entitled to an initial annualized Distribution of US\$4.3 million and (b) US\$3.4 million of common equity.

Subsequent to December 31, 2020:

- (1) The onset of the COVID-19 pandemic caused certain economic impacts that have or will in the future impact the businesses of certain Partners and, therefore, Alaris. See *"Risks Relating to all of Our Partners, Generally - Public health crises, epidemics and pandemics may negatively impact our Partners' business continuity"*.
- (2) On January 7, 2021, Alaris contributed \$40 million into FNC in exchange for (a) US\$32.15 million of preferred equity entitled to an initial annualized Distribution of US\$4.5 million and (b) US\$7.85 million of common equity.
- (3) On January 7, 2021, Alaris announced that we and PFGP had agreed to restart partial monthly Distributions of \$333,333 from January 2021 through June 30, 2021, and the payment of full distributions commencing in July 2021, subject to PFGP maintaining compliance with its senior debt covenants and having sufficient cash flow. Alaris also announced a payment plan for all of PFGP's deferred Distributions beginning January 1, 2022, and continuing over a 48-month period ending December 31, 2025.
- (4) On February 5, 2021, the Trust announced that AEPI amended the Senior Credit Facility to, among other things: (a) increase the size of the Senior Credit Facility from \$330 million to \$373 million; (b) provided a temporary increase to the total funded debt to EBITDA covenant to 3.0:1, with a further temporary ability to increase such amount to 3.5:1 until September 29, 2021; and (c) provide a short-term bridge loan facility for up to US\$30 million to fund a potential investment.
- (5) On February 9, 2021, Alaris contributed US\$66 million to B&S in exchange for (a) US\$53.7 million of combined subordinated debt and preferred equity entitled to an initial annualized Distribution of US\$7.5 million and (b) US\$12.3 million of common equity.
- (6) On February 9, 2021, Alaris announced that it expected Q4 2020 revenue to be approximately \$1 million more than previous guidance, with an increase from \$31 to \$32 million, mainly as a result of distributions paid to Alaris on its common equity investments in Amur and Carey. Alaris confirmed on March 9, 2021, that Q4 2020 revenue was \$32 million.
- (7) On February 18, 2021, Alaris contributed US\$8 million to Accscient in exchange for equity entitled to annualized Distribution of US\$1.14 million.
- (8) On February 22, 2021, Alaris contributed US\$22.5 million to 3E, LLC, in exchange for preferred equity entitled to an initial annualized Distribution of US\$3.15 million, with a future commitment to fund US\$7.5 million upon the satisfaction of certain performance hurdles (the US\$7.5 million is being held in escrow pending satisfaction of these hurdles).
- (9) Also, on February 22, 2021, the Trust announced that AEPI further amended the Senior Credit Facility to increase the size of the facility to \$400 million from \$373 million with the addition of a seventh bank to the syndicate of senior lenders.
- (10) On March 3, 2021, Alaris closed the base portion of an \$85 million bought deal offering consisting of the issuance of 5,312,500 Trust Units at an offering price of \$16.00 per unit with a syndicate of underwriters co-led by Acumen Capital Finance Partners Limited, Cormark Securities Inc., CIBC Capital Markets, National Bank Financial Inc. and RBC Capital Markets. On March 9, 2021, Alaris announced the closing of a partial exercise of the over-allotment option granted to the underwriters in connection with the offering, under which the Trust sold another 596,875 Trust Units at a price of \$16.00 per unit for aggregate proceeds of \$9,550,000.

DESCRIPTION OF THE BUSINESS AND OPERATIONS

OUR BUSINESS

Alaris, through its subsidiaries, provides alternative financing to a diversified range of profitable, well-managed private businesses throughout North America utilizing an innovative financing structure that allows us 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. Our primary objectives are to: (a) generate predictable revenue streams from our Partners; (b) increase our cash flow per unit both organically and by making accretive investments into new and existing Partners; and (c) earn a premium to our invested dollars if a Partner chooses to redeem our investment after a certain period of time. These objectives will allow us to pay a predictable and stable distribution to our Unitholders and generating solid returns on investments that are redeemed.

OUR STRUCTURE

Alaris' subsidiaries provide cash financing to private companies at an agreed-upon valuation in exchange for a pre-determined Distribution from such private companies. We receive our Distributions monthly but determine the amount 12 months in advance and adjust the Distributions each year based upon a mutually agreed "top-line" financial performance measure of a Partner (for example, the percentage change in gross revenues, gross profit, same-store sales, same clinic sales or same customer net sales).

In keeping with our business objective of generating predictable and stable cash flows, adjustments to our Distributions are based only on organic growth or organic decline of a particular Partner. As such, we do not factor any growth or decline in a Partner from acquisitions, greenfield (new) locations/divisions or closures of existing locations when our agreements are based on a "same location" basis into such adjustment for a specified period of time (typically, 12-24 months), following which it is considered a normalized/organic part of the business.

Our Distributions rank in priority to each Partner's common equity in the payment of for most of our Partners in a liquidation. In addition, Partners generally pay our Distribution out of pre-tax earnings, making the after-tax cost of our financing attractive to our Partners by reducing the taxable income of the remaining equity owners. Our financed capital is characterized as equity (with the exception of a portion of our investment in Federal Resources, GWM, Amur and Brown & Settle) and, as a result, we do not require a principal repayment or return of capital, which allows Partner ownership to focus on long-term objectives rather than the short-term objectives it may have otherwise had to focus on with financing from a traditional equity sponsor.

In certain situations, Alaris may look to supplement its standard preferred equity structure with common equity. When Alaris purchases common equity, it will represent a minority percentage of our aggregate investment in a Partner. Alaris will continue to utilize its preferred equity structure as the majority of an investment to ensure the investments are cash accretive and remain in-line with our strategic objectives. Alaris believes that the use of common equity in certain transactions will: (a) better align our interests with those of our Partners; (b) provide higher overall returns on investments than preferred equity alone; and (c) enable Alaris to increase our capital deployment by allowing us to increase our participation in the capital structure to be more competitive when required.

Generally, the equity Alaris owns has very limited or no voting rights; accordingly, Alaris' ability to exercise direct control and influence over the operations of a Partner is limited. However, we have numerous positive and negative contractual covenants in place with our Partners designed to protect our Distributions (see "*Summary of Partner Agreements – Alaris Consent Rights*" below for more information regarding such covenants). Alaris' prior consent is required for items outside of the ordinary course of business, including, without limitation:

- material changes in the business of the company;
- material acquisitions or divestitures;
- incurring new debt over predetermined levels or any material change to existing debt facilities;
- entering into non-arm's length transactions above prescribed levels;
- mergers or corporate reorganizations;
- changes in the structure;
- extraordinary capital expenditures; and
- certain changes in management.

In addition, we have special voting rights with most of our Partners upon certain uncured events of default that entitle us to a sufficient number of votes to, among other things, replace the board of directors of the Partner, appoint new management and generally exert control over the operations of a Partner. These special voting rights may be subordinate to a Partner's senior lender, may require senior lender consent or include a standstill period prior to exercise or may be subject to additional regulatory restrictions for some partners. Some recent Partner agreements include a "mandatory sale" remedy, whereby we have the ability to require a sale of a Partner's business if there has been an uncured event of default for longer than a specified period of time.

Partners must provide us with monthly (unaudited) financial statements and annual audited financial statements so we can monitor their financial positions as well as monthly reports regarding compliance with our legal agreements. We (a) analyse the monthly and audited annual financial information we receive and focus on each Partner's key performance indicators (KPIs), and (b) monitor the broader industries in which the Partners operate to identify industry-wide trends. This allows us to identify any variances, which we follow-up on through discussions with the management of each Partner. We also engage Partner management in regular general discussions to ensure that Alaris is well aware of current business conditions. This provides us with the opportunity to assist a Partner, address any issues that may arise and the visibility we need to provide meaningful guidance to our stakeholders.

OUR PHILOSOPHY

Our structure allows us to monitor our Partners without needing to be involved in their day-to-day business decisions. We believe business decisions are best made by the people who have built the successful companies that we have financed. Through us, private companies are able to access ongoing capital, remain private and maintain direct control of the common voting equity.

At the same time, we derive diversified priority-monthly or quarterly cash returns from businesses that have displayed an ability to be profitable in varying economic environments. By supporting management teams that remain fully motivated (through their ownership position) to run their business profitably, our Unitholders are able to receive stable distributions from the Trust.

In addition, our philosophy is to partner with our Partners for as long as required by the Partner. We do not force an exit strategy on Partner owners. This allows the owners to focus on the long-term rather than short-term goals that are not in the company's best interest. Financing by Alaris does not prevent a future sale of the Partner, if desired, provided that our prior consent is obtained or our interests are repurchased at the applicable repurchase price (or both).

For our Unitholders, the "top line" source of our Distributions from our Partners results in a predictable distribution-revenue stream with low volatility. Visibility is also created because of the 12-month pre-set payments we receive. Our structure gives us the ability to pay out the vast majority of our net cash from operating activities in the form of distributions to our unitholders, thus providing our investors with a steady source of quarterly income.

OUR GROWTH STRATEGY

In addition to generating predictable, stable cash flows from the revenue streams we receive from our existing Partners, we aim to grow our cash flows by partnering with more private companies that have similar qualities to our existing Partners. Our focus is on private businesses in Canada and the United States that are controlled by individuals who intend to use the capital we provide for growth (including acquisitions), generational transfers or partial liquidity and who want to retain long-term control of their businesses. We also target companies that can use the proceeds we provide to complete management buyouts of existing equity sponsors, provided that the existing management team owns a significant amount of equity in the business.

We generally look for private companies that have shown a history of growth and low cyclicality and sustainable free cash flow, and strong future opportunities. We generally do not invest in businesses that have a high risk of obsolescence or companies with a declining asset base, such as exploration companies. We also look for companies with experienced management teams who intend to continue owning and managing the business after partnering with Alaris. This ensures such companies are still run by the capable management and ownership teams that made them such a solid partnership opportunity for Alaris. Companies with low leverage and capital expenditure requirements are also key criteria for us in evaluating new opportunities.

OUR CURRENT PARTNERS

As of the date of this AIF, we have 20 Partners (see below). While our Partners are in divergent industries and serve different markets, they generally share similar characteristics that will also be prevalent in our future partnerships. Our current Partners are:

(1)	3E	(11)	Fleet
(2)	Accscient	(12)	FNC
(3)	Amur	(13)	GWM
(4)	B&S	(14)	Heritage
(5)	BCC	(15)	Kimco
(6)	Carey	(16)	LMS
(7)	ccComm	(17)	PFGP
(8)	DNT	(18)	Stride
(9)	Edgewater	(19)	SCR
(10)	Federal Resources	(20)	Unify

A description of each Partner and its business and operations based upon information provided by the management teams of each Partner and Management's knowledge, information and belief in respect of each of our Partners is provided below.

3E

<i>Business Overview</i>	3E is a utility service provider that installs, inspects, maintains and replaces critical infrastructure (primarily natural gas utilities) for blue-chip, investor-owned utility companies.
<i>Operations</i>	3E operates under two primary entities: Benton Georgia and Pipe Strong, with operations across nine States in the Southeastern and Midwestern United States, including Georgia, Illinois, Texas, Tennessee, Missouri, Kentucky, Louisiana, Arkansas and Mississippi. 3E's business is well-positioned to benefit from maintaining and replacing the aging natural gas utility infrastructure in the United States.
<i>Customers</i>	3E's services relate only to regulated entities, with their customers being the large utility companies in the geographies they operate. 3E does not provide services for natural gas exploration, production or mid-stream operations.
<i>Contribution Summary</i>	Alaris contributed US\$22.5 million to 3E, LLC, with a commitment to fund an additional US\$7.5M as 3E meets certain hurdles, for a potential aggregate total of US\$30 million.

Accscient

<i>Business Overview</i>	Founded in 2007, Accscient provides IT staffing, consulting, and outsourcing services and specializes in digital infrastructure management, enterprise resource planning, business intelligence and database administration.
<i>Operations</i>	Headquartered in Atlanta, GA, Accscient's operating businesses include Norwin Technologies, LLC; Premier IT Solutions, LLC; Appridat Solutions, LLC; PDS Inc. LLC; Applications2U, LLC; OvalEdge, LLC; BackInTheBlack, LLC; Asset Management Outsourcing Services, LLC; and Emergys, LLC.
<i>Customers</i>	Accscient provides its services to a diverse customer base, including several Fortune 500 companies.
<i>Contribution Summary</i>	Alaris contributed US\$20 million to Accscient in June 2017, US\$3 million in June 2018, US\$7 million in August 2018, US\$8 million in January 2019 and another US\$8 million in February 2021.

Amur

<i>Business Overview</i>	Founded over 30 years ago. Amur is one of Canada's leading fully integrated independent originator, manager and servicer of home equity loans.
<i>Operations</i>	Amur's business model revolves around home equity loans to homeowners looking to use the equity in their homes to fund debt consolidation, home renovations or other uses. Amur has two main revenue streams, Mortgage Origination (Alpine Credits) and Investment Management. Amur originates loans under the Alpine Credits brand established in 1969 and has generated over \$1.1 billion in home equity loans over the last five years. Success in origination has been driven by a distinctive sourcing model and innovative advertising campaigns. Mortgages originated by the Amur are primarily funded directly by three Mortgage Investment Corporations ("MICs") with whom Amur has exclusive relationships. Amur is the investment manager for the managed MICs and the administrator for all sold mortgages.
<i>Customers</i>	Amur's customers are current homeowners looking to use the equity in their homes to fund debt consolidation, home renovations, or other uses.
<i>Contribution Summary</i>	Alaris contributed \$70 million to Amur in June 2019, which included a \$50 million contribution in exchange for debt and preferred units in Amur and \$20 million in exchange for minority ownership in the common equity in Amur.

Brown & Settle

<i>Business Overview</i>	Founded in 2003 and headquartered in Northern Virginia, the largest data center market globally, Brown & Settle is a full-service large-parcel site development contractor.
<i>Operations</i>	Brown & Settle's comprehensive suite of services includes excavation, clearing, rock blasting, concrete, paving, and utility installation in Virginia, Maryland, West Virginia, and the Greater Washington D.C. area. Brown & Settle has established itself as one of the top providers of site development services for data centers, working on blue chip end users' projects.
<i>Customers</i>	Brown & Settle performs services for several regional and national general contracting groups hired by large site developers or directly by the end customer.
<i>Contribution Summary</i>	Alaris contributed US\$66 million, which consisted of: (i) an aggregate of US\$53.7 million of combined subordinated debt and preferred equity, entitling Alaris to an initial annualized distribution of US\$7.5 million; and (ii) US\$12.3 million for a minority common equity ownership in Brown & Settle.

BCC

<i>Business Overview</i>	Founded in 2008, BCC is a national leader in private plastic surgery practice throughout the United States with over 40 locations.
<i>Operations</i>	With its head office in Kirkland, WA, BCC operates in nearly 30 states and employs over 450 people. BCC combines a consistent patient experience with the art of treating each patient as an individual with unique plastic surgery needs. BCC has a focused service offering that primarily focuses on less-invasive procedures such as laser-assisted body contouring (liposuction), mini tummy tucks and minor face procedures. Over 100 board-certified plastic surgeons conduct these procedures, and every surgical center is certified by AAAHC, the highest-level certification for plastic surgery.
<i>Customers</i>	BCC targets the "everyday woman and man" with its service offerings and price points.
<i>Contribution Summary</i>	Alaris contributed US\$46 million to BCC in September 2018 in exchange for preferred units. BCC has the option to pay a portion of the distribution, subject to a maximum of 2% of the aggregate contributed capital to BCC in any given year as a PIK, provided that any amounts subject to the PIK must be paid every three years. If utilized, any amounts subject to a PIK will compound monthly. On December 7, 2020, Alaris contributed an additional US\$20 million (" BCC Tranche 2 "), entitling Alaris to receive an additional annualized distribution of US\$2.6 million. Alaris committed to funding an additional contribution of US\$25 million (" BCC Tranche 3 ") upon BCC satisfying certain financial targets. US\$5 million of the Alaris preferred units in BCC are redeemable at par.

Carey Electric

<i>Business Overview</i>	Founded in 1923, Carey Electric Contracting is a third-generation, family-owned electrical contracting services company servicing the industrial, commercial, and residential markets. Carey Electric is one of the premier electrical contractors in the McHenry, Lake, Kane and Cook county markets in the suburban Chicagoland area northwest of Chicago, Illinois. Carey's head office is located in McHenry, Illinois.
<i>Operations & Services</i>	Services include power distribution, lighting, bucket truck services, trenching, underground locating, fire alarm services, generator testing and other specialized offerings.
<i>Customers</i>	Carey Electric performs its services for general contractors directly on behalf of school districts and commercial and residential real estate owners.
<i>Contribution Summary</i>	Alaris invested a total of US\$17 million into Carey Electric, which consists of a US\$16.1 million investment in preferred equity as well as an investment of US\$0.9 million in exchange for minority ownership of the common equity in Carey Electric, in exchange for preferred equity in Carey Electric entitling Alaris to receive an initial annualized cash distribution of US\$2.4 million

ccComm

<i>Business Overview</i>	ccComm is a T-Mobile Preferred Retailer offering mobile solutions and accessories across the T-Mobile platform.
<i>Operations</i>	ccComm's headquarters are in Federal Way, Washington, with over 50 locations throughout Washington, Oregon, Oklahoma, Texas, California, Idaho and Utah and employs over 300 people.
<i>Customers</i>	ccComm customers purchase mobile devices and data/voice plans through the T-Mobile network, together with accessories for their mobile devices.
<i>Contribution Summary</i>	Alaris contributed US\$4 million to ccComm in January 2017 through its subsidiary, Salaris, a further US\$2.2 million on August 31, 2017, US\$10 million in May 2018, US\$2 million in July 2019 and US\$1 million in August 2019.

DNT

<i>Business Overview</i>	DNT was founded in 2009 and specializes in turnkey civil construction services to residential, commercial and municipal end markets.
<i>Operations</i>	Services include excavation, the installation of wet and dry utilities such as electrical, gas, sewage and water and paving, and retaining walls. DNT has strong functional capabilities and believes it is the only company in its core markets capable of providing these turnkey infrastructure solutions to its customers. With its head office in Austin, Texas, DNT is one of the largest service providers of its kind in the Austin market while also holding a significant market share in San Antonio.
<i>Customers</i>	DNT's customers include large publicly traded commercial and residential real estate developers, regional commercial and residential real estate developers and municipal governments.
<i>Contribution Summary</i>	Alaris contributed US\$70 million to DNT on June 1, 2015, which contribution consisted of (a) US\$40 million in exchange for Permanent DNT Units and (b) US\$30 million in exchange for Redeemable DNT Units. DNT redeemed US\$2 million of the Redeemable DNT Units in 2017. US\$0.2 million in 2018 and US\$5 million in 2020.

Edgewater

<i>Business Overview</i>	Founded in 2003, Edgewater is a professional and technical services firm employing over 400 highly skilled professionals.
<i>Operations & Services</i>	Services include helping and supporting business involved in high-hazard or complex operations through the provision of staff augmentation support in specialty areas such as nuclear operations, nuclear safety basis, multidisciplinary engineering, regulatory compliance, waste management, environmental remediation, maintenance, work control, waste transportation, and decommissioning and closure activities, as well as chemical inventory and removal, construction, and infrastructure upgrades.
<i>Customers</i>	Edgewater's customers include engineering firms and large engineering consortiums supporting the U.S. Department of Energy.
<i>Contribution Summary</i>	Alaris made the US\$34 million Edgewater Investment in exchange for: (i) US\$30.6 million of preferred equity, which will be entitled to annualized distributions of US\$4.3 million in the first full year, a pre-tax yield of 14%. Edgewater has the option to pay a portion of the distribution, subject to a maximum of 2% of the contributed capital in any given year as payment-in-kind provided that any amounts subject to the PIK must be paid every three years; and (ii) US\$3.4 million for minority ownership of Edgewater's common equity.

FNC

<i>Business Overview</i>	Founded in 2007, FNC Title Services is a full-service title and settlement company specializing in reverse mortgages, operating in 49 states and employing approximately 80 staff.
<i>Operations & Services</i>	FNC focuses specifically on meeting seniors' title services needs through a specialized understanding of the senior citizen demographic and reverse mortgage market. FNC is deeply involved throughout the reverse mortgage process, providing a comprehensive set of title and closing services through its highly trained reverse mortgage professionals.
<i>Customers</i>	Management of FNC believes it is the only independent, nationwide player providing title and settlement services to lenders in the reverse mortgage industry.
<i>Contribution Summary</i>	Alaris collectively made the US\$40 million FNC Investment in exchange for (a) US\$32.15 million of preferred equity, which will be entitled to annualized distributions of US\$4.5 million in the first full year, a pre-tax yield of 14% and (b) US\$7.85 million for minority ownership of FNC's common equity.

Federal Resources

<i>Business Overview</i>	Founded in 1986 and employing over 200 people, Federal Resources is a Maryland-based leading value-added provider of mission-critical products and solutions to defense, first responder, homeland security and maritime end-users.
<i>Operations & Services</i>	Federal Resources is a leading provider of detection and protection equipment to first-line responders dealing with chemical, biological, radiological, nuclear and explosive (" CBRNE ") threats and supplying tactical gear, tools and maritime products. Federal Resources management believes that the CBRNE product category is one of the highest growth product categories in the defense procurement budget, with potential CBRNE threats (including those presented by the COVID-19 pandemic) representing the most widely anticipated global threats for the next 10 years.
<i>Customers</i>	Customers of Federal Resources include all US military branches, various municipal agencies, first responders, airports, and various other private and governmental agencies.
<i>Contribution Summary</i>	Alaris invested US\$47 million in Federal Resources on June 25, 2015, consisting of the US\$40 million FR Loan and US\$7 million of FR Shares. Alaris also contributed US\$6.5 million in April 2016 and an additional US\$13.5 million in December 2017 for acquisitions.

Fleet

<i>Business Overview</i>	Founded in 2008, Fleet serves America's top truck fleets and guarantees the absolute lowest operation cost by providing truck leasing and matching proprietary data-driven IT processes with fleet analytics using the latest eco-efficient clean diesel technology to achieve optimum vehicle productivity while reducing operating costs.
<i>Operations</i>	Fleet employs over 35 people located in Ft. Lauderdale, FL. It provides private fleet operators with an end-to-end solution that leverages data analytics, asset management and flexible financing to continuously improve productivity and achieve the lowest total cost of ownership for Class 8 tractors. Services include flexible leasing, finance structure and management, turn-key administration, truck lifecycle performance monitoring, data analytics and remarketing.
<i>Customers</i>	Fleet targets large companies in the US that operate their own private fleets but for whom fleet management is not a core focus. Customers include fortune 500 companies and large multi-national businesses.
<i>Contribution Summary</i>	Alaris contributed US\$15 million to Fleet in June 2018. Fleet may pay a portion of its Distribution, subject to a maximum of 2% of the contributed capital in any given year, as payment-in-kind, as long as it pays any amounts subject to the PIK every three years. In July 2019, Fleet redeemed US\$5 million of the redeemable units. Following the partial redemption, there is a total of US\$10 million of preferred

units in the capital of Fleet remaining, with US\$2.5 million of which being redeemable at par at any time.

GWM

<i>Business Overview</i>	Founded in 2006, GWM Holdings, Inc. provides data-driven digital marketing solutions for advertisers globally.
<i>Operations</i>	With a global presence and a head office in California, GWM employs over 120 people in North America, Asia and Europe. The company manages performance and branding campaigns for advertisers across all digital media forms, including display, video, connected TV, social and email on devices including computers, mobile, tablets, and Connected TV. GWM provides both programmatic media and performance media services.
<i>Customers</i>	GWM has blue-chip customers across various industries, including financial services, hospitality, technology, consumer and travel, to name a few.
<i>Contribution Summary</i>	Alaris contributed US\$46 million to GWM in November 2018, consisting of the US\$41.5 million GWM Loans and US\$4.5 million of preferred equity in GWM Holdings, Inc. Alaris contributed an additional US\$55 million to GWM on October 8, 2020, in exchange for an aggregate annualized distribution of US\$6.6 million. The additional contribution consisted of US\$44.0 million of GWM Loans and US\$11.0 million of preferred equity.

Heritage

<i>Business Overview</i>	Founded in 1981, Heritage is a leading specialty contractor providing masonry and masonry-related services to the commercial building industry.
<i>Operations</i>	Heritage focuses on the restoration of existing structures, including masonry procurement, installation and restoration, concrete structure restoration, waterproofing and coating repair. Heritage provides quality customer service and workmanship throughout the entire New England area, employing over 100 highly skilled masons, carpenters and laborers during peak times. New England's abundance of university campuses, hospitals and historic urban architecture utilizing brick and stone construction, combined with the high concentration of concrete parking structures and tunnels, represents large and attractive market opportunities for Heritage.
<i>Customers</i>	Heritage works with many large regional and national primary contractors, commercial real estate owners and developers and municipalities.
<i>Contribution Summary</i>	Alaris contributed US\$15 million to Heritage in January 2018. US\$3 million of units held in Heritage are redeemable.

Kimco

<i>Business Overview</i>	Kimco and its predecessor companies have been providing route-based commercial janitorial services throughout the United States since the 1970s.
<i>Operations</i>	Kimco is a significant-sized service provider in a highly fragmented industry, estimated by Kimco management to generate over \$50 billion in annual sales in the United States. Kimco operates on a national scale, with most of Kimco's revenue generated under long-term contracts (generally 1 to 3 years).
<i>Customers</i>	Kimco services customers ranging in size from multi-location national customers to regional single-site customers.
<i>Contribution Summary</i>	Alaris contributed US\$29.2 million to Kimco in June of 2014 and US\$3 million on Dec 23, 2015, an additional US\$1 million in November 2016 and US\$1 million in December 2016. Alaris loaned Kimco US\$2 million in April 2017 and a further US\$2 million on July 31, 2017, both in the form of subordinated debt, bearing 8% interest. In March 2018, Alaris loaned US\$6 million to Kimco by way of a loan bearing

interest of 12% (current pay interest) and a 5-year term. The transaction proceeds were used to replace the existing subordinated debt that Kimco has been servicing since the inception of the loan. In July 2018, Alaris loaned US\$3.8 million to Kimco by way of a loan bearing interest of 8% (payable monthly).

LMS

<i>Business Overview</i>	LMS is a concrete reinforcing steel (rebar) fabricator and installer providing post-tensioning, trucking and crane services. As an installer and supplier, LMS has the advantage of having low fixed costs and fixed assets, which allows the company to be profitable during various negative economic scenarios as it can adjust its labour force to match the activity level.
<i>Operations</i>	LMS fabricates and installs concrete reinforcing rebar and post-tensioning services for construction projects primarily in British Columbia, Alberta, Saskatchewan, Manitoba and California. Project types include: (a) Infrastructure Projects - light rail transit, water treatment plants, tunnels, hydro facilities and bridge decks; (b) Commercial projects - high rise office space, aquatic centers or airport terminals; (c) Residential - high rise developments; and (d) Institutional – university residences, hospitals and community centers. LMS has up to 600 employees during peak season.
<i>Customers</i>	LMS' customers are typically large general contractors and developers.
<i>Contribution Summary</i>	Alaris provided \$51 million to LMS in 2 tranches during 2007 and converted a \$3 million short-term note for additional preferred units in LMS in 2013, provided an additional US\$4.35 million contribution in March 2016 to help fund a strategic acquisition in California, bringing the total contributions to approximately \$60 million. Alaris loaned LMS \$5 million in September 2018 to fund an opportunistic rebar purchase ahead of tariffs being enforced. This loan bears 12% interest, and Alaris will work with LMS to determine the appropriate repayment schedule. In 2020, LMS repaid \$1 million, leaving an unpaid balance of \$4 million.

PFGP

<i>Business Overview</i>	PFGP is a franchisee of Planet Fitness® and founded in 2008. Planet Fitness® is one of the largest gym franchise systems in the U.S., with over 2,000 clubs and eight million members. Planet Fitness aims to provide a high-quality fitness experience at a low cost ("High-Value Low Price") with memberships starting at \$10 per month.
<i>Operations</i>	Through its affiliates, PFGP operates over 65 fitness clubs in Maryland, Tennessee, Florida, Washington DC, Washington State and California and has area development agreements (" ADAs ") to open over 50 additional Planet Fitness® clubs in those same States. PFGP has grown to become one of the top 3 largest non-corporate affiliated franchisees in the Planet Fitness® system. PFGP has its head office in Timonium, MD, located just outside of Baltimore, MD.
<i>Customers</i>	Individuals who want to exercise in the Judgment Free Zone® that Planet Fitness provides.
<i>Contribution Summary</i>	Alaris contributed US\$35 million to PFGP in November of 2014 and US\$5 million on July 1, 2015. In May 2018, PFGP redeemed 41% of the preferred units owned by Alaris in exchange for a payment of US\$25 million. In July 2019, Alaris contributed an additional US\$60.2 million in exchange for US\$43.7 million of additional preferred units and US\$16.5 million in exchange for a minority interest in the common equity of PFGP. In conjunction with the incremental investment, Alaris exchanged their current preferred units at the time that carried a cost basis of US\$20.8 million for US\$27.8 million of new preferred units, crystallizing a US\$7 million realized gain in the process. Following this transaction, the total investment in PFGP amounted to US\$88 million, US\$71.5 million of preferred units and US\$16.5 million of common equity. In December 2019, Alaris contributed an additional US\$1 million, which included US\$0.8 million of preferred units and US\$0.2 million of additional interest in the common equity. In March 2020, Alaris contributed an additional US\$3.5 million, which included US\$2.8 million of preferred units and US\$0.7 million of additional common equity. The contributions made in December 2019 and March 2020 are part of a commitment by Alaris to fund a total of US\$8 million to

assist PFGP with expansion into Australia. Alaris' remaining commitment for this expansion is US\$3.5 million.

SCR

<i>Business Overview</i>	SCR has been providing mining services in the Northern Ontario region since 1994.
<i>Operations</i>	SCR offers a wide variety of surface and subsurface mining, construction, electrical and mechanical services. SCR is known for its expertise and ability to install, construct, maintain and recommend the best and most economical solutions for a mining project. The company employs over 250 dedicated workers during peak times.
<i>Customers</i>	The company works with large multi-national mining companies and junior producers alike on a contractual basis.
<i>Contribution Summary</i>	Alaris contributed \$40 million to SCR in May 2013.

Stride

<i>Business Overview</i>	Founded in 2014 by Debbie Madden, Stride is an Agile software development consultancy comprised of developers, product managers, coaches and designers, empowering technology teams to implement industry best practices, build better software and scale efficiently and successfully.
<i>Operations</i>	Headquartered in New York City, Stride ranked on the Inc 5000 list of Fastest Growing Companies for the past two years. In 2019 Stride was recognized as the Fastest Growing Women-Owned Business in New York by the Women Presidents' Organization.
<i>Customers</i>	Stride has helped hundreds of technology teams, including Spotify, Peloton, NBC Universal, Sony, Casper, Saks Fifth Avenue, Clear, among many others, deliver transformative results.
<i>Contribution Summary</i>	Alaris contributed US\$6 million to Stride in November 2019.

Unify

<i>Business Overview</i>	Founded in 2006, Unify is a management consulting firm that provides companies with local, customized consulting solutions.
<i>Operations</i>	Located in Seattle, Washington, Unify employs over 200 experienced consultants that provide consulting solutions across six primary service lines: Business Intelligence, Business Transformation, Enterprise Resource Planning, Project and Product Management, Visual Communication and Organizational Change Management. Unify has been recognized as one of the fastest growing consulting firms in the U.S. and one of Washington's top workplaces.
<i>Customers</i>	Customers include a blend of Fortune 500 companies across a diverse set of industries.
<i>Contribution Summary</i>	Alaris contributed US\$18 million to Unify in October 2016 through its subsidiary Salaris. The US\$18 million consisted of US\$12 million of permanent units and US\$6 million of redeemable units. Unify redeemed all the redeemable units at par in December 2018. In December 2019, Alaris contributed an additional US\$10.5 million to Unify in exchange for preferred units. As part of the contribution, Alaris also exchanged the US\$12 million of preferred units for new preferred units with a cost base of US\$14.5 million, which crystallized a gain of US\$2.5 million. As a result of the transaction, the total value of the preferred units in Unify held by Alaris is US\$25 million.

OUR FINANCING ARRANGEMENTS

The following table shows the relevant performance metric for each of our Partners. Under the column "Current Annual Distributions", the table states the Distributions owed to us by each of our Partners for fiscal 2021. The table also shows the percentage change in each Partner's performance metric in each of the last three fiscal years and each Partner's annual ECR for

each of their last three fiscal years. In most cases, the percentage change in performance metric and the annual ECR for each Partner's most recent fiscal year are estimated based on unaudited internal information prepared by management of each of our Partners as we do not have audited financial information from most of our Partners as of the date of this AIF. Non-material audit adjustments are common and non-material changes versus internal unaudited results are expected by the Trust. As such, some of the fiscal 2020 numbers below may change based on the final audited results, which are expected to be received by the end of Q2 2021. Due to the onset of the COVID-19 pandemic, certain of our Partners have, as of the date of this AIF, had, or are expected to have, business interruptions that will likely lead to reductions in future Distributions. Alaris expects to provide updated disclosure with respect to COVID-19's impact on our Partners and our business in Q2 2021. Alaris uses a range for the annual ECR for the most recent fiscal year for each Partner for which audited financials have not been received. Alaris has and will continue to replace the estimated numbers in the most recently completed fiscal year as presented in the table below, with the actual annual ECR based on audited financials in the next AIF, with any material variances in reported numbers from the prior year's AIF included in the footnotes following the table below. The information for each Partner's fiscal 2019 and 2018 in the table below is based on audited information from each Partner. In the first year of a partnership, where a new partner is added during the current fiscal year, the annual ECR was calculated for that fiscal year based on proforma results for the unaudited internally prepared 12 months ended in the most recent fiscal year and assumes the capital structure at closing was in place for the entire fiscal year, including 12 months of distributions to Alaris, despite Alaris not contributing capital on January 1st of such year. (All amounts are in US dollars unless noted)

Partner	Performance Metric	Current Annual Distribution ⁽¹⁾⁽²⁾ (millions)	Year End	Annual % change in Performance Metric ⁽²⁾⁽³⁾	Annual ECR ⁽²⁾⁽⁴⁾
3E	% Change in "Gross Profit" ⁽⁵⁾ Collar of +/-6%	\$3.2	12/31/2020	NA ⁽⁶⁾	1.2 to 1.5
			12/31/2019	NA ⁽⁶⁾	NA
			12/31/2018	NA ⁽⁶⁾	NA
Accscient	% Change in "Gross Profit" ⁽⁷⁾ Collar of +/-5%	\$6.89	12/31/2020	+3.0%	1.2 to 1.5
			12/31/2019	0.0%	1.4
			12/31/2018	0.0%	1.7
Amur	% Change in "Gross Revenues" ⁽⁸⁾ Collar of +/-6%	CDN\$6.11 (preferred units)	12/31/2020	-6.0%	1.5 to 2.0
			12/31/2019	NA ⁽⁹⁾	2.5
			12/31/2018	NA	NA
Body Contour Centers	% Change in "Same Clinic Revenue" ⁽¹⁰⁾ Collar of +/-6%	\$9.00	12/31/2020	-6%	>2.0
			12/31/2019	+5.7%	1.3
			12/31/2018	NA ⁽¹¹⁾	0.9
Brown & Settle	% Change in "Gross Revenues" ⁽¹²⁾ Collar of +/-6%	\$7.52	12/31/2020	NA	1.5 to 2.0
			12/31/2019	NA ⁽¹³⁾	NA
			12/31/2018	NA ⁽¹³⁾	NA
Carey Electric	% Change in "Gross Revenues" ⁽¹⁴⁾ Collar of +/-5%	\$2.42	12/31/2020	+6.0%	1.5 to 2.0
			12/31/2019	NA ⁽¹⁵⁾	NA
			12/31/2018	NA ⁽¹⁵⁾	NA
ccComm	% Change in "Gross Revenues" ⁽¹⁶⁾ Collar of +/-6%	\$0.00 ⁽¹⁷⁾	12/31/2020	-6% ⁽¹⁸⁾	<1.0
			12/31/2019	+6.0% ⁽¹⁸⁾	0.0
			12/31/2018	-3.0%	0.6
DNT	% Change in "Gross Revenues" ⁽¹⁹⁾ Collar of +/- 6%	\$10.80	12/31/2020	-6.0%	1.5 to 2.0
			12/31/2019	+6.0%	1.8
			12/31/2018	-1.5%	1.3
Edgewater	% Change in "Gross Profit" ⁽²⁰⁾ Collar of +/- 6%	\$4.28	12/31/2020	NA ⁽²¹⁾	1.2 to 1.5
			12/31/2019	NA ⁽²¹⁾	NA
			12/31/2018	NA ⁽²¹⁾	NA

Partner	Performance Metric	Current Annual Distribution ⁽¹⁾⁽²⁾ (millions)	Year End	Annual % change in Performance Metric ⁽²⁾⁽³⁾	Annual ECR ⁽²⁾⁽⁴⁾
FNC	% Change in "Gross Profit" ⁽²²⁾ Collar of +/- 7%	\$4.50	12/31/2020	NA ⁽²³⁾	>2.0
			12/31/2019	NA	NA
			12/31/2018	NA	NA
Federal Resources	% Change in "Gross Revenues" ⁽²⁴⁾ Collar of +/- 6%	US\$11.33	12/31/2020	+6.0%	>2.0
			12/31/2019	-6.0%	1.2
			12/31/2018	+6.0%	1.1
Fleet	% Change in "Net Revenues" ⁽²⁵⁾ Collar of +/- 6%	US\$1.57	12/31/2020	+6.0%	>2.0
			12/31/2019	+6.0%	1.6
			12/31/2018	NA ⁽²⁶⁾	1.4
GWM	% Change in "Gross Revenues" ⁽²⁷⁾ Collar of +/- 8%	US\$12.14	12/31/2020	-8.0%	1.5 to 2.0
			12/31/2019	+8.0%	2.9
			12/31/2018	NA ⁽²⁸⁾	1.6
Heritage	% Change in "Gross Profit" ⁽²⁹⁾ Collar of +/- 6%	US\$2.38	12/31/2020	-6.0%	1.5 to 2.0
			12/31/2019	+6.0%	2.6
			12/31/2018	+6.0%	2.2
Kimco	% Change in "Gross Revenues" ⁽³⁰⁾ Collar of +/- 6%	US\$4.69 ⁽³¹⁾	12/31/2020	+6.0%	>2.0
			12/31/2019	-5.8% ⁽³²⁾	<1.0 ⁽³³⁾
			12/31/2018	-6.0%	0.9 ⁽³⁴⁾
LMS	% Change in "Gross Profit" ⁽³⁵⁾ Collar of +/- 6% on US distributions	\$8.51	12/31/2020	+15.0%	1.5 to 2.0
			12/31/2019	+34.4% ⁽³⁶⁾	1.4
			12/31/2018	+5.0%	1.3
PFGP	% Change in "Same Club Revenues" ⁽³⁷⁾ Collar of +/- 5%	US\$4.00 ⁽³⁸⁾	12/31/2020	-5.0%	1.0 to 1.2 ⁽³⁹⁾
			12/31/2019	+5.0%	1.3 ⁽⁴⁰⁾
			12/31/2018	+5.0%	3.5
SCR	% Change in "Gross Revenues" ⁽⁴¹⁾ Collar of +/- 6%	\$4.20 ⁽⁴²⁾	12/31/2020	+6.0%	>2.0
			12/31/2019	+6.0%	3.4 ⁽⁴³⁾
			12/31/2018	+6.0%	1.0 ⁽⁴⁴⁾
Stride	% Change in "Gross Revenues" ⁽⁴⁵⁾ Collar of +/- 6%	US\$0.79	12/31/2020	-6.0%	>2.0
			12/31/2019	NA ⁽⁴⁶⁾	3.5 ⁽⁴⁷⁾
			12/31/2018	NA	NA
Unify	% Change in "Net Revenue" ⁽⁴⁸⁾ Collar of +/- 5%	US\$3.41	12/31/2020	+5.0%	>2.0
			12/31/2019	+5.0% ⁽⁴⁹⁾	1.6 ⁽⁵⁰⁾
			12/31/2018	+5.0%	3.1

Notes to "Our Financing Arrangements" Table:

General:

- (1) Current Annual Distribution to Alaris is calculated as the total contractual Distribution owed to Alaris from each Partner over the 12-month period following the Partner's most recent fiscal year-end per Alaris' agreements with each Partner. In certain cases, the Current Annual Distribution collected will be materially less than what is displayed in this column (see notes for ccComm and SCR) due to certain amendments to agreements with these Partners, likely due to the underperformance of the business. Due to the timing of receiving audited annual financial information from each Partner and the filing of this AIF, most of the adjustments to the Current Annual Distribution are based on estimates of the percentage change in the performance metric for the most recently completed fiscal year of each of our Partners. Specifically, for all Partners listed in this table, the Current Annual Distribution is an estimate based on internal unaudited financial statements until audited results confirm the annual percentage change.

- (2) The Current Annual Distribution, Annual % Change in Performance Metric and annual ECR are calculated based on the fiscal year-end of the Partner, not Alaris' fiscal year-end. For information about revenues Alaris received from each Partner during Alaris' fiscal year ending December 31, 2020, please refer to Alaris' audited financial statements and management discussion and analysis for the year ended December 31, 2020, both of which have been filed under our profile at www.sedar.com.
- (3) The Annual % Change in Performance Metric reflects the change in the relevant performance metric at the end of each Partner's fiscal year compared against the prior fiscal year. The change in the relevant performance metric is used to calculate the annual Distributions payable to Alaris for the next fiscal year for each Partner. The performance metric is calculated using audited financial statements once they are received from each Partner. However, in most instances, for the purposes of this AIF, the Performance Metric has been estimated based on internal unaudited financial information. Specifically, for all Partners listed in this table, the Annual % Change in Performance Metric is an estimate based on internal unaudited financial statements until audited results confirm the annual percentage change. The Annual % Change in Performance Metric estimated in the 2020 AIF for the fiscal year 2019 is now updated with the actual change upon having received audited statements from each Partner. Any material variances will be listed in the footnotes below under each Partner.
- (4) Management uses the annual ECR to evaluate a Partner's ability to pay our Distributions. It is defined as normalized EBITDA divided by interest, principal repayments, unfunded capital expenditures and Distributions to Alaris. Such ratio indicates the number of times a Partner's fixed commitments can be covered by such Partner's earnings. As a failure to meet such commitments may mean a default under the terms of any such commitment, this ratio indicates the available margin of safety and, therefore, the risk involved in determining a Partner's ability to pay its commitments when business activity slows. A ratio of 1.0 or higher is generally considered sufficient by Management to demonstrate a company's ability to pay its distributions to Alaris. The annual ECR, in the table above, for the most recently completed fiscal year ending 2020 for each Partner, was calculated using either: (a) audited financial statements of a Partner for its most recent fiscal year; or (b) unaudited internal financial statements prepared by management of the Partner where audited financial statements are not yet available. Specifically, for all Partners listed in this table, the annual ECR for each Partner's fiscal 2020 is based on internal unaudited financial statements until audited results confirm the annual ECR. All ECR's for 2018 and 2019 are based on audited information. Where a Distribution was only payable for a partial fiscal year of a Partner, the annual ECR was calculated using a proforma capital structure to reflect the balance sheet following the Alaris contribution, which assumes a full year of Distributions to Alaris for such fiscal year and a full year of interest and principal payments on proforma debt obligations.

3E:

- (5) % Change in "**Gross Profit**" – "Gross Profit" means, for any specified period, all revenues (less cost of sale expenses) of 3E and its affiliates (collectively, the "**3E Group**") for such period, calculated on a consolidated basis in accordance with GAAP and on a basis consistent with past practice. Gross Profit of any new business line, entity or division commenced or opened by the 3E Group or acquired will be excluded from the definition of "gross profit" until such new business has been operated by the 3E Group for at least 12 months. In addition, the gross profits from any business line, entity or division that is terminated, closed, sold, transferred or otherwise assigned to a non-affiliated person will be excluded from "gross profits" in respect of both the fiscal year in which the business is terminated and the preceding fiscal year. The % change in gross profit is subject to a collar of 6% (plus or minus).
- (6) The Distribution from 3E will reset for the first time on January 1, 2022. Therefore, there was no estimated change to the performance metric based on 2018, 2019 or 2020 financial results.

Accscient:

- (7) % Change in "**Gross Profit**" – "Gross Profit" means, for any specified period, all gross revenues of Accscient and its affiliates (collectively, the "**Accscient Group**") for such period, less credit memos issued, consultant costs, consultant expenses, employee health insurance, employee payroll costs, employee payroll taxes, project-based wages, sub-contractor costs and W-2 employee expenses and per diem expenses, calculated on a consolidated basis in accordance with GAAP and on a basis consistent with past practice. Gross Profit of any new business line, entity or division commenced or opened by the Accscient Group or acquired will be excluded from the definition of "gross profit" until such new business has been operated by the Accscient Group for at least 12 months. In addition, the gross profits from any business line, entity or division that is terminated, closed, sold, transferred or otherwise assigned to a non-affiliated person will be excluded from "gross profits" in respect of both the fiscal year in which the business is terminated and the preceding fiscal year. The % change in gross profit is subject to a collar of 5% (plus or minus).

Amur:

- (8) % Change in "**Gross Revenue**" – "Gross Revenue" means, for any specified period, all revenues of the Company and its subsidiaries for such period, determined on a consolidated basis in accordance with ASPE; provided, that: (a) in the event any new business is commenced by the Company in a new legal entity in a New Geographic Region or the Company commences any new line of business other than (i) unsecured consumer lending or (ii) residential mortgage lending and origination and related services (each a "**New Business**") (other than by acquisition as described in the following clause (b)) and provided that any New Business

that is not carried out in a new legal entity must be accounted for as a separate division or otherwise have segregated financial information for financial reporting purposes, the operating revenues attributable to such New Business will not be included in Gross Revenues for any period until the first Fiscal Year that begins after the completion of 12 calendar months after the date on which such New Business generates its first dollar of operating revenue, except as otherwise provided in clause (c) below, and then the applicable operating revenues attributable to such New Business shall be included in the calculation of Gross Revenue in respect of both such Fiscal Year and in the calculation of Gross Revenue in respect of the next immediately preceding Fiscal Year, and for further clarity, both Alpine Credits Manitoba Limited and Alpine Credits Quebec shall be considered a "New Business" which have not yet generated their first dollar of operating revenue; (b) in the event any business is acquired from an Independent Third Party by any of the company or its Subsidiaries, whether by way of share purchase, asset purchase, amalgamation, merger, arrangement, reorganization or other business combination (each, an "**Acquired Business**"), the revenues attributable to such Acquired Business will not be included in the calculation of Gross Revenue for any period until the first Fiscal Year that begins after the completion of 12 calendar months following the effective date of the acquisition of such Acquired Business, and then the applicable revenues attributable to such Acquired Business shall be included in the calculation of Gross Revenue in respect of both such Fiscal Year and in the calculation of Gross Revenue in respect of the next immediately preceding Fiscal Year; and (c) in the event any business line of the Business is terminated, closed, sold, transferred or otherwise assigned to any Independent Third Party (each, a "**Terminated Business**"), then the revenues attributable to such Terminated Business shall be removed from the calculation of Gross Revenue in respect of both the Fiscal Year in which the Terminated Business is terminated and from the calculation of Gross Revenue in respect of the next immediately preceding Fiscal Year; and provided further, that no new contract, engagement or other agreement or arrangement with any client, customer, contractor, sub-contractor, partner or joint venturer, and no renewal, extension or other modification or any termination of any such contract, engagement or other agreement or arrangement, shall at any time, in and of itself, be considered a New Business, an Acquired Business or a Terminated Business. The % change in Gross Revenue is subject to a collar of 6% (plus or minus).

- (9) The Distribution from Amur reset for the first time on January 1, 2021. Therefore, there was no estimated change to the performance metric based on 2018 or 2019 financial results. Amur declared aggregate dividends in 2020 of \$0.7 million (2019 - \$0.7 million) on the common equity Alaris holds in Amur.

Body Contour Centers:

- (10) % Change in "**Same Clinic Revenue**" – "Same Clinic Revenue" means all revenue attributable to BCC and all affiliates ("**BCC Group**"), determined on a consolidated basis in accordance with GAAP. In the event any new business line, procedure or service (excluding any New Surgical Center or New Consult Center) (each, a "**New Business Line**") is opened, revenue attributable to such New Business Line will be included in Same Clinic Revenue in the period in which such revenue is generated. In the event any new surgical center (a "**New Surgical Center**") is opened, no revenue attributable to such New Surgical Center will be included in Same Clinic Revenue until the first Fiscal Year that begins after the completion of 12 calendar months following the date on which such New Surgical Center generates its first dollar of revenue. In the event any new consult center (each, a "**New Consult Center**") is opened, no revenue attributable to such New Consult Center will be included in Same Clinic Revenue until such time as the New Surgical Center with which the consulting centre is affiliated has been included in Same Clinic Revenue. If any surgical center or consulting center is acquired from an independent third party, revenue attributable to such acquired center will not be included in Same Clinic Revenue until the first fiscal year that begins after the completion of 12 calendar months following the effective date of the acquisition of such acquired business. In the event any business line, procedure, service or product offering, surgical center or consult center is terminated, closed or liquidated, or sold, transferred or otherwise assigned to an independent third party, the revenue attributable to such business be excluded from "same clinic revenue" in respect of both the fiscal year in which the business is terminated and the preceding fiscal year. The % change in Same Clinic Revenue is subject to a collar of 6% (plus or minus).
- (11) The Distribution from BCC reset for the first time on January 1, 2020. Therefore, there was no estimated change to the performance metric based on 2018 financial results.

Brown & Settle:

- (12) % Change in "Gross Revenues" - "Gross Revenues" means all revenues attributable to all entities within Brown & Settle for the specified period. Gross revenues of any new division or any acquired business will be excluded from the definition of "gross revenues" until such new business has been a part of Brown & Settle for at least 12 months. In addition, the gross revenues from any business that is sold, transferred or otherwise assigned to a non-affiliated person will be excluded from "gross revenues" for the fiscal year in which it is being calculated and any comparison year utilized in calculating the percentage change in gross revenues. The % change in gross revenues is subject to a collar of 6% (plus or minus).
- (13) The Distribution from Brown & Settle reset for the first time on January 1, 2022. Therefore, there was no estimated change to the performance metric based on 2018, 2019 or 2020 financial results.

Carey Electric:

- (14) % Change in "Gross Revenues" - "Gross Revenues" means all revenues attributable to all entities within Carey Electric for the specified period. Gross revenues of any new division or any acquired business will be excluded from the definition of "gross revenues" until such new business has been a part of Carey Electric for at least 24 months. In addition, the gross revenues from any business that is sold, transferred or otherwise assigned to a non-affiliated person will be excluded from "gross revenues" for the fiscal year in which it is being calculated and any comparison year utilized in calculating the percentage change in gross revenues. The % change in gross revenues is subject to a collar of 5% (plus or minus).
- (15) The Distribution from Carey reset for the first time on January 1, 2022. Therefore, there was no estimated change to the performance metric based on 2018, 2019 or 2020 financial results. Carey declared aggregate dividends in 2020 of US\$0.34 million on the common equity Alaris holds in Carey.

ccComm:

- (16) % Change in "**Gross Revenues**" - "Gross Revenues" are defined as all operating revenues of ccComm and its affiliates (collectively the "**ccComm Group**") for a specified period, less the "total overlay" for such period plus the "continuing service award", determined on a consolidated business in accordance with GAAP. Gross revenues of any new business line, entity or division commenced or opened by the ccComm Group or acquired will be excluded from the definition of "gross revenues" until such new business has been operated by the ccComm Group for at least 18 months (12 months in the case of an acquisition). In addition, the gross revenues from any business line, entity or division that is terminated, closed, sold, transferred or otherwise assigned to a non-affiliated person will be excluded from "gross revenues" in respect of both the fiscal year in which the business is terminated and the preceding fiscal year. The % change in gross revenues is subject to a collar of 6% (plus or minus).
- (17) Alaris deferred distributions from ccComm beginning in February 2020, and any future amounts paid in 2021, will depend on the continued financial performance of ccComm in 2021. Therefore, the actual amount of Distributions paid to Alaris will be less than US\$2.35 million in 2021. Alaris is currently not using any distributions from ccComm in its run-rate analysis.
- (18) The estimate for the percentage change in performance metric for 2019 at the time of publishing the 2019 AIF was 0% for ccComm. After receiving their audit for the fiscal year ended December 31, 2019, the reset came in at +6% due to audit adjustments. This adjustment did not impact their distributions to Alaris as all distributions were deferred beginning in February 2020.

DNT:

- (19) % Change in "**Gross Revenues**" - "Gross Revenues" means all operating revenues of all entities within DNT and its affiliates (the "**DNT Group**") for the specified period. Gross revenues of any new division or any acquired business will be excluded from the definition of "gross revenues" until such new business has been a part of the DNT Group for at least 24 months. In addition, the gross revenues from any business that is sold, transferred or otherwise assigned to a non-affiliated person will be excluded from "gross revenues" for the fiscal year in which it is being calculated and any comparison year utilized in calculating the percentage change in gross revenues. The % change in gross revenues is subject to a collar of 6% (plus or minus). In March 2020, DNT and Alaris agreed to fix the distributions for 2020 and 2021 to smooth out the impact of a 6% increase in 2020 and a 6% decrease in 2021.

Edgewater:

- (20) % Change in "**Gross Profit**" - "Gross Revenues" means, for any specified period, all sales, less cost of goods sold (excluding any allocation of overhead) of all Edgewater and its affiliates (collectively, "**Edgewater**") for such period, determined on a consolidated basis in accordance with GAAP. Gross Profit of any new business line, entity or division commenced or opened by Edgewater or acquired will be excluded from the definition of "gross profit" until such new business has been operated by Edgewater for at least 12 months. In addition, the gross profit from any business line, entity or division that is terminated, closed, sold, transferred or otherwise assigned to a non-affiliated person will be excluded from "gross profit" in respect of both the fiscal year in which the business is terminated and the preceding fiscal year. The % change in gross profit is subject to a collar of 6% (plus or minus).
- (21) The Distribution from Edgewater will reset for the first time on January 1, 2022. Therefore, there was no estimated change to the performance metric based on 2018, 2019 or 2020 financial results.

FNC:

- (22) % Change in "Gross Profit" - "Gross Profit" means, for any specified period, all revenue of FNC, for such period, determined on a consolidated basis in accordance with GAAP consistently applied, less Cost of Goods Sold. Gross Profit of any new business line, entity, division, service, product offering or business assets acquired from an independent third party by any entity within FNC will be excluded from the definition of "gross profit" until the first Fiscal Year that begins after the completion of 12 calendar months

following the effective date of the acquisition of such Acquired Business. In addition, the gross profit from any business line, entity, office, division, service or product offering of FNC that is terminated, closed, sold, transferred or otherwise assigned to an independent third party will be excluded from "gross profit" in respect of both the fiscal year in which the business is terminated and the preceding fiscal year. The % change in gross profit is subject to a collar of 7% (plus or minus).

- (23) The Distribution from FNC will reset for the first time on January 1, 2022. Therefore, there was no estimated change to the performance metric based on 2020 financial results.

Federal Resources:

- (24) % Change in "**Gross Revenues**" – "Gross Revenues" means for any specified period all operating revenues of Federal Resources and its affiliates (the "**FR Group**") for such period. Gross revenues of any new business line, division or any acquired business will be excluded from the definition of "gross revenues" until such new business has been a part of the FR Group for at least 24 months. In addition, the gross revenues from any business that is sold, transferred or otherwise assigned to a non-affiliated person will be excluded from "gross revenues" for the fiscal year in which it is being calculated and any comparison year utilized in calculating the percentage change in gross revenues. The interest on the Alaris FR Loan is fixed at US\$7.05 million per year and is not adjusted based on a change in Gross Revenue. However, commencing on January 1, 2017, the FR Shares entitle Alaris to receive an annual dividend based on any increase in Gross Revenues, subject to a 6% collar, with such initial dividend being adjusted (up or down) annually based on the change in Gross Revenues, subject to a 6% collar (to the extent such annual dividend entitlement is adjusted to a negative number, Alaris will be required to contribute additional capital to Federal Resources). The preferred units of Federal Resources' wholly owned subsidiary acquired in 2016 and 2017 also provide a distribution that will be adjusted annually based on the percentage change in gross revenues, subject to the same 6% collar.

Fleet:

- (25) % Change in "**Net Revenues**" – "Net Revenues" is defined as all of the net revenues of all entities of Fleet and its affiliates for such period, determined on a consolidated basis and in accordance with an agreed-upon formula. Net Revenues of any new business line, entity or division acquired from an independent third party will be excluded from the definition of "net revenues" until the first Fiscal Year that begins after the completion of 12 calendar months following the effective date of the acquisition of such acquired business. In addition, the net revenues from any business line, entity or division that is terminated, closed, sold, transferred or otherwise assigned to an independent third party will be excluded from "net revenue" in respect of both the fiscal year in which the business is terminated and the preceding fiscal year. The % change in gross revenues is subject to a collar of 6% (plus or minus).
- (26) The Distribution from Fleet reset for the first time on January 1, 2020. Therefore, there was no estimated change to the performance metric based on 2018 financial results.

GWM:

- (27) % Change in "**Gross Revenues**" – "Gross Revenue" means, for any specified period, all gross revenue of GWM and its subsidiaries (collectively, the "**GWM Group**") for such period, determined on a consolidated basis in accordance with GAAP. Gross revenues of any new business line that is commenced or opened by the GWM Group will be excluded from the definition of "gross revenues" until the first fiscal year that begins after the completion of 24 months after the date on which such new business generates its first dollar of operating revenue. Gross revenues of any new business line, entity or division acquired from a third party will be excluded from the definition of "gross revenues" until such new business has been a new business of the GWM Group for at least 12 months. In addition, the gross revenues from any business line that is terminated, closed, sold, transferred or otherwise assigned to an independent third party will be excluded from "gross revenues" in respect of both the fiscal year in which the business is terminated and the preceding fiscal year. The % change in gross revenues is subject to a collar of 8% (plus or minus).
- (28) The Distribution from GWM reset for the first time on January 1, 2020. Therefore, there was no estimated change to the performance metric based on 2018 financial results.

Heritage:

- (29) % Change in "**Gross Profit**" – "Gross Profit" means, for any specified period, all sales net of returns, allowances and sales discounts, less cost of goods sold (including materials, equipment rental, direct labor, fringe benefits/burden and fees and expenses of subcontractors) of all Heritage and its affiliates (collectively, the "**Heritage Group**") for such period, determined on a consolidated basis in accordance with GAAP. Gross Profit of any new business line, entity or division commenced or opened by the Heritage Group or acquired will be excluded from the definition of "gross profit" until such new business has been operated by the Heritage Group for at least 12 months. In addition, the gross profit from any business line, entity or division that is terminated, closed, sold, transferred or otherwise assigned to a non-affiliated person will be excluded from "gross profit" in respect of both the fiscal year in which the business is terminated and the preceding fiscal year. The % change in gross profit is subject to a collar of 6% (plus or minus).

Kimco:

- (30) % Change in "**Gross Revenues**" – "Gross Revenues" is defined as all operating revenues of Kimco and its affiliates (collectively, the "**Kimco Group**") for a specified period, less provision for bad debts and discounts to customers made in the ordinary course of business consistent with past practice, as determined on a consolidated basis. Gross revenues of any new business acquired by the Kimco Group will be excluded from the definition of "gross revenues" until such new business has been operated by the Kimco Group for at least 24 months. In addition, the gross revenues from any business that is sold, transferred or otherwise assigned to a non-affiliated person will be excluded from Gross Revenues for the fiscal year in which it is calculated, and such gross revenues will be excluded from any prior comparison year utilized in calculating the percentage change in gross revenues. The % change in gross revenues is subject to a collar of 6% (plus or minus).
- (31) In 2020 Kimco resumed full payment of Distributions, and we collected \$4.4 million. Alaris expects to collect full distributions on an ongoing basis, with the full 2021 distribution of \$4.7m being used in its run-rate analysis. As previously disclosed and as indicated by the ECR being below 1.0x in 2018 and 2019, Kimco had not been paying full distributions to Alaris and had stopped paying distributions to Alaris in June 2015, with the exception of US\$0.6 million of distributions in 2018.
- (32) The estimate for the percentage change in performance metric for 2020 at the time of publishing the 2019 AIF was 0.0% for Kimco. After receiving their audit for the fiscal year ended December 31, 2019, the reset came in lower at -5.8% due to audit adjustments.
- (33) The ECR for Kimco's fiscal year-end 2019 was calculated using the actual distributions paid to Alaris of nil.
- (34) The ECR for Kimco's fiscal year-end 2018 was calculated using actual distributions paid to Alaris (US\$0.9 million). If you were to use the contractual amounts owed to Alaris, the ECR would still be below 1.0x for the period.

LMS:

- (35) % Change in "**Gross Profit**" – "Gross Profit" means LMS' net sales less its cost of sales for the applicable fiscal year. Net sales include all sales (including brokerage sales) net of bad debts and sales credits. Gross profit for any new business acquired shall not be included in the calculation of gross profit for the purposes of adjusting the Distribution payable to Alaris until such business has been operated by LMS for at least 36 months. In addition, any gross profit attributed to a disposition by LMS shall not be included in the calculation for adjusting the Distribution payable to Alaris. The % change in gross profits is not subject to any collar (plus or minus) other than the distributions associated with the US\$4.5 million contribution Alaris made to LMS in March 2016, for which the collar is plus or minus 6%.
- (36) The estimate for the percentage change in performance metric for 2019 at the time of publishing the 2019 AIF was 30% for LMS. After receiving their audit for the fiscal year ended December 31, 2019, the reset came in higher at 34.4%.

PFGP:

- (37) % Change in "**Same Club Revenues**" – "Same Club Revenues" are defined as all operating revenues derived from the Planet Fitness® clubs operated by PFGP and its affiliates, excluding revenues from clubs that have not been open for 24 months (or 12 months following an acquisition of a Planet Fitness® club from another franchise owner in the system). The % change in same club revenues is subject to a collar of 5% (plus or minus). In addition, Same Club Revenues from any business/club that is sold, transferred or otherwise assigned will be excluded from Same Club Revenues for the fiscal year in which it is being calculated and any comparison year.
- (38) Alaris and PFGP agreed on a fixed monthly payment of US\$333,333 (US\$4.2 million annually) for January to June 2021, and a return to full distributions in July is dependent on compliance with PFGP's senior debt covenants.
- (39) The ECR for 2020 is based on actual distributions paid to Alaris during the period. If you included all distributions owed to Alaris during the period, the ECR would be below 1.0x.
- (40) The ECR for 2019 is based on actual distributions paid to Alaris and proforma changes to their debt servicing obligations as part of refinancing in July 2019. The ECR of 1.3x was revised downward (from 1.5 to 2.0x) as a higher amount of growth capital expenditures was financed through cash flow rather than financed with debt.

SCR:

- (41) % Change in "**Gross Revenues**" – "Gross Revenues" is defined as all gross revenues of SCR and its subsidiaries excluding any one-time non-recurring revenue, bad debts and amounts arising solely due to a change in generally accepted accounting principles. Gross revenues attributable to a new business are not included in the calculation of gross revenues until such new business has been a new business of SCR for at least 24 months. The % change in gross revenues is subject to a collar of 6% (plus or minus).

- (42) In 2021, Alaris renegotiated SCR's distribution to consist of a fixed monthly payment of \$350,000 (\$4.2 million annually) and a variable-sweep payment to be calculated semi-annually based on cash flows of the Company. These sweep payments are to be calculated based on June 30 and December 31 results and will be recorded once received. Based on current cash flow over the most recent twelve-month period, additional distributions to Alaris would be approximately \$1.8 million, for an expected total of \$6 million annually.
- (43) The interim ECR for 2019 at the time of publishing the 2019 AIF was in the 1.5x - 2.0x range for SCR. After receiving their audit for the fiscal year ended December 31, 2019, the actual ECR came in higher at 3.4x. The ECR was based on the annualized Distributions of \$350,000 per month, or \$4.2 million annually. If you include all distributions owed to Alaris in the ECR calculation for 2019, the number would be between 1.5x and 2.0x.
- (44) The ECR for 2018 is based on the actual amount SCR paid Alaris in 2018 (\$1.65 million). If you include all distributions owed to Alaris in the ECR calculation for 2018, the number would be below 1.0x.

Stride:

- (45) % Change in "**Gross Revenues**" – "Gross Revenue" means, for any specified period, all revenue attributable to all entities within the Stride Group for such period, determined on a consolidated basis in accordance with GAAP; provided, that the revenue for any period of any entity within the Stride Group attributable to the Stride business that is not wholly owned, directly or indirectly, by the Trust, shall be included in "Gross Revenue" for such period only to the extent proportional to the percentage of the Equity Interest in such entity owned, directly or indirectly, by the Trust during such period; and provided further, that for purposes of the calculation of any annual adjustment to any class of Preferred Distribution: (i) in the event that any business line, entity, division, service, product offering or business assets is or are acquired from an Independent Third Party by any entity within the Stride Group, whether by way of Equity Interest purchase, asset purchase or license, consolidation, merger, reorganization or otherwise (each, an "**Acquired Business**"), no revenue attributable to such Acquired Business will be included in Gross Revenue until the first Fiscal Year that begins after the completion of 12 calendar months following the effective date of the acquisition of such Acquired Business (for the avoidance of doubt, such inclusion in Gross Revenue of revenue attributable to such Acquired Business for a Fiscal Year shall require that revenue attributable to such Acquired Business for the immediately preceding Fiscal Year be included in the comparison period for purposes of the calculation of any annual adjustment, except as otherwise provided in this definition of "Gross Revenue"); and (ii) in the event that any business line, entity, office, division, service or product offering of the Stride Group is terminated, closed or liquidated, or sold, transferred or otherwise assigned to an Independent Third Party after the Preferred Unit Original Issue Date (each a "**Terminated Business**"), the revenue attributable to such Terminated Business shall be excluded from Gross Revenue in respect of both the Fiscal Year in which the Terminated Business is terminated, closed, liquidated, sold, transferred or otherwise assigned and the immediately preceding Fiscal Year; and provided further, that no new contract, engagement or other agreement or arrangement with any client, customer, contractor, sub-contractor, partner or joint venture and no modification or termination of any such contract, engagement or other agreement or arrangement, shall at any time, in and of itself, be considered an Acquired Business or Terminated Business. The % change in gross revenues is subject to a collar of 6% (plus or minus).
- (46) The Distribution from Stride will reset for the first time on January 1, 2021. Therefore, there was no estimated change to the performance metric based on 2018 or 2019 financial results.
- (47) The interim ECR for 2019 at the time of publishing the 2019 AIF was in the 1.5x - 2.0x range for Stride, which included the contemplated \$4.0 million of incremental investment. After receiving their audit for the fiscal year ended December 31, 2019, and the funding of the incremental \$4.0 million not occurring, the actual ECR came in higher at 3.5x.

Unify:

- (48) % Change in "**Gross Revenues**" – "Gross Revenues" is defined as all operating revenues of Unify and its affiliates (collectively the "**Unify Group**") for a specified period. Gross revenues of any new business line, entity or division commenced or opened by Unify or acquired will be excluded from the definition of "gross revenues" until such new business has been a part of the Unify Group for at least 24 months (12 months in the case of an acquisition). In addition, the gross revenues from any business line, entity or division that is terminated, closed, sold, transferred or otherwise assigned to a non-affiliated person will be excluded from "gross revenues" in respect of both the fiscal year in which the business is terminated and the preceding fiscal year. The % change in gross revenues is subject to a collar of 5% (plus or minus).
- (49) The Distribution from Unify will reset for the first time on January 1, 2021, due to Alaris' additional investment in Unify in December 2019. Therefore, while Unify's performance metric shows an increase of +5.0% for 2019, no adjustment to the Distribution received from Unify will be realized until January 1, 2021.
- (50) The ECR for the fiscal year ending December 31, 2019, included the additional contribution from Alaris on December 12, 2019, and other changes to the capital structure. If the actual distributions to Alaris and debt servicing payments were used, the ECR for the fiscal year ending December 31, 2019, would have been in excess of 2.0x.

As of the date of this AIF, except as otherwise disclosed herein, all of our Partners were in material compliance with the terms of their agreements with Alaris.

RISK FACTORS

Our securities are exposed to a number of risks, including the risk described below and under the heading "*Special Note Regarding Forward-Looking Statements, Non-IFRS Measures and U.S. Investors*". Alaris' risk factors described below comprise risks that we know about and that we consider material to our business or results of our operations. The innovative financing structure we use to invest in private businesses involves unique risks together with the other risks present in the industry as a whole. When considering an investment in Trust Units, investors and others should carefully consider these risk factors and other uncertainties and potential events that may adversely affect our business and financial performance. We operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time, and it is not possible for Management to predict all risk factors or the effect of such factors on our business, reputation, financial condition, cash flows, ability to pay predictable and stable Trust Distributions, response to changes in our industry, our ability to complete strategic acquisitions or divestitures in an efficient manner or at all or the market price of our Trust Units.

We have organized our risks as follows:

- COVID-19 Risks.
- Strategic Risk Factors Relating to our Business.
- Operational and Financial Risk Factors Relating to our Business.
- Risk Factors Relating to our Partners.

COVID-19 RISKS

The global COVID-19 outbreak has caused disruptions to the U.S. and Canadian economies and has, and may continue to, negatively impact certain Partners

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 been implementing legislation to combat the spread of COVID-19. In response to the general economic effects of COVID-19 (including in respect of our Partners), Alaris announced in March 2020 that it would switch 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 (which, after the Arrangement, was increased to \$1.24 per Trust Unit annually, an increase of approximately 7% over the last quarterly dividend paid by the Trust). Alaris and its Partners have experienced and may continue to experience negative impacts from the COVID-19 outbreak. The long-term extent of such impacts is 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, reduced hours of business operations, forced closures, mandated social distancing, isolation 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 its Partners and thus may impact the ability of our 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, Alaris' ability 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 (including under the Senior Debt Facility) and Alaris' ability to pay Trust Distributions and make interest and principal payments to holders of our convertible debentures.

When the COVID-19 pandemic subsides, its impact may have lasting effects on our and our Partners' businesses and operations. U.S. and Canadian consumer practices and demands may have changed permanently compared to before COVID-19, including continued social distancing, which could adversely affect certain of our Partners. Our Partners' inability to adapt to these and other COVID-19 changes could adversely impact their ability to pay Partner Distributions.

STRATEGIC RISK FACTORS RELATING TO OUR BUSINESS

We depend on our Partners' operations, assets and financial health

We depend on the operations, assets and financial health of our Partners through our agreements with them. Our ability to pay distributions, to satisfy our debt service obligations and to pay our operating expenses depends on our Partners' consistent payment of Distributions, our sole source of cash flow. Increases or decreases to Distributions generally follow the percentage change of each Partner's revenues, same-store sales, gross margin or other similar top-line measures. As a result, subject to certain conditions, if the financial performance of a Partner declines with respect to the applicable performance measure, Distributions will decline. The failure of any material Partner (or collectively several non-material Partners) to pay its Distribution could materially adversely affect our financial condition and cash flows. Each Partner may have liabilities or other matters that we do not identify through our due diligence or ongoing communications and monitoring procedures, which may have a material adverse effect on the Partners and the applicable performance measure.

While the Trust's subsidiaries have certain rights and remedies available to them under the terms of the agreements with the Partners, such rights and remedies, including the right to receive our Distributions, are generally subordinated to the payment rights and security interests of the Partner's senior lenders, such as through standstill provisions limiting our exercise of certain remedies until the senior debt is fully paid or for a specified period.

Because Alaris generally has limited voting rights in our Partners, our ability to exercise direct control or influence over the operations of our Partners may be limited (except for our consent rights and when there has been an uncured event of default and required Partner Distributions have not been made as more particularly described under the heading "*Summary of Partner Agreements*"). Further, Alaris' consent rights and remedies are generally subordinated to the rights of and/or require the consent of our Partners' senior lenders and may also be subject to additional regulatory restrictions applicable to a Partner or the industry they operate in. Payment of Distributions therefore depends upon several factors that may be outside our control.

During the onset of the COVID-19 pandemic, certain material Partners suspended or decreased Distributions, and several Partners applied for financial support under the U.S. Coronavirus Aid, Relief, and Economic Security Act ("**Cares Act**"). To help facilitate such Partners' application for relief under the Cares Act and to help ensure they received the financial assistance they required to address the economic uncertainty they were facing at the time, Alaris agreed to waive certain consent rights and remedies for the period that a Partner holds indebtedness under the Cares Act. While such waivers remain in place, Alaris' ability to enforce all of its rights under our agreements with the applicable Partners may be limited. Payment of Distributions therefore depends upon several factors that may be outside of Alaris' control. The agreements with the Partners also provide the Partners with an ability to purchase, repay or redeem Alaris' investment therein. If a material Partner or a series of Partners that collectively represent a material amount of revenues, purchases, repays or redeems Alaris' equity and we are not able to redeploy the proceeds in a favourable manner into new or existing Partners, it could have a material adverse impact on the business of Alaris, including the revenues generated thereby.

There is generally no publicly available information, including audited or other financial information, about our Partners and their boards of directors and management are not subject to the same governance and disclosure requirements applicable to Canadian public companies. Therefore, we rely on our Management and third-party service providers to investigate the business of each Partner. However, neither our due diligence efforts nor our ongoing monitoring procedures can provide assurance that we will uncover all material information about a Partner necessary to make fully informed decisions. In addition, our due diligence and monitoring procedures will not necessarily ensure that an investment will succeed. Partners may have significant variations in operating results; may from time to time be parties to litigation; may be engaged in rapidly changing businesses; may expand business operations to new jurisdictions or business lines; may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position; or may experience adverse changes in their business cycle or in the industries in which they operate.

Numerous factors may affect the quantum of a Distribution or the ability of a Partner to maintain its Distribution obligations, including: its failure to meet its business plan; regulatory or other changes affecting its industry; integration issues related to acquisitions, new locations or new business lines; a downturn in its industry; negative economic conditions; changes in legislation or regulations governing a business or industry; material changes in the unaudited information provided to Alaris; disruptions in the supply chain; disputes with suppliers, customers, or service providers or changes in arrangements with them; and working capital or cash flow management issues. Deterioration in a Partner's financial condition and prospects may cause or coincide with a material reduction in the amount of its Distributions. See "*Risk Factors Relating to our Partners*".

We are subject to risks affecting any new Partners

The businesses of any new Partners may be subject to one or more of the risks referred to under the heading "*Risk Factors Relating to our Partners*" or similar risks and may be subject to other risks particular to such business or businesses. A material change in a Partner's business or its ability to pay Distributions could have an adverse effect on our business.

We may not complete or realize the anticipated benefits of our Partner arrangements

A key element of our growth plan is adding new Partners and making additional investments in existing Partners in the future. We cannot guarantee our ability to identify and complete new investment opportunities. Achieving the benefits of future investments will depend in part on successfully identifying and capturing opportunities in a timely and efficient manner and in structuring such arrangements to ensure a stable and growing stream of Distributions. From time to time, Alaris has been required to grant concessions to certain Partners to help them manage their debt covenants, working capital or for other reasons. Such concessions may create temporary or permanent reductions in the Partner's payment of Distributions, which may negatively affect our operations, financial condition or cash flows. There are also no guarantees that the perceived benefits of such concessions will, in fact, exist.

We have limited diversification in our Partners

Although Alaris currently has 20 Partners and diversification continues to improve, Alaris does not have stringent fixed guidelines for diversification for our Partners. At any given time, a significant portion of our assets may be dedicated to a single business or industry. If any single Partner or industry does not succeed or experiences a downturn, this could have a material adverse effect on our business, results from operations and financial condition.

Our business and the business of each Partner is subject to changes in North American and international economic conditions, including recessionary or inflationary trends, capital market volatility, consumer credit availability, interest rates, currency exchange rates, consumers' disposable income and spending levels, job security and unemployment, corporate taxation and overall consumer confidence. Market and political events and other conditions, including reactions to the COVID-19 pandemic, disruptions in the international credit markets and other financial systems, may result in a deterioration of global economic conditions. These conditions could cause a decrease in confidence in the broader North American and global credit and financial markets and create a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Despite various actions by governments, from time to time, there may be concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions. These factors could negatively impact company valuations and impact the performance of the global economy. A return of any of these negative economic events could have a material adverse effect on our business and our Partners' business, financial condition, results of operations and cash flows. For specific risks related to COVID-19, see "*Risk Factors—COVID-19 Risks*" and "*Risk Factors—Risks relating to all of our Partners generally—Public health crises, epidemics and pandemics may negatively impact our Partners' business continuity*".

In addition, geopolitical events may, directly or indirectly, disrupt financial markets in North America. In particular, conflicts, or conversely peaceful developments, arising in the Middle East, Asia or Eastern Europe and other areas of the world that significantly impact the price of important commodities can negatively affect financial markets and the global economy. Any such negative impacts could have a material adverse effect on our and our Partners' businesses, financial condition, results of operations and cash flows.

Our ability to manage future growth and carry out our business plans may have an adverse effect on our business and our reputation

Our ability to sustain continued growth depends on our ability to identify, evaluate and contribute financing to potential Partners that meet our criteria. Accomplishing such a result on a cost-effective basis largely depends on Alaris' sourcing capabilities, our management of the investment process, our ability to provide capital on terms that are attractive to private businesses and our access to financing on acceptable terms. As Alaris grows, we will also need to hire, train, supervise and manage new employees. Failure to effectively manage future growth or to execute on our business plans to add new Partners could have a material adverse effect on our business, reputation, financial condition and results of operations. We also rely on our reputation to maintain positive relationships with our investors and other stakeholders and with investment banks and other investment sources to receive

potential Partner opportunities. Any action that undermines the public or an investment source's opinion of Alaris may adversely affect our unit price or continued growth.

We face competition with other investment entities

Alaris competes for investment opportunities with many private equity funds, mezzanine funds, equity and non-equity-based investment funds, royalty companies and other institutional and strategic investors, including the public and private capital markets and senior debt providers. Some of our competitors, particularly those operating in the United States, are substantially larger and have considerably greater financial resources and more diverse funding structures than Alaris. Competitors may have a lower cost of funds, and many have access to funding sources and unique structures that are unavailable to Alaris. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships and build their market shares and use high amounts of leverage to increase valuations given to entrepreneurs. There is no assurance that the competitive pressures that we face will not have a material adverse effect on our business, financial condition and results of operations. As a result of this competition, we may be unable to take advantage of attractive investment opportunities, and there can be no assurance that Alaris will be able to identify and make investments that satisfy our business objectives or that we will be able to meet our business goals.

Potential Investment Opportunities

Alaris regularly evaluates, considers and engages in discussions with respect to potential investment opportunities that it believes may assist it in achieving its commercial and growth plans, and in connection therewith, it may at any time have outstanding non-binding letters of intent or conditional agreements which individually or together may be material. There can be no assurance that any such discussions, non-binding letters of intent or conditional agreements will result in a definitive agreement with respect to an investment and, if they do, what the terms or timing of such would be or that such investment will be completed by Alaris. If Alaris does complete any such transaction, it cannot assure investors that the transaction will ultimately strengthen its financial or operating results, prospects or competitive position or that it will not be viewed negatively by securities analysts or investors. Such transactions may also involve significant commitments of Alaris' financial and other resources, including the completion of additional financings of equity or debt (which may be convertible into equity). Any such activity may not be successful in generating revenue, income or other returns to Alaris, and the resources committed to such activities will not be available to Alaris for other purposes.

OPERATIONAL AND FINANCIAL RISK FACTORS RELATING TO OUR BUSINESS

We are subject to tax-related risks

CRA Re-Assessment

Alaris received notices of reassessment (the "**Reassessments**") from the CRA for our 2009 through 2019 taxation years to deny the use of non-capital losses, accumulated scientific research and experimental development expenditures and investment tax credits. The Reassessments seek to deny the deduction of approximately \$121.2 million of non-capital losses and utilization of \$7.6 million in investment tax credits ("**ITCs**") by the Trust, resulting in reassessed taxes and interest of approximately \$55.6 million. After filing the original notice of objection for the July 2009 taxation year, the CRA sent Alaris a further notice proposing to apply the general anti-avoidance rule to deny the ITC deductions. The proposal does not affect Alaris' previously disclosed assessment of the total potential tax liability (including interest) or the deposits required to be paid in order to dispute the CRA's reassessments.

Alaris' legal counsel advised that we should be entitled to deduct the non-capital losses and claim ITCs. As such, our opinion remains that all tax filings to date were filed correctly and that it will be successful in appealing the Reassessments. Alaris intends to continue to vigorously defend its tax filing position. To do that, Alaris was required to deposit 50% of the reassessed amounts with the CRA. As of the date of this AIF, Alaris has deposited \$20.2 million with the CRA. Alaris may also be reassessed on the same basis with respect to certain deductions taken in 2020.

Alaris anticipates that achieving a final resolution of the Reassessments will take considerable time. The payment of deposits and any taxes, interest or penalties owing should not materially impact the Trust's payout ratio. We believe we will be successful in defending our position and therefore expect that the CRA will refund any current or future deposit with interest.

International Structure

Alaris' international structure is subject to assessment and possible adjustment by any of the taxation authorities in the jurisdictions in which it operates based on differences of interpretation of the applicable tax laws and the manner in which such laws have been implemented.

On April 8, 2020, the U.S. Treasury Department and IRS published the final regulations ("**Regulations**") addressing hybrid financing arrangements. The key impact that these Regulations have on Alaris is that certain interest payments made by the Alaris' U.S. entities may no longer be deductible beginning with Alaris' 2019 tax year. The 2019 impact of these Regulations is an increase to total income tax expense of \$10.4 million, which has been recorded in the current year ended December 31, 2020. For 2020, Alaris' U.S. entities incurred a non-deductible interest expense of \$12.4 million, resulting in an increase in total income tax expense of \$3.2 million.

Furthermore, certain changes in the structure and business practices of our Partners could affect our structure. Although we are of the view that the corporate structure has been implemented correctly and is being managed and monitored properly, there can be no assurance that our Partners' business models will continue to allow us to fully benefit from our corporate structure. Where this is the case, our operating results could be adversely affected.

Mutual Fund Trust Status

The Trust may cease to qualify as a "mutual fund trust" for purposes of the Canadian *Income Tax Act* ("**Tax Act**"). 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).

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.

General

Income tax provisions, including current and deferred income tax assets and liabilities, and income tax filing positions require estimates and interpretations of federal and provincial income tax rules and regulations and judgments as to their interpretation and application to Alaris' specific situation. The business and operations of Alaris are complex, and we have executed a number of significant financings and transactions over the course of our history. The computation of income taxes payable as a result of these transactions involves many complex factors and Alaris' interpretation of and compliance with relevant tax legislation and regulations.

Our ability to recover from Partners for defaults under our agreements with them may be limited

Each Partner provides certain representations and warranties and covenants to us on the Partner and its business and certain other matters. Following a transaction with Alaris, the Partner may distribute all or a substantial portion of the proceeds that it

receives from us to its security holders or owners. If we suffer any loss because of a breach of the representations and warranties or non-compliance with any other terms of an agreement with a Partner, we may not recover the entire amount of our loss from the Partner. The Partner may not have sufficient property to satisfy our loss. In addition, our rights and remedies upon default are generally subordinated to a Partner's senior lenders, if any, or may be subject to regulatory restrictions applicable to the Partner or the industry in which they operate, which can limit our ability to recover any losses from Partners. Furthermore, a Partner may try to contest the application of our remedies, which could delay (or, if a Partner's contest succeeds, deny) the operation of our rights and remedies and add costs to Alaris.

There are risks related to Alaris' and our Partners' outstanding debt

Certain features of our outstanding debt, including the renewal of such debt on substantially similar terms, and any outstanding debt of the Partners could adversely affect our ability to raise additional capital, to fund our operations, to pay distributions, and could limit our ability to react to changes in the economy and our industry, expose us to interest rate risks and could prevent us from meeting certain of our business objectives. An inability to meet our debt covenants could cause a default under our senior credit facility, which may then require repayment of any outstanding amounts at a time when Alaris may not have sufficient cash available to make such repayment. In addition, a default under our debt facility may impact our ability to obtain future debt financing on terms favorable to Alaris. Furthermore, an inability of any material Partner (or a group of non-material Partners collectively representing a material portion of our revenues) to meet its (or their) debt covenants and a failure of a Partner to refinance or restructure its debt where necessary can affect the ability to pay Partner Distributions and therefore impact Alaris' cash flows. In addition, where a Partner has defaulted under our agreements, our right to exercise our remedies may be subordinate to the Partner's senior lender and subject to a standstill provision until the senior debt is repaid or for a specified period.

In addition, if Alaris or any of its assets becomes subject to any insolvency, bankruptcy, receivership, liquidation, reorganization or similar proceedings, Alaris' outstanding debt will rank in priority to equity holders (with the indebtedness under the senior credit facility ranking in priority to the convertible debentures and other unsecured debt).

Alaris and our Partners are subject to significant regulation

Alaris, its subsidiaries and our Partners are subject to various laws, regulations and guidelines in the jurisdictions in which they operate (including U.S. federal, state and local laws and Canadian federal, provincial and local laws) and may become subject to new laws, regulations and guidelines in the future, particularly as a result of acquisitions or additional changes to the jurisdictions in which they operate. The financial and managerial resources necessary to ensure such compliance could escalate significantly in the future, which could have a material adverse effect on Alaris' and the Partners' business, resources, financial condition, results of operations and cash flows. The same goes for any failure to maintain compliance or obtain any required approvals. Such laws and regulations are subject to change. Accordingly, it is impossible for Alaris or the Partners to predict the cost or impact of changes to such laws and regulations on their respective future operations.

There are no guarantees as to the timing and amount of our distributions

The amount of distributions paid by us will depend on several factors, including Distributions received, profitability, debt covenants and obligations, foreign exchange rate, the availability and cost of acquisitions, fluctuations in working capital, the timing and amount of capital expenditures, applicable law and other factors which may be beyond our control. We cannot guarantee Trust Distributions, which fluctuate with our performance and the performance of our Partners. There can be no assurance as to our payment of distributions we pay if any. The market value of the Trust Units may deteriorate if we cannot pay distributions in accordance with our distribution policy, or at all, in the future, and such deterioration may be material.

There are no guarantees as to the availability of future financing for operations, distributions and growth

We expect that our principal sources of funds for our operations, including our distribution, will be the cash we generate from the Distributions. We believe that funds from these sources will provide Alaris with sufficient liquidity and capital resources to meet our ongoing business operations at existing levels. Despite our expectations, Alaris may require new equity or debt financing to meet our financing and operational requirements. There can be no assurance that this financing will be available when required or available on commercially favourable terms or on terms that are otherwise satisfactory to Alaris, in which event our financial condition may be materially adversely affected.

The payout by Alaris of substantially all of our operating cash may make additional investment capital and operating expenditures dependent on increased cash flow or additional financings in the future. Alaris may require equity or debt financing to acquire interests in new Partners or make additional contributions to our current Partners. Although we have succeeded in obtaining such financing as and when required to date, there can be no assurance that such financing will be available when required or will be on commercially favourable terms. A lack of availability or commercially favourable terms could limit our growth. The ability of Alaris to arrange such financing in the future will depend in part upon the prevailing capital market conditions and our business performance.

Our ability to pay distributions is affected by the terms of our Senior Credit Facility

Our ability to pay distributions is subject to applicable laws and contractual restrictions in the instruments governing our indebtedness. The degree to which Alaris is leveraged and compliance with other debt covenants under the Senior Credit Facility could have important consequences for Unitholders including: (a) our ability to obtain additional financing for future contributions to private companies may be limited; (b) all or part of our cash flow from operations may be dedicated to the repayment of our indebtedness, thereby reducing funds available for future operations or for payment of distributions; (c) certain of our borrowings are at variable rates of interest, which exposes us to the risk of increased interest rates; and (d) we may be more vulnerable to economic downturns and be limited in our ability to withstand competitive pressures. These factors may adversely impact our cash flow and, as a result, the amount of cash available for payment of distributions.

Interest expense has been estimated to calculate our distributable cash based on current market conditions that are subject to fluctuations. Such fluctuations could lead to an unanticipated material increase in interest rates that could, in turn, have a material adverse effect on cash available to pay distributions to Unitholders.

We are subject to fluctuations in the US/Canadian dollar pairing (USD/CAD)

Most Partners pay Distributions in USD. But Alaris pays its distributions to Unitholders in CAD. We currently have currency hedges in place to manage the risk and economic consequences of foreign currency exchange fluctuations on our monthly cash flows and natural hedges such as carrying U.S. dollar-denominated debt. However, the Canadian dollar relative to the U.S. dollar is subject to fluctuations, and the currency hedges are for a limited period. There can be no guarantee that future hedges will be at rates of USD/CAD that fully protect Alaris' cash flows against major fluctuations. As a result, failure to adequately manage our foreign exchange risk could adversely affect our business, financial condition and results of operation. In general, where we continue to have a majority of our investments in the U.S., a declining Canadian dollar versus the U.S. dollar is a net benefit to Alaris' monthly cash flows and to the principal value of its investments.

Certain of our currency hedges are conducted through a forward contract, which comes with an obligation to fulfill the contract at a future date. If Alaris did not have adequate USD to sell under the forward contract, it would have to pay the difference between the contract price and the current spot price. If the current spot price is in Alaris' favour, it could receive a cash benefit from being unable to fulfill its forward contract. But if the spot to forward price differential is not in Alaris' favour, it could owe considerable money to the holder of the contract. A significant loss of USD revenue could cause Alaris to fail to meet its obligations under the forward contracts. This could result from a decline in a Partner's business, which diminishes its Distribution, or if a material U.S. Partner repurchases (or several U.S. Partners repurchase) Alaris. Any cash outlay to meet a forward contract obligation could impair Alaris' cash flows.

Alaris has investments in several U.S.-based businesses and will continue to invest in U.S.-based businesses in U.S. denominated currency. The Senior Credit Facility allows for USD-denominated draws to fund U.S.-based businesses. This will act as a natural hedge on cash flows and future repurchases by Partners. However, Alaris may, from time-to-time, purchase USD in the spot market based on the USD/CAD rate of exchange at the time of investment to make U.S.-based investments. If Alaris is redeemed on a USD-based investment, it may incur a loss in the Canadian dollar equivalent if the USD/CAD spot rate is lower at the time of the redemption than it was when the original investment was made. Alaris does not hedge the fair value of its USD-denominated investments because there is no expectation to be redeemed or to exit these investments, and therefore there is an uncertain time horizon of such exit events. This exposes Alaris to a cash loss, or gain, on a USD investment, even if the investment was successful in its U.S.-based currency. Alaris adjusts the fair value of its USD denominated investments based on the USD/CAD rate on the balance sheet date for each quarter and records an unrealized gain or loss to account for the fluctuations in the exchange rate.

Our Partners have termination rights that may be exercised

Each Partner has the right to terminate their agreement with Alaris through repurchase or redemption rights. Some of these rights may be restricted until a fixed period of time has passed from Alaris' initial investment. Although Management believes that the repurchase or redemption purchase price would adequately compensate Alaris for the foregone payments, we would need to reinvest the cash received, including possibly repurchasing for cancellation of our own Trust Units to maintain our distribution levels. There is no assurance that we would be able to successfully identify and complete any such alternative investments or complete any such Trust Unit repurchase.

Our Partners and we rely heavily on key personnel

The success of Alaris and our Partners depends on the abilities, experience, efforts and industry knowledge of their respective senior management and other key employees, including their ability to retain and attract skilled management and employees. The long-term loss of the services of any key personnel for any reason could have a material adverse effect on the business, financial condition, results of operations or future prospects of Alaris or a Partner. The growth plans of Alaris and the Partners described in this document may require additional employees, increase the demand on management and produce risks in both productivity and retention levels. Alaris and our Partners may be unable to attract and retain additional qualified management and employees as needed in the future. There can be no assurance that Alaris or our Partners will effectively manage their growth, and any failure to do so could have a material adverse effect on our business, financial condition, results of operations and future prospects.

Our unit price is unpredictable and can be volatile

A publicly traded income trust will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the Trust Units will trade are unpredictable. The market price of the Trust Units could fluctuate significantly in response to variations in quarterly and annual operating results, the results of any public announcements we make, general economic conditions, unexpected volatility in global stock markets and other factors beyond our control.

We may issue additional Trust Units diluting existing Unitholders' interests

We may issue an unlimited number of Trust Units or other securities for consideration and on terms as we establish without Unitholder approval. Any further issuance of Trust Units will dilute the interests of existing Unitholders if the proceeds of such issuances are not being used in a manner that is accretive to Alaris' net cash from operating activities per Trust Unit. Unitholders have no pre-emptive rights in connection with such future issuances.

We are subject to a risk of legal proceedings

In the normal course of business, we may be subject to or involved in lawsuits, claims, regulatory proceedings and litigation for amounts not covered by our liability insurance. Some of these proceedings could result in high costs. Although the outcome of such proceedings is not predictable with assurance, Alaris has no reason to believe that the disposition of such matters could have a significant impact on our financial position, operating results or ability to carry on our business activities. As of the date of this document, no material claims or litigation have been brought against Alaris.

General risks related to the convertible debentures

In June 2019, Alaris issued \$100 million aggregate principal amount of convertible debentures. The convertible debentures are convertible at the holder's option at any time before the close of business on the earlier of the business day immediately preceding the June 30, 2024 maturity date and the date specified by Alaris for the redemption of the convertible debentures into fully paid and non-assessable Trust Units at a conversion price of \$24.25 per Trust Unit, being a conversion rate of approximately 41.2371 Trust Unit for each \$1,000 principal amount of convertible debentures. Each series of the convertible debenture will rank pari passu with each other convertible debenture of the same series and, subject to certain statutory exceptions, with all other present and future subordinated and unsecured indebtedness of Alaris (except for any sinking fund provisions applicable to different series of convertible debentures or other similar types of obligations of Alaris).

If Alaris or any of its assets becomes subject to any insolvency, bankruptcy, receivership, liquidation, reorganization or similar

proceedings, Alaris must first repay the Senior Credit Facility and any other senior indebtedness which may arise from time to time before repaying holders of convertible debentures. Following repayment in full of the Senior Credit Facility and any other senior indebtedness, the convertible debentures become entitled to the distribution of any remaining assets of Alaris to satisfy any owing obligations on such convertible debentures. In addition, any assets of Alaris that are subject to a security interest or are required to be marshalled pursuant to the rights of any creditor ranking senior to the holders of the convertible debentures may not be available to satisfy any obligations owing on the convertible debentures. As a result, if Alaris or any of its assets becomes subject to any insolvency, bankruptcy, receivership, liquidation, reorganization or similar proceedings, Alaris may have insufficient assets remaining to pay amounts due on any or all of the then outstanding convertible debentures.

Additionally, any deterioration in Alaris' financial condition may affect our ability to pay principal, premium (if any) and interest on the convertible debentures when due. Alaris is prohibited from making any payment on the convertible debentures if: (a) a default, event of default or acceleration occurs under the Senior Credit Facility or any other senior indebtedness or any swap obligation of any senior creditor or its affiliates; (b) a default under the Senior Credit Facility or any other senior indebtedness permits the holders of the Senior Credit Facility or any other senior indebtedness (as applicable) to accelerate its maturity; or (c) if such payment would create a default of the Senior Credit Facility or any other senior indebtedness that would permit acceleration of its maturity.

Alaris may Redeem the convertible debentures prior to Maturity

Between June 30, 2022, and June 30, 2023 (and subject to regulatory approval and any restrictions on the redemption of convertible debentures of a particular series), Alaris has the right to redeem the convertible debentures, either in whole at any time or in part from time to time, on at least 30 and not more than 60 days' notice, at a redemption price equal to the principal amount of the convertible debentures plus accrued and unpaid interest, as long as the volume-weighted average trading price of the Trust Units on the TSX for the 20 consecutive trading days ending on the fifth trading day before the date on which the notice of redemption is given is at least 125% of the conversion price. Holders of convertible debentures should assume that Alaris will exercise its redemption right if refinancing at a lower interest rate becomes available or if Management determines that it is otherwise in Alaris' best interest to redeem the convertible debentures.

Redemption of convertible debentures upon a Change of Control

Alaris must offer to purchase all convertible debentures within 30 days of the acquisition of voting control or direction of more than 50% of the outstanding Trust Units. Upon such an event, Alaris may not have sufficient funds to satisfy the required purchase of all convertible debentures. Additionally, the rights under the Senior Credit Facility or any other senior indebtedness in existence at such time may restrict such a purchase.

Effect of interest rates on the price of convertible debentures

The market value of the convertible debentures will fluctuate with the interest rates in effect from time to time. Consequently, the market value of the convertible debentures may decline if general interest rates begin to rise.

Nature of Investment

Unitholders of Alaris do not hold a share of a body corporate. As holders of Trust Units, Unitholders do not have statutory rights normally associated with ownership of shares of a corporation, including, for example, the right to bring "derivative" actions. The rights of Unitholders are based primarily on the trust's Declaration of Trust, a copy of which is available under the Trust's profile at www.sedar.com. There is no statute governing the affairs of the Trust equivalent to the *Canada Business Corporation Act* which sets out the rights and entitlements of shareholders of corporations in various circumstances.

We are not, and do not intend to become, registered as an Investment Company under the Investment Company Act and related rules

We have not been and do not intend to become registered as an investment company under the U.S. Investment Company Act and related rules in reliance on the exemption from such registration under section 3(c)(7) of that Act. The U.S. Investment Company Act and related rules provide certain protections to investors and restrict companies who register with the U.S. Securities and Exchange Commission (the "SEC") as investment companies. None of these protections or restrictions is or will be available

to investors in Alaris. In addition, as long as Alaris is an "investment company" under the Investment Company Act, to comply with the section 3(c)(7) exemption from registration and avoid being required to register as an investments company under the U.S. Investment Company Act and related rules, we have implemented restrictions on the ownership and transfer of the Trust Units, which may materially affect your ability to hold or transfer the Trust Units. If we needed to register with the SEC as an investment company, compliance with the U.S. Investment Company Act would significantly and adversely affect our ability to conduct our business.

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

Alaris has restricted the ownership and holding of Trust Units so that none of our assets will constitute "plan assets" (as defined in the Plan Asset Rules) of any of the following: (a) an "employee benefit plan" (under section 3(3) of ERISA that is subject to Part 4 of Subtitle B of Title I of ERISA; (b) a plan, individual retirement account or another arrangement that is subject to Section 4975 of the Code; (c) any other retirement or benefit plan that is not described in (a) or (b), but that is subject any similar law; or (d) an entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement in (a) through (c) under ERISA, the Code or similar law.

If Alaris' assets were considered "plan assets" of any of the above entities, non-exempt "prohibited transactions" under section 406 of ERISA, section 4975 of the Code or similar law could arise from transactions the Trust or any of our subsidiaries enters into in the ordinary course of business, leading to tax penalties and mandatory rescission of such transactions. Consequently, each recipient and subsequent transferee of Trust Units will, or will be deemed to, represent and warrant that it is not an entity described in (a) through (d) in the preceding paragraph and that no portion of the assets used to acquire or hold its interest in Trust Units or any beneficial interest in them constitutes or will constitute the assets of such an entity. Any holding or transfer of Trust Units in violation of such representation will be void. See "*Ownership and Transfer Restrictions*".

Foreign Account Tax Compliance Act ("FACTA") Provisions

In general, FATCA imposes due diligence, reporting and withholding obligations on foreign (non-U.S.) financial institutions and certain foreign (non-U.S.) non-financial entities. Failure by such an institution or entity to comply with these obligations could subject it to a 30% U.S. withholding tax on certain U.S. source income (including interest, dividends, rents, royalties, compensation, other passive income and gross proceeds from the sale or other disposition of property that produce similar of U.S. source income) and thereby reduce its distributable cash and net asset value. In 2014, Canada and the United States entered into an Intergovernmental Agreement (the "**IGA**") to facilitate compliance with FATCA by Canadian financial and non-financial institutions and entities.

Under the IGA and the Canadian legislation enacted to implement the IGA (the "**Canada IGA Legislation**"), Alaris (and our subsidiaries): (a) registered with the IRS and acquired identifying numbers; (b) performed, and will continue to perform, specified diligence to determine whether they have any "U.S. reportable accounts"; and (c) will annually, report to the CRA required information about U.S. "account holders", which could include certain of Alaris' Unitholders. Under the Canada IGA Legislation, Unitholders may need to provide identity, residency and other information to Alaris (and may be subject to penalties for failing to do so) that, for certain U.S. persons or certain non-U.S. entities controlled by certain U.S. persons, Alaris would then report to the CRA. The CRA may report such information about U.S. reportable accounts to the IRS under the exchange-of-information provisions in the Canada-U.S. tax treaty.

Under the Canada IGA Legislation, equity and debt interests that regularly trade on an established securities market are not treated as "financial accounts". If the Trust Units are regularly traded on an established securities market, Alaris will not need to provide information to the CRA about U.S. holders of Trust Units. Because we believe the Trust Units would be considered regularly traded on an established securities market, Alaris does not expect to report information about U.S. Unitholders to the CRA under FATCA. However, if in the future the Trust Units are no longer considered regularly traded on an established securities market, Alaris' reporting obligations under FATCA may change.

Alaris and its subsidiaries intend to continue to take any measures and implement any procedures that we, in consultation with our legal and tax counsel, find necessary or desirable to comply with our obligations under the IGA and, more particularly, the Canada IGA Legislation. If Alaris or a subsidiary of does not satisfy the applicable requirements of the IGA and the Canada IGA Legislation or if the Canadian government does not comply with the IGA and if Alaris is otherwise unable to comply with any relevant legislation,

then Alaris (or a subsidiary of Alaris) could be subject to FATCA tax.

The discussion above reflects the Code, guidance issued by the IRS and the United States Treasury Department, including regulations and IRS notices, and the IGA and the Canada IGA Legislation (and their interpretations and the guidance issued by the CRA). Future guidance, including explanations of and rulings interpreting current authorities, may affect the application of FATCA to Alaris in a manner that is unfavorable to Alaris and holders of Trust Units.

Passive Foreign Investment Company ("PFIC") Rules and Potential Implications for U.S. Unitholders

Sections 1291 through 1298 of the Code provide for special (and generally unfavorable for U.S. unitholders) rules applicable to non-U.S. corporations that constitute PFICs. A non-U.S. corporation will constitute a PFIC for any taxable year in which either (a) at least 75% of its gross income is passive income (which would include, among other things and subject to certain exceptions, dividends, interest, royalties, rents, annuities and other income of a kind that would be "foreign personal holding company income", as defined in Section 954(c) of the Code) or (b) at least 50% of our assets by value (determined on the basis of a quarterly average) produce or are held for the production of passive income. For this purpose, the non-U.S. corporation will be deemed to receive its proportionate share of the income directly and to hold its proportionate share of the assets of any corporation or partnership (whether U.S. or non-U.S.) that we own at least 25% (by value).

For any taxable year in which a non-U.S. corporation is a PFIC in the absence of an election by a U.S. shareholder to either treat such non-U.S. corporation as a "qualified electing fund" (such election, a "**QEF Election**") or "mark-to-market" his or her shares of such non-U.S. corporation (such election, an "**MTM Election**"), a U.S. shareholder will, upon the making of certain "excess distributions" by such non-U.S. corporation or upon the U.S. shareholder's disposition of his or her shares of such non-U.S. corporation at a gain, be subject to U.S. federal income tax at the highest tax rate on ordinary income in effect for each year to which the income is allocated plus an interest charge on the deemed tax deferral, as if the distribution or gain had been recognized ratably over each day in the U.S. shareholder's holding period for his or her shares in such non-U.S. corporation while such corporation was a PFIC.

Based upon its (and its subsidiaries') income and assets in prior tax years, Alaris has taken the position that neither it nor any of its subsidiaries were PFICs 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 neither it nor any of its subsidiaries will be a PFIC for the current taxable year. However, the determination of whether Alaris or any of its subsidiaries was or will be or become a PFIC was and is fundamentally fact-specific and dependent on: (a) the income and assets of Alaris and its subsidiaries over the course of any such taxable year; and (b) the application of complex U.S. federal income tax rules, which are subject to differing interpretations. Consequently, Alaris cannot provide any assurance that: (i) neither it nor any of our subsidiaries was or will be or become a PFIC; or (ii) that the IRS would not take the position that either Alaris or any of our subsidiaries should have been or should be treated as a PFIC for any one or more taxable years despite Alaris' contrary reporting position.

If Alaris were to be or become a PFIC for the current or any future taxable year, Alaris does not intend to make available to U.S. unitholders the financial information necessary to make a QEF Election; however, provided the Trust Units constitute "marketable stock" (as specifically defined under the MTM Election regulations), a U.S. unitholder should be able to make an MTM Election with respect to a Unitholder's Trust Units. Alaris believes that the Trust Units would currently be considered "marketable stock" for this purpose. The making of an MTM Election would result in the electing U.S. unitholder of Trust Units having to recognize as ordinary income or loss each year an amount equal to the difference as of the close of such year between the fair market value of the Trust Units and the unitholder's adjusted U.S. federal income tax basis in such Trust Units. Losses would be allowed only to the extent of the net mark-to-market gain previously included in income by the U.S. unitholder under the MTM Election for prior taxable years. If an MTM Election is made, then distributions from Alaris with respect to the Trust Units would be treated as if Alaris were not a PFIC, except that the lower tax rate currently imposed on dividends to individuals would not apply.

Alaris urges U.S. unitholders to consult their own tax advisors regarding the possible application of the PFIC rules.

RISKS RELATING TO OUR MATERIAL PARTNERS

Our material Partners face a number of business, operational and other risks which, if realized, could have a material impact on our operating results and conditions. These risks are outlined in more detail below.

Risks Relating Specifically to DNT

<i>Exposure to residential development</i>	DNT chooses to have a higher percentage of its revenue generated from new residential development projects than commercial or infrastructure projects in the current economic cycle. Although DNT's strategy is to focus more of its efforts on the market segment with the most recent and projected growth, it exposes DNT to a downturn in the new home development segment of the economy, which can have a material impact on its cash flows. In times of economic downturns, DNT can shift its focus to commercial and infrastructure projects. However, failing to do so in a timely manner to offset lost revenue from the residential segment, or at all, can have a significant impact on DNT's cash flow.
<i>Geographic exposure to Austin and San Antonio</i>	DNT focuses primarily on the Austin and San Antonio regions of the state of Texas. Although these two regions have robust economies, which are diversified among healthcare, technology and education, they are close enough in proximity to be impacted by the same economic and weather-related factors. This lack of geographic diversification exposes DNT to more concentrated events than it would otherwise be if it were to be diversified across many United States regions.
<i>Bonding requirements</i>	DNT requires bonding on a significant number of its projects. Bonding requires DNT to maintain a healthy balance sheet or face the risk of not being able to bid on certain new projects. Any lack of ability to bond new projects could have a significant impact on DNT's cash flows.
<i>Seasonality, including weather-related events</i>	Unusual amounts of rain can impact the business significantly as it prevents DNT from providing its services and, in many instances, can increase costs for things such as water remediation. The unusual wet weather can also cause "work overs", which can erode margins on certain projects. The exceptional wet weather may also cause margins to deteriorate when the work is eventually restarted, as it may require overtime hours to complete the work on schedule.
<i>Fixed-price contracts</i>	As costs are established on estimates for fixed-price contracts, DNT bears the risk of cost overruns. Generally, it manages the risk with vigorous pre-bid analysis and hedging its materials and fuel costs. However, errors in estimating and unforeseen weather events can cause both labour and materials costs overruns.
<i>Customer concentration</i>	DNT generates a significant portion of its revenues from a handful of customers. If DNT fails to win new tenders with these customers or if the customers face financial trouble, which results in the delay or cancellation of new projects, DNT's revenue and cash flows can be negatively impacted until the revenue can be replaced through other sources.
<i>Labour</i>	DNT operates a labour-intensive business. Its employee base comprises management-level professionals, skilled operators of heavy equipment and general labourers. Texas' labor market is highly competitive, and the availability of general labourers and skilled operators is low across the state. A tight labour market can cause wage rates to rise rapidly and cause temporary margin compression on jobs previously bid with lower wage rates. DNT can adapt to wage rate increases in future bids and deal with any wage increases through a lower margin on current jobs. If DNT cannot hire and retain a skilled labour force, it could also delay finishing current jobs and an inability to win new work. Failure to complete certain jobs on time can lead to financial penalties incurred by DNT, and failure to competitively bid on new jobs can lead to a decrease in future company revenues.

Risks Relating Specifically to Federal Resources

<i>Complex procurement rules and regulations on U.S. government contracts</i>	Federal Resources derives most of its revenue from contracts with the U.S. government and other state and municipal contracts. U.S. government contracts have complex procurement rules and certain regulations. A failure to abide by these rules/regulations can result in penalties such as termination of certain contracts, disqualification from bidding on future contracts and suspension or permanent removal from bidding on U.S. government contracts.
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<i>Subject to reviews, audits and costs adjustments by the U.S. government</i>	If a review, audit or cost adjustment conducted by the U.S. government results in an outcome negative to Federal Resources, it could adversely affect their profitability, cash flow or growth prospects.
<i>Contracts can be cancelled at anytime</i>	The U.S. government can cancel contracts at any time through termination for convenience provision, provided that they cover Federal Resources for costs incurred. Although cost coverage would result in Federal Resources not incurring a loss on the inventory it purchased, it will not profit on the sale and will need to find a substantial new customer or customers and sell the product over a prolonged period to realize a profit on the inventory.
<i>Competition is intense</i>	Federal Resources competes with several large established multinational companies. This results in competitive pricing and low-profit margins. Successfully winning contracts in a competitive environment can result in losses on certain contracts if certain variables change given Federal Resource's low profit margins.
<i>Seasonality/variability of revenue</i>	Due to the timing of the government's budget cycles, the majority of Federal Resources sales can come within a certain time of the year. This requires Federal Resources to manage its cash flows for operations, debt payments and distribution payments to Alaris for the remaining months of a given year out of the cash generated from prior sales. Failure to properly manage cash flow from seasonal sales could negatively impact Federal Resources cash flow.
<i>Working capital requirements at certain times of the year can be significant</i>	Due to the amount of inventory Federal Resources has to carry to satisfy certain contracts at certain times of the year, it can result in significant working capital requirements to fund operations. If Federal Resources fails to have sufficient working capital to support periodic needs, it could negatively impact its cash flows and thus the payment of Distributions to Alaris.
<i>A decline in U.S. government defense budgets can impact FRS</i>	Given that Federal Resources generates a majority of its revenue from U.S. government defense contracts, it could be negatively impacted by a general decrease in defense budget spending in a given year.

Risks Relating Specifically to PFGP

<i>Additional franchise operations may be limited</i>	PFGP is a franchisee of Planet Fitness. As such, PFGP's operations depend, in part, on decisions made by the Planet Fitness franchisor, including decisions relating to pricing, advertising, policy and procedures and approvals required for acquisitions and territory expansion. Business decisions made by the franchisor could impact PFGP's operating performance and profitability. In addition, PFGP must comply with the terms of its franchise agreements with the franchisor and its applicable land development agreements. A failure to comply with such obligations or a failure to obtain renewals on any expiring franchise agreements could adversely affect PFGP's operations.
<i>Brand loyalty</i>	PFGP relies on the other franchisees to uphold the Planet Fitness brand. Franchisees are contractually obligated to operate their stores under the standards outlined in the agreements with the franchisor. However, the other franchisees are independent third parties whose actions are outside of the control of PFGP.
<i>Performance amongst new clubs</i>	PFGP continues to expand, which comes with the risk that not all new clubs produce the same returns as current clubs. Further, there is a risk of ensuring new clubs are not within close enough proximity to existing stores that would negatively impact the existing stores' results.
<i>High level of competition</i>	The high level of competition in the health and fitness industry could materially and adversely affect their business. PFGP may not be able to compete effectively in the markets in which they operate. Competitors may attempt to copy their business model, which could erode market share and impair profitability. This competition may limit their ability to attract and retain existing members and their ability to attract new members, which in each case could materially and adversely affect their results of operations and financial condition.

Reliance on IT PFGP relies heavily on their IT systems and the security within, both for ease of service with their point-of-sale processing systems and the security front to ensure the confidentiality of the information provided by customers. If the privacy and integrity of their customer's data, including member banking information, are not upheld, PFGP's reputation and business could be materially impacted.

Risks Relating Specifically to GWM

<i>Changes to the regulatory environment in North America and Abroad</i>	As regulations related to protecting individuals' privacy on the internet evolve, there will continue to be changes to how digital advertisers can gather data and use such data to target individuals with advertisements. An inability to adapt to privacy or other regulatory changes could significantly harm GWM's business.
<i>Changes in and/or disruptions to Technology</i>	If there are rapid changes in the industry's technology, which makes it harder for GWM to conduct its business, GWM will need to adapt. Being ahead of the tech curve will help reduce this risk. GWM also relies heavily on technology to deliver its services. If GWM's system was to be interrupted for a considerable time, it could impact GWM's ability to generate revenue.
<i>Failure to maintain and grow client base</i>	If GWM fails to maintain and grow its client base, its revenue and profitability may be impacted. To sustain and grow its revenue, GWM must continuously add new clients and persuade existing clients to maintain or increase their business with GWM. If competitors introduce lower cost or differentiated offerings that compete with or are perceived to compete with GWM's offerings, GWM's ability to sell services to new or existing clients could be impaired.
<i>Intense competition</i>	GWM competes in a highly competitive and rapidly changing industry. Increased competition and an inability to compete effectively could lead to reduced profitability or market share. Current and potential competitors may also have significantly more financial, technical and other resources than GWM.
<i>Buying of advertising through programmatic media is new and evolving</i>	Programmatic media is a relatively new industry. If this market develops slower or differently than expected, GWM's business, growth prospects and financial condition could be adversely affected. A substantial part of GWM's revenue comes from clients for whom it programmatically purchases advertising. GWM expects that spending on programmatic ad buying will remain a significant revenue source for the foreseeable future and that its revenue growth will largely depend on increasing client purchases of advertising through GWM's programmatic services. The market for programmatic ad buying is an emerging market. GWM's current and potential clients may not shift to programmatic ad buying from other buying methods as quickly as they expect, which could reduce its growth potential. If the market for programmatic ad buying deteriorates or develops more slowly than GWM expects, demand for GWM's services may be diminished, and its business, growth prospects and financial condition could be adversely affected.
<i>Sales Cycles Can Be Long</i>	GWM's sales cycles can be long, creating considerable time between initial contact with a prospect and execution of a client agreement, making it difficult to project when, if at all, they will obtain new clients and when they will generate revenue from those clients.

RISKS RELATING TO ALL OF OUR PARTNERS, GENERALLY

In addition to the risks relating specifically to our material Partners, several other risks impact all of our current and future Partners collectively, which, if realized, could have a material impact on our operations and financial condition, as described below.

How a Partner is leveraged may have adverse consequences to them

Leverage may have important adverse consequences on our Partners. Partners may be subject to restrictive financial and operating covenants. Leverage may impair our Partners' ability to finance their future operations and capital needs and continue paying Distributions. As a result, their flexibility to respond to changing business and economic conditions and business

opportunities may be limited. A leveraged company's income and net assets will increase or decrease faster than if the borrowed money was not used.

Our Partners rely on key personnel

Often, a private business's success depends on the management talents and efforts of one or two persons or a small group of persons. The death, disability or resignation of one or more of these persons could have a material adverse impact on a Partner's operations or ability to access additional capital, qualified personnel, expand or compete. See also, "*Risk Factors – Operational and Financial Risk Factors Relating to our Business*" and "*Our Partners and we rely heavily on key personnel*".

Public health crises, epidemics and pandemics may negatively impact our Partners' business continuity

New and infectious diseases such as COVID-19 may disrupt a Partner's ability to carry on business in the ordinary course. In addition, the disruption to supply chains, overall market sentiment, credit rating, political and governmental reaction and risks to employee health and safety due to such health crises may result in a slowdown or temporary shutdown of the operations of our Partners or any of them. The full risks associated with the ongoing COVID-19 pandemic have not yet been realized, and, accordingly, there may be other unknown impacts to our Partners' businesses as a result.

A lack of funding for our Partners could have adverse consequences to them

Each of our Partners may continue to require additional working capital to conduct their existing business activities and expand their businesses. Our Partners may need to raise additional funds through collaborations with corporate partners, including Alaris, or through private or public financings to support their long-term growth efforts. If adequate funds are not available, our Partners may be required to curtail their business objectives in one or more areas. There can be no assurance that unforeseen developments or circumstances will not alter a Partner's capital requirements. No assurance can be given that additional financing will be available on acceptable terms, if at all.

Failure to realize anticipated benefits of acquisitions, new business lines or locations

The business model for a number of our Partners includes acquiring businesses and assets or growth through expanding to new locations. In addition, a Partner's business could launch a new business line or service offering. Achieving the benefits of acquisitions, new business lines, new locations and other transactions depends on, among other things, successfully consolidating functions and integrating operations and procedures in a timely and efficient manner, allocating appropriate resources, including management time, and a Partner's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses, assets and operations with those of their own. The integration of acquired businesses, new business lines or locations may require substantial management effort, time and resources diverting management's focus from other strategic opportunities and operational matters. A failure to realize the anticipated benefits of such acquisitions, new business lines or locations could have a material adverse impact on a Partner's operations and therefore on our operations.

Our Partners may suffer damage to their brand reputations

Damage to our Partners' brands or reputation, or the reputation of the brands of suppliers of products that the Partners offer, could result from events out of our Partners' control. This damage could negatively impact consumer opinion of our Partners or their related products and services, which could harm the Partners' performance.

Our Partners face intense competition

Our Partners may face intense competition, including competition from companies with greater financial and other resources, more extensive development, manufacturing, marketing, other capabilities and more qualified managerial and technical personnel. There can be no assurance that our Partners will be able to compete against their respective competitors successfully or that such competition will not have a material adverse effect on their businesses, financial condition, results of operations and cash flows and therefore their ability to pay Distributions to Alaris.

Changes in the industry in which the Partners operate

Our Partners operate in several different industries, some of which are heavily regulated. A change in the regulatory regime of such industries or a material change in the economic factors specific to any industry in which our Partners operate could have a material impact on the operations of such Partners and, therefore, could have an adverse impact on their ability to pay Distributions to Alaris.

Risks regarding legal proceedings involving our Partners

During the course of their operations, our Partners may be subject to or involved in lawsuits, claims, regulatory proceedings, or other litigation matters for amounts not covered by their liability insurance. Some of these proceedings could result in high costs and restraints on a Partner's operations, which could negatively impact their ability to pay the Distributions and therefore could have a material impact on our financial performance.

There could be material adjustments to financial information once an annual audit is conducted

Alaris receives unaudited internal financial information from each of its Partners throughout the year and bases certain estimates on this information, including the ECRs Alaris discloses throughout the year. Upon conducting an audit of the annual information, there could be material adjustments to the financial statements used by us in determining such estimates, and therefore Alaris may have to change certain guidance that it had previously given to its Unitholders. The adjustments could also impact financial covenants that our Partners have with their lenders and thus could impact the Distributions.

Customer Concentration

At times, some Partners may have a single customer concentration or only a handful of customers that make up a large portion of their revenues. If there is a loss of one or some of these customers, there could be a material impact on a Partner's business and its cash flows, which could have a material impact on the Partner's ability to pay Distributions.

SUMMARY OF PARTNER AGREEMENTS

The material rights and obligations of Alaris and each of our Partners (as set out in our agreements with our Partners) are summarized below. *Although generally speaking, the material provisions of each agreement are similar, and readers are cautioned that each agreement with each Partner has been tailored to fit the unique circumstances of our transaction with and the business of the particular Partner. We have noted below where such differences are material to our arrangement with the particular Partner (see also the table described under the heading "Our Financing Arrangements"). While we have attempted to provide a reasonable summary of the material terms of our Partner agreements, we caution readers of this AIF not to place undue reliance on this summary as there are a number of factors unique to each business and transaction which require different considerations in each of the agreements. The summary provided below is presented for the purpose of assisting our investors in understanding our operations and our arrangements with our Partners and may not be appropriate for other purposes.*

<i>Structure</i>	With the exception of our agreements with Amur, GWM and Federal Resources, we invest in each Partner through either a limited partnership or a limited liability company, in which Alaris holds preferred units. The general partner (in the case of a limited partnership) or the other members (in the case of a limited liability company) holds common voting units. Our arrangement with Federal Resources consists of a combination of a subordinated secured loan and preferred equity. Our agreements with GWM and Amur consist of a subordinated credit agreement and preferred equity.
<i>Voting Entitlements</i>	Alaris has very limited or no voting rights in each Partner (generally, our preferred equity grants 10% of the outstanding voting rights where Alaris does possess voting rights). Notwithstanding the foregoing, and except for our arrangements with Federal Resources, each of our agreements with our Partners provides Alaris with special voting rights that only operate in the event of certain uncured events of default. Such special voting rights entitle us to a sufficient number of votes to, among other things, replace the board of directors of the applicable Partner. See "Step-in Rights or Other Remedies" below.

<i>Annual Distribution Entitlement</i>	The preferred equity held by Alaris in our Partners entitles Alaris to receive preferred distributions in priority to other distributions on all other partnership or membership units issued by such Partners (but are subordinate to the Partner's senior lenders or other specified parties). In the case of Federal Resources, GWM, Amur and B&S, the terms of our loan with each such party entitle Alaris to annual interest payments paid in priority to any payments to Federal Resources', GWM's, Amur's or Amur (as applicable) common equity holders (but subordinate to each Partner's senior lenders).
<i>Financial & Operational Reporting</i>	All Partners must provide Alaris with regular financial, operating, legal and tax information on a monthly (unaudited) and annual (audited) basis and some are required to provide additional quarterly reports. The information is used by Alaris to verify Distribution calculations and to monitor the Partner's compliance with the terms of its agreements with Alaris.
<i>Repurchase Option</i>	Other than with respect to the FR Loan, GWM Loan, Amur Loan and B&S loan, each Partner (or its general partner or members) has the ability to repurchase the preferred equity held by Alaris at a pre-negotiated repurchase price (generally calculated as the greater of (a) total cash contributed and (b) the amount obtained by multiplying the distribution in the year of the repurchase by a pre-set multiple representing a premium to the initial investment multiple). In most cases, a Partner may not exercise such option until the third anniversary of Alaris' initial contribution to such Partner. Some Partners have unique redemption rights, in particular: the DNT Redeemable Preferred Units are redeemable at par for a period of five years (with an annual mandatory redemption that commenced in 2017, with such redemption being based on certain excess cash flow requirements); the redeemable Accscient units are redeemable at par for three years; the redeemable Heritage units are redeemable at par indefinitely; the redeemable BCC units are redeemable at par. The terms of the FR Loan do not contemplate an early repayment of the outstanding loan, other than as set forth below in " <i>Rights on an Event of Default or on a Change of Control</i> " or in connection with the redemption of our preferred equity; however, US\$3 million of the aggregate US\$6 million contributed to a subsidiary of Federal Resources in 2016 is redeemable at par value at any time. In addition, Alaris' US\$13.5 million contribution to a subsidiary of Federal Resources in December 2017 includes a make-whole provision whereby if it is repurchased in the first 18 months, Alaris is entitled to a payment equal to the distributions Alaris would have received from the date of the redemption through to the 3 rd anniversary of the contribution. The GWM Loans may not (absent certain exceptions) be repaid before the third anniversary of each loan. A portion of the Amur Loan may be repaid at any time in connection with a pro-rated portion of the preferred equity in Amur; the remainder may not be repaid prior to the 3 rd anniversary of the contribution. The B&S equity and the B&S loan may be redeemed or repaid, as the case may be, at any time, except that such redemption or repayment within the first three years of Alaris' initial investment requires that B&S also pay the dividends and/or interest that Alaris would otherwise have received up until the third anniversary of Alaris' investment.
<i>Rights on an Event of Default or on a Change of Control</i>	On an uncured event of default (other than a liquidation event) by a Partner or on a change of control of a Partner or its general partner, Alaris is generally entitled to have its preferred units repurchased by the Partner (or a third party) for an amount equal to a pre-negotiated formula generally calculated by multiplying the Distribution in the year of the repurchase by a pre-set multiple and, in certain circumstances, Alaris may be entitled to a floor of its contributed capital (on a default Alaris generally has the right to have its units purchased for an amount equal to the greater of our contributed capital or a pre-set multiple multiplied by the current distribution). Alaris is generally entitled to receive such amount in priority to holders of common equity in such Partner, but subject to such Partner's senior creditors or certain other parties specified in the particular agreement between Alaris and the Partner. With respect to the FR Loan, GWM Loan and Amur Loan, Alaris has the right to be repaid upon a change of control or upon an event of default, provided that such repayment is subordinate to that partner's senior lenders. Any common equity held by Alaris ranks pari passu with other common equity holders.
<i>Liquidation or Dissolution of the Partner</i>	In the event of a liquidation or dissolution or insolvency of the Partner, Alaris is entitled to receive either (a) a preferred liquidation entitlement in respect of its preferred units (as determined by a pre-negotiated formula or amount in its agreements with the Partners) in priority to the holders of the common equity or (b) its pro-rata portion of the remaining assets, but in either case subject to the Partner's senior lenders. In the case of Federal Resources, the FR Loan is secured against the assets of Federal Resources. As such, Alaris would rank as a secured creditor ahead of any unsecured

creditors and common equity holders with respect to the obligations under the FR Loan; however, Alaris' security on the FR Loan is subordinate to Federal Resources' senior lenders. The Amur, GWM and B&S loans are not secured but would rank ahead of common equity with any other unsecured creditors.

Alaris consent rights

Although Alaris does not have any significant voting rights in any of its Partners, the approval of Alaris is required for a number of matters for each Partner. Each consent matters has been tailored to the unique circumstances of the transaction with the particular Partner (including, without limitation, any regulatory restrictions). As a result, not all Partners will have the same consent rights. Such matters include some or all of the following: (a) changes in the terms of the outstanding units in each Partner; (b) creating additional classes of units that rank ahead of the preferred units held by Alaris; (c) amending the terms of the Partner's agreement with Alaris; (d) a transfer of any equity in the Partner except in limited circumstances, including, without limitation, related party transfers; (e) any material change (or for some Partners, any change) to a Partner's senior credit facility; (f) entering into any new credit facility or incurring additional indebtedness in excess of a specified amount; (g) amending the terms of any management, non-competition or non-solicitation agreement with the Partner's senior management team; (h) undertaking any acquisitions or other transactions outside the ordinary course of business for a value in excess of a specified amount; (i) non-arm's length transactions exceeding a specified amount; (j) encumbering assets other than as permitted in the particular agreement; (k) undertaking any material change in the business or organizational structure of the Partner outside the ordinary course of business; (l) any capital expenditures or series of related capital expenditures outside the ordinary course of business in excess of a specified amount in any fiscal year; (m) dissolving the Partner; (n) exceeding certain financial covenants; (o) entering into any business competitive with the Partner; (p) any changes in the accounting policies, procedures or practices of the Partner or its affiliates; (q) any increases above a pre-determined amount in the compensation paid to certain members of the Partner's management team; (r) certain changes in management; and (s) certain changes in executive compensation. Depending on the circumstances of a particular Partner, we may add additional consent rights or modify existing consent rights.

Step-in Rights or Other Remedies

In circumstances where there is an uncured event of default which entitles Alaris to have its preferred equity repurchased (see "*Rights on an Event of Default or on a Change of Control*" above) and such units have not been repurchased within a specified timeframe, Alaris' preferred units in the Partners (with the exception of Federal Resources) become entitled to special voting rights that, among other things, provides Alaris with sufficient votes to elect the board of directors of the Partner, appoint new management and generally exert control over the operations of a Partner until such time as the preferred equity is repurchased. Such voting rights may be subordinate to the Partner's senior lenders in certain circumstances and may require such lenders' consent or a standstill period before exercising. Furthermore, for some Partners/industries, such voting rights may also be subject to the satisfaction of certain regulatory requirements or consents before they can be exercised.

In the case of the FR Loan, the obligations and liabilities of Federal Resources are secured against the assets of Federal Resources, subject to permitted encumbrances and the senior security interests of Federal Resources senior lenders. Certain of our agreements also include a mandatory sale provision, whereby if there is an uncured event of default for longer than the negotiated time period, we have the ability to cause the Partner to sell the business (the intention is to include this provision in all future agreements).

Pre-payment Rights

Should certain specified events of default occur on more than one occasion, Alaris is entitled to require most Partners to make a pre-payment representing a pre-determined number of monthly payments of the then-current Distribution to Alaris, such amount to be held in trust and applied to future payments.

Further Contributions

From time to time, our agreements with our Partners may provide a Partner with the option, exercisable at a pre-determined time, to require Alaris to make a further contribution to the Partner for additional preferred partnership units of such Partner that entitle Alaris to receive an additional Distribution. Except as set forth herein, as of the date hereof, all such options have expired or were terminated. Alaris has agreed to make the BCC Tranche 3 investments upon BCC satisfying certain financial targets. In July 2019, Alaris committed to investing an additional US\$8 million in PFGP to help fund its Australian expansion. As of the date hereof, Alaris has contributed US\$4.5 million of the US\$8 million. Alaris has also committed to a future contribution of US\$4 million to Stride, subject to Stride achieving

certain financial targets and approval by Alaris and Stride; the timing of this contribution is currently unknown.

Additional Information

From time-to-time, Alaris has made, and may in the future make, loans to its Partners when deemed appropriate as described in "Description of the Business and Operations - "Our Current Partners" section. The following are the amounts of loans outstanding with former partners of Alaris as of the date of this filing: Phoenix Holdings, Ltd. ("**Phoenix**"), a successor company to KMH, owes two separate amounts to Alaris; the first for \$4.9 million and the second for \$8.5 million. No interest or principal is being paid on any of the notes held in Phoenix.

TRUST DISTRIBUTIONS

In deciding to pay distributions on our Trust Units, our Board considers our Partner Distributions received, profitability, debt covenants and obligations, foreign exchange rates, the availability and cost of additional investments, fluctuations in working capital, applicable law, and any other relevant conditions existing at declaration time, and any dividend policy it may have implemented. Any distribution policy established by our Board can be changed at any time and is not binding on us.

The Senior Credit Facility limits the ability of Alaris to pay distributions in certain circumstances. Accordingly, our ability to pay distributions depends upon, among other things, our level of indebtedness at the time of the proposed distribution and whether we are in compliance with such agreements. Our ability to pay distributions also depends upon, among other things, the financial performance of our Partners. There is no certainty that we will declare and pay any distributions at any time.

Our Board's distribution policy is to review distributions on a quarterly basis and to declare and pay distributions on the issued and outstanding Trust Units on a quarterly basis, provided specific financial and other conditions have been met by Alaris. See "General Development of the Business – Three Year History" for further details on the Trust's (and its predecessor AEPI's) changes to its distribution/dividend policy.

In March 2020, AEPI announced that it would switch its dividend policy from a monthly to quarterly payment, with the first quarterly dividend paid July 15, 2020. On October 15, 2020, Alaris began paying an increased quarterly distribution of \$0.31 per Trust Unit, an increase of \$0.02 per Trust Unit.

The table below describes the dividends paid by AEPI and the distributions paid by the Trust in the last three years and up to the date of December 31, 2020:

Dividend/Distribution Payment Date	Amount per Common Share/Trust Unit	Record Date	Dividend/Distribution Payment Date	Amount per Common Share/Trust Unit	Record Date
January 15, 2018	\$0.135/Share	December 29, 2017	March 15, 2019	\$0.1375/Share	February 28, 2019
February 15, 2018	\$0.135/Share	January 31, 2018	April 15, 2019	\$0.1375/Share	March 29, 2019
March 15, 2018	\$0.135/Share	February 28, 2018	May 15, 2019	\$0.1375/Share	April 30, 2019
April 16, 2018	\$0.135/Share	March 29, 2018	June 17, 2019	\$0.1375/Share	May 31, 2019
May 15, 2018	\$0.135/Share	April 30, 2018	July 15, 2019	\$0.1375/Share	June 28, 2019
June 15, 2018	\$0.135/Share	May 31, 2018	August 15, 2019	\$0.1375/Share	July 31, 2019
July 16, 2018	\$0.135/Share	June 29, 2018	September 16, 2019	\$0.1375/Share	August 30, 2019
August 15, 2018	\$0.135/Share	July 31, 2018	October 15, 2019	\$0.1375/Share	September 30, 2019
September 17, 2018	\$0.135/Share	August 31, 2018	November 15, 2019	\$0.1375/Share	October 31, 2019
October 15, 2018	\$0.135/Share	September 28, 2018	December 16, 2019	\$0.1375/Share	November 29, 2019
November 15, 2018	\$0.135/Share	October 31, 2018	January 15, 2020	\$0.1375/Share	December 31, 2019
December 17, 2018	\$0.1375/Share	November 30, 2018	February 18, 2020	\$0.1375/Share	January 31, 2020
January 15, 2019	\$0.1375/Share	December 30, 2018	March 16, 2020	\$0.1375/Share	February 28, 2020
February 15, 2019	\$0.1375/Share	January 31, 2019	April 15, 2020	\$0.1375/Share	March 31, 2020

Dividend/Distribution Payment Date	Amount per Common Share/Trust Unit	Record Date	Dividend/Distribution Payment Date	Amount per Common Share/Trust Unit	Record Date
July 15, 2020	\$0.29/Share	June 29, 2020	October 15, 2020	\$0.31/Trust Unit	September 30, 2020

DESCRIPTION OF CAPITAL STRUCTURE

Alaris is authorized to issue an unlimited number of Trust Units and Special Voting Units. As of the date hereof, 44,962,316 Trust Units were issued and outstanding, and there were no Special Voting Units issued and outstanding. In addition, as of the date hereof, there were stock options outstanding to acquire 984,019 Trust Units pursuant to Alaris' Stock Option Plan, and there were restricted share units outstanding entitling the holders thereof to receive an aggregate of 471,200 Trust Units pursuant to the Alaris' Restricted Share Unit Plan upon the satisfaction of certain vesting criteria.

The following describes the material provisions of our Trust Units and Special Voting Units. A more detailed description of the Trust Units and Special Voting Units is set forth in the attached Schedule "B".

TRUST UNITS

The material characteristics of the Trust Units are as follows:

- a) each Trust Unit carries the right to receive notice of, to attend and to one vote on each resolution voted on at Unitholder meetings;
- b) Trust Units entitle Unitholders to receive distributions from the Trust (whether of net income, net realized capital gains or other amounts) if, as and when declared by the Board;
- c) in the event of liquidation, dissolution or winding-up, or any other distribution of our assets among our Unitholders, holders of Trust Units are entitled to share pro rata in such assets as are available for distribution;
- d) each Unitholder may demand redemption of some or all of the Unitholder's Trust Units for a price per Trust Unit equal to the lesser of (i) 90% of the Market Price (defined and calculated as described in Schedule "B") of a Trust Unit and (ii) 100% of the Closing Market Price (defined and calculated as described in Schedule "B").
- e) the terms of the Trust Units also contain certain provisions designed to ensure that Alaris complies with applicable U.S. securities laws, including a restriction on treasury issuances to persons located in the United States or that are U.S. Persons that are not Qualified Purchasers and restrictions on ownership by ERISA Persons. See "*Ownership and Transfer Restrictions*". A full copy of the terms of the Trust Units is available on the Trust's SEDAR profile at www.sedar.com.

SPECIAL VOTING UNITS

The material characteristics of the Special Voting Units are as follows:

- a) each Special Voting Units carries the right to receive notice of, to attend and to one vote on each resolution voted on at Unitholder meetings; and
- b) except for the above rights, holders of Special Voting Units are not entitled to any other rights, and 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 the Trust's net assets upon the termination or winding-up of the Trust;

MARKET FOR SECURITIES AND PRIOR SALES

TRADING PRICE AND VOLUME

Trust Units

The Trust Units are listed and posted for trading on the TSX under the symbol "AD:UN". The following table describes the intraday price range and trading volume of Trust Units (or Alaris Royalty Corp.'s common shares before the date of the Arrangement) for 2020 and for 2021 through March 29, 2021 (source: TMX Money).

Trust Units			
	High (\$)	Low (\$)	Volume (thousands)
January 2020	22.61	21.59	4,295
February 2020	23.34	19.23	5,741
March 2020	19.58	5.83	15,269
April 2020	10.74	7.40	8,087
May 2020	11.04	8.65	9,761
June 2020	14.35	9.54	11,864
July 2020	13.60	11.30	5,524
August 2020	13.97	11.78	4,549
September 2020	12.86	10.49	3,074
October 2020	13.60	10.27	3,009
November 2020	15.18	12.05	4,766
December 2020	15.95	14.08	3,870
January 2021	16.72	14.48	3,525
February 2021	16.84	14.77	4,705
March 2021	17.22	14.77	5,455

Convertible Debentures

On June 11, 2019, Alaris issued \$100 million aggregate principal amount of convertible unsecured subordinated debentures at a price of \$1,000 per convertible debenture, with an interest rate of 5.50% per annum, payable semi-annually. The convertible debentures will mature on June 30, 2024, and are listed and posted for trading on the TSX under the symbol "AD.DB". The following table describes the intraday price range and trading volume of the convertible debentures for 2020 and for 2021 through March 29, 2021 (source: TMX Money).

Convertible Debentures			
	High (\$)	Low (\$)	Volume (thousands)
January 2020	103.50	100.70	4,037
February 2020	105.58	97.70	3,526
March 2020	99.25	60.46	2,543
April 2020	78.16	65.75	1,881
May 2020	82.06	73.51	1,735
June 2020	89.00	79.00	1,325
July 2020	87.90	84.00	1,269

Convertible Debentures			
	High (\$)	Low (\$)	Volume (thousands)
August 2020	89.00	85.10	920
September 2020	87.00	78.04	959
October 2020	88.70	82.50	2,104
November 2020	94.18	85.30	3,623
December 2020	97	92.40	2,514
January 2021	100.25	95.25	3,463
February 2021	100	96.20	3,765
March 2021	100.94	98.06	3,014

PRIOR SALES

No Special Voting Units were issued or outstanding during the year ended December 31, 2020.

OWNERSHIP AND TRANSFER RESTRICTIONS

Investment Company Act Considerations and Restrictions

Based on our current assets and absent an exemption under the Investment Company Act, Alaris may be deemed to be an "investment company" as defined in the Investment Company Act. The Investment Company Act, among other things, prohibits foreign investment companies from publicly offering their securities in the United States. However, Alaris relies on the exemption provided in Section 3(c)(7) of the 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 Investment Company Act, if its securities have only been issued, other than outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulations S, to persons that are (a)(i) located in the United States, or (ii) are U.S. Persons, or (iii) are acquiring securities for the account or benefit of persons located in the United States, or U.S. Persons, that are (b) Qualified Purchasers (as defined in Section 2(a)(51)(A) of the Investment Company Act) and (c) it does not make or propose to make, a public offering of its securities in the United States. Consequently, as long as Alaris is an "investment company" under the Investment Company Act, to comply with the section 3(c)(7) exemption, Trust Units will be issued by Alaris only: (A) outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulation S, or (B) inside the United States or to U.S. Persons, or for the account or benefit of persons located in the United States or U.S. Persons, that are Qualified U.S. Purchasers (which are required to be a Qualified Institutional Buyers). Additionally, generally, Qualified U.S. Purchasers that hold Trust Units may not resell their Trust Units in the United States or to U.S. Persons, or for the account or benefit of persons located in the United States or U.S. Persons.

ERISA Restriction of No Ownership by Plans

For the reasons stated in this section, Alaris will prohibit investment in Trust Units by "benefit plan investors" and other similar investors and, therefore, will also prohibit transfers of Trust Units to such investors. 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 U.S. 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-U.S. 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 U.S. Tax Code ("**Similar Law**"), and, therefore, will be treated by Alaris as benefit plan investors (together with benefit plan investors, "**ERISA Plans**").

If benefit plan investors hold Trust Units, Alaris may become subject to ERISA and applicable Plan Asset Regulations. The Plan Asset Regulations generally provide that when a benefit plan investor 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 Investment Company Act, the benefit plan investor'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," as defined in the Plan Asset Regulations. Under the Plan Asset Regulations, 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 certain persons described in the Plan Asset Regulations.

If under the Plan Asset Rules or Similar Law, Alaris' assets are deemed to be "plan assets" of a benefit plan investor in Alaris, this would result in, among other things (a) the application of the prudence and other fiduciary responsibility standards of ERISA to investments made by Alaris and (b) the possibility that certain transactions that Alaris 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 or Section 4975 of the U.S. Tax Code or Similar Law and as such, might be subject to fines and penalties and would have to be rescinded. A non-exempt prohibited transaction may, under certain circumstances, also result in the tax disqualification of an individual retirement account that invests in Alaris.

The currently issued and outstanding Trust Units and any Trust Units subsequently issued by Alaris are not and will not be "publicly-offered securities"; Alaris is not and does not intend to become a registered investment company under the Investment Company Act, and Alaris will not qualify as an operating company within the meaning of the Plan Asset Regulations. In addition, Alaris does not intend to monitor whether the level of investment in Trust Units by benefit plan investors will be "significant" for purposes of the Plan Asset Regulations. Consequently, Trust Units and any beneficial interests therein may not be held by ERISA Plans nor acquired using "plan assets" of any such investor. Each investor in Trust Units and each subsequent transferee, by acquiring or holding Trust Units or a beneficial interest therein, will be deemed to have represented, warranted, agreed and acknowledged that it is not (and during the period it holds Trust Units will not be) an ERISA Plan and no portion of the assets used to acquire or hold its interest in the Trust Units constitutes or will constitute "plan assets" of an ERISA Plan. Any breach of such deemed representation will void the investment in Trust Units.

Representations on Purchase for All Holders Whether or Not Located in the United States or U.S. Persons

When acquiring Trust Units, each purchaser thereof, whether or not located in the United States or a U.S. Person, will either make or be deemed to have made the acknowledgements, representations, warranties and agreements set forth in "*Legends on All Securities for Holders Whether or Not Located in the United States or U.S. Persons*" immediately below. Qualified U.S. Purchasers may not resell their Trust Units in the United States or to U.S. Persons, or for the account or benefit of persons located in the United States or U.S. Persons.

However, for the avoidance of doubt, a sale of the Trust Units on the TSX will be free of restriction and satisfy the obligations set forth herein and in "*Legends on All Securities For All Holders Whether or Not Located in the United States or U.S. Persons*", so long as the transaction is not pre-arranged with a buyer in the United States or a U.S. Person or a person acting for the account or benefit of a person located in the United States or a U.S. Person or with a person otherwise known to be in the United States, a U.S. Person or a person acting for the account or benefit of a person located in the United States or a U.S. Person and is otherwise conducted in accordance with Regulation S.

Legends on All Securities for All Holders Whether or Not Located in the United States or U.S. Persons

All Trust Units issued, and all certificates (or other evidence 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). This legend will be placed on certificates (or other evidence of entitlement) for purchasers outside the U.S. and on certificates (or other evidence of entitlement) for purchasers that are (a) located in the United States, (b) are U.S. Persons, or (c) are persons acting for the account or benefit of persons located in the United States or U.S. 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.

Rule 144 is not available for the removal of this legend on Trust Units, including upon transfers of the Trust Units outside the United States.

TRUSTEES AND EXECUTIVE OFFICERS OF ALARIS

The following people are the trustees and executive officers of Alaris as of the date hereof. Trustees of Alaris are elected annually and hold office until the next annual meeting of Unitholders. Upon the completion of the Arrangement, the directors of Alaris Royalty Corp. become trustees of the Trust.

TRUSTEES OF ALARIS

Name and Jurisdiction of Residence	Office Held	Trustee/Director Since	Principal Occupation or Employment and Occupation during the Past Five Years
John (Jay) Ripley Round Hill, Virginia, USA	Board Chairman	May 8, 2018	Mr. Ripley is a founding shareholder and board member of Global Partner Acquisition Corp. II, a publicly traded special purpose acquisition corporation. Additionally, Mr. Ripley is a co-founder and board member of Sequel Youth & Family Services, a national operator of behavioral health services in the USA and former Partner of Alaris. Mr. Ripley is also a founding partner and an Advisory Board member of CYWP Funds, a group of private equity funds located in the Washington, DC area which invest in operating businesses and real estate across the USA. Previously, Mr. Ripley was a co-founder and the principal owner of BGR The Burger Joint, a highly acclaimed fast-casual gourmet burger restaurant concept. Additionally, Mr. Ripley was a founding stockholder of Youth Services International and served as its President and COO as well as its CFO. Mr. Ripley also served as President and CEO of Precision Auto Care, as well as Corporate Controller and then VP Eastern Division Operations for Jiffy Lube. He began his career with Ernst & Young, CPAs in Baltimore, MD.
Mitch Shier Calgary, Alberta Canada	Trustee	July 31, 2008	Mr. Shier is General Counsel and Vice-President Land at Paramount Resources Ltd., which he joined in November 2008. Prior to joining Paramount, Mr. Shier spent over 24 years in private practice, where he specialized in mergers and acquisitions and oil and gas and general commercial law.
Mary Ritchie Edmonton, Alberta Canada	Trustee	July 31, 2008	Ms. Ritchie is President and Chief Executive Officer of Richford Holdings Ltd., an accounting and investment advisory services company. Ms. Ritchie is a member of the Canadian Institute of Chartered Accountants and a Fellow of the Institute of Chartered Accountants of Alberta. Ms. Ritchie is a member of the Board of Directors of EnWave Corporation and Morien Resources.
Robert Bertram Aurora, Ontario Canada	Trustee	July 1, 2014	Mr. Bertram is a Corporate Director. In December 2008, he retired as Executive Vice President, Investments of Ontario Teachers' Pension Plan Board ("Teachers"), a position he held from 1990. Prior to Teachers, Mr. Bertram spent 18 years at Telus Corporation, including roles as Assistant Vice President and Treasurer. Mr. Bertram is currently a member of the Independent Review Committee for the Strathbridge Asset Management family of funds, a director of the Investment Management Co. of Ontario, and a director of the Canadian Foundation for Governance Research. Mr. Bertram previously held director roles, amongst others, with Cadillac Fairview Corporation, Maple Leafs Sports and Entertainment, AltaLink, Nexen Inc., and Morguard Mortgage Investment Corp.

Name and Jurisdiction of Residence	Office Held	Trustee/Director Since	Principal Occupation or Employment and Occupation during the Past Five Years
Sophia Langlois Calgary, Alberta, Canada	Trustee	July 7, 2020	Ms. Langlois is currently a board member of Loop Energy Inc. Ms. Langlois was a board member of SAIT from 2014 until mid-2020, serving as the Vice-Chair of the Board, Audit Committee chair, Member of the Executive committee and was formerly the Chair of the Investment Committee. She was a Partner at KPMG Canada from 2006 until early 2020. She has 28 years of experience in a broad range of industries delivering assurance and securities services and also led the Corporate Services group for KPMG Calgary for three years and was the KPMG National Audit Partner in charge of People Strategy. Ms. Langlois holds a Bachelor of Business Commerce degree with a major in Accounting from the University of Calgary, a CPA, CA designation, a CPHR designation and the ICD.D designation from the Institute of Corporate Directors.
Steve King Calgary, Alberta Canada	President, Chief Executive Officer and a Trustee	July 31, 2008	Mr. King is the President and CEO of Alaris and has served in that role since he co-founded the Trust's predecessor in 2004. Mr. King has also served on the Board of Alaris since it went public in 2008. Prior to founding Alaris, Steve spent 12 years in the investment banking industry in both Toronto and Calgary, advising both public and private company entrepreneurs on their capital-raising needs. Mr. King is also a director of Metropolitan Investment Corporation, a private investment company.

EXECUTIVES OF ALARIS

Name and Jurisdiction of Residence	Position Held	Date of Employment	Principal Occupation or Employment and Occupation during the Past Five Years
Steve King Calgary, Alberta Canada	President, Chief Executive Officer and a Trustee	July 31, 2008	Mr. King is the President and CEO of Alaris and has served in that role since he co-founded the Company's predecessor in 2004. Mr. King has also served on the Board of Alaris since it went public in 2008. Prior to founding Alaris, Steve spent 12 years in the investment banking industry in both Toronto and Calgary, advising both public and private company entrepreneurs on their capital-raising needs. Mr. King is also a director of Metropolitan Investment Corporation, a private investment company. Steve is a CFA® Charter holder.
Darren Driscoll Calgary, Alberta Canada	Chief Financial Officer	July 31, 2008	Mr. Driscoll has been the Chief Financial Officer of Alaris and its predecessor entities since November 2004. Before joining Alaris, Darren was the Chief Financial Officer of the Canadian Association of Petroleum Producers. Darren obtained his Chartered Accountant designation in 1995 while working with KPMG LLP in Calgary.
Michael Ervin Calgary, Alberta Canada	Chief Legal Officer/Corporate Secretary	October 14, 2013	Prior to joining Alaris in October of 2013, Mr. Ervin was a corporate lawyer with Burnet, Duckworth & Palmer LLP, with a practice focusing on advising clients, including Alaris, on public and private financings, mergers and acquisitions, corporate governance matters and general corporate matters. Mr. Ervin received his Bachelor of Business Administration (with distinction) from the University of Regina in 2003, and his Bachelor of Laws (with distinction) from the University of Alberta in 2006 and was called to the Alberta Bar in 2007.
Curtis Krawetz Calgary, Alberta Canada	Senior Vice President Investments	July 31, 2008	Mr. Krawetz was appointed Senior Vice President Investments on March 9, 2021. Prior thereto, he served as Vice President Investments and Investor Relations of Alaris since 2013 and prior thereto, he served as Analyst and Manager Investor Relations at Alaris and its predecessors since 2006. Prior to joining Alaris, Curtis held positions in the petroleum marketing, banking and foreign exchange industries and the public sector. Mr. Krawetz received his Bachelor of Commerce from the University of Saskatchewan in 2001.

Name and Jurisdiction of Residence	Position Held	Date of Employment	Principal Occupation or Employment and Occupation during the Past Five Years
Amanda Frazer Calgary, Alberta Canada	Vice President Investments	October 14, 2013	Prior to joining Alaris in October of 2013, Ms. Frazer spent nine years working with Ernst & Young ("EY"), most recently as a Senior Manager in the EY Transaction Advisory group where she provided transaction advisory services to both buy and sell-side clients across a broad spectrum of industries. Ms. Frazer has been a Chartered Accountant in Canada since 2008 and earned a Bachelor of Applied Business Administration, with a major in accounting, from Mount Royal.
Gregg Delcourt Calgary, Alberta Canada	Managing Director	July 1, 2015	Mr. Delcourt was appointed as a Managing Director of Alaris on March 9, 2021. Prior thereto, Mr. Delcourt served as Senior Vice President, Small Cap Investments of Alaris and its predecessors since July of 2015. Prior to joining Alaris, Mr. Delcourt spent 11 years as an investment banker, most recently as Managing Director, Investment Banking at Raymond James. Prior thereto, Mr. Delcourt held the position of Vice President, Mergers & Acquisitions at Ernst & Young Corporate Finance. Over the past 17 years, Mr. Delcourt has been active in financing private and public companies and has been active in advising management teams on raising capital, mergers & acquisitions and go public transactions, with a focus on small to mid-cap entities. Mr. Delcourt holds a Master of Science degree from the University of British Columbia and is a CFA® Charterholder.
Devin Timberlake Calgary, Alberta Canada	Vice-President Business Development	July 1, 2015	Prior to joining Alaris in July of 2015, Devin served as an Investment Banking Associate on the M&A advisory team with Primary Capital. Devin graduated from Brown University, where he earned a degree in Business, Entrepreneurship and Organizations. Devin is a CFA® Charterholder.
Marla Evans Calgary, Alberta Canada	Director Tax	March 30, 2016	Marla joined Alaris in May 2016 after consulting with us for four years. She is a member of the Chartered Professional Accountants of Alberta and has over 28 years of experience working in Canadian and International corporate tax. Marla has provided expertise in tax services relating to acquisitions, divestitures, mergers, reorganizations and financings. She also has extensive knowledge of tax compliance and financial reporting.
Elizabeth McCarthy Calgary, Alberta Canada	Vice President Legal	October 11, 2016	Prior to joining Alaris in October of 2016, Elizabeth spent seven years working as a tax lawyer with Burnet, Duckworth and Palmer LLP. As a tax lawyer, Elizabeth's practice focused primarily on mergers and acquisitions, restructuring and financings, employee remuneration and compensation, tax-loss utilization transactions, partnerships and joint ventures and tax litigation and tax dispute resolution. Elizabeth received her Bachelor of Arts degree from the University of Calgary in 2006 and her Law Degree from the University of British Columbia in 2009 and was called to the Alberta Bar in 2010.
Dan MacEachern Calgary, Alberta Canada	Vice President Investments	February 16, 2016	Prior to joining Alaris in February 2016, Dan served as an Associate in KPMG's Deal Advisory and Audit groups. At Alaris, Dan's efforts are focused on performing due diligence on new Partners, ongoing financial and operational monitoring of current investments. Dan graduated with distinction from St. Francis Xavier University, where he earned a Bachelor of Business Administration and has been a Chartered Accountant since 2014.

Name and Jurisdiction of Residence	Position Held	Date of Employment	Principal Occupation or Employment and Occupation during the Past Five Years
Shawn Ostrow Calgary, Alberta, Canada	Vice President Business Development	May 15, 2019	Prior to joining Alaris, Shawn served as an Investment Banking Senior Associate with Capstone Headwaters, a middle-market M&A advisory firm in Denver, Colorado. Prior thereto, Shawn held the position of Vice President, Investment Banking at Acumen Capital, where he was with the firm for over four years. Shawn graduated from the University of Denver, where he earned a Bachelor of Science in Business Administration with a focus in Finance and earned a Master of Business Administration degree from the University of Calgary. At Alaris, Shawn's efforts are focused on strengthening the company's well-established network of active investment community relationships as well as working to build new relationships that will help source new quality investment opportunities.
Jordan Primeau Calgary, Alberta, Canada	Vice President Legal	July 4, 2019	Before joining Alaris in 2019, Jordan was a corporate attorney with Bennett Jones LLP in both the Calgary and Vancouver firm offices. Jordan's private-practice experience focused on a broad range of transaction-related matters, including private equity, public and private mergers and acquisitions, corporate finance and securities. Jordan received a Juris Doctor from the University of Ottawa and a Bachelor of Arts from Mount Royal University and is a member of the bar in both Alberta and British Columbia. At Alaris, Jordan advises on legal matters for Partner investments and assists with general legal and compliance-related functions. Jordan is also a board member for The Impact Society for Children & Families in Turmoil, where he currently serves as Board Treasurer and as a member of the Finance Committee.

COMMITTEE MEMBERS

There are three committees of the Board, with the membership of each committee composed as follows:

- (a) Audit Committee: Mary Ritchie (Chair), John (Jay) Ripley and Sophia Langlois.
- (b) Compensation Committee: Robert Bertram (Chair), John (Jay) Ripley and Sophia Langlois.
- (c) Governance Committee: E. Mitchell Shier (Chair), Robert Bertram and Mary Ritchie.

TRUST UNIT HOLDINGS OF TRUSTEES AND EXECUTIVE OFFICERS

As of the date hereof, the trustees and executive officers of Alaris, as a group, beneficially own, control or direct, directly or indirectly, 1,975,111 Trust Units (basic), which is 4.4% of the issued and outstanding Trust Units (basic).

Cease Trade Orders and Bankruptcies

Except as otherwise provided below, to Alaris' knowledge, no trustee or executive officer or a Unitholder holding a sufficient number of securities of Alaris to affect the control of Alaris materially:

- (a) is, as at the date of this AIF, or has been, within the 10 years before, a director, chief executive officer or chief financial officer of any company (including Alaris):
 - (i) subject to an order (including a cease trade order, or an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation) for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as trustee, chief executive officer or chief financial officer; or
 - (ii) subject to an order (including a cease trade order, or an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation) for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as trustee, chief executive officer or chief financial officer;

- (b) is, as at the date of this AIF, or has been, within the 10 years before, a director or executive officer of any company (including Alaris), that while that person was acting in that capacity or within a year of the person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to hold the assets of the proposed director.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of Alaris, there is no legal proceeding material to Alaris to which Alaris is a party, or was a party to in 2020, or that any of its assets is or was, the subject matter of in 2020, nor are there any such proceedings known to the Company to be contemplated. Other than (a) the ongoing litigation involving Alaris and the purchasers of Sandbox Acquisitions, LLC and Sandbox Advertising LP, and (b) the CRA reassessment proceedings in respect of Alaris 2009 through 2019 taxation years, each as previously disclosed and neither of which Alaris considers material, to the knowledge of Alaris, there are no legal proceedings to which Alaris is a party, or was a party to in 2020, or that any of its assets is or was, the subject matter of in 2020, nor are there any such proceedings known to the Company to be contemplated, that involves a claim for damages, exclusive of interest and costs, exceeding 10% of the current assets of Alaris.

During the year ended December 31, 2020, there were: (a) no penalties or sanctions imposed against Alaris or by a court relating to securities legislation or by a securities regulatory authority; (b) no other penalties or sanctions imposed by a court or regulatory body against Alaris that would likely be considered important to a reasonable investor in making an investment decision and (c) no settlement agreements entered into by Alaris before a court relating to a securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed below, none of our trustees, executive officers or Unitholders who beneficially own, or control or direct, directly or indirectly, more than 10% of any class or series of our outstanding Trust Units (and no associate or affiliate of any of these persons or companies) have any material interest, direct or indirect, in any transaction within the three most recently completed financial years that has materially affected or is reasonably expected to materially affect Alaris.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Our auditors are KPMG LLP.

Our registrar and transfer agent for our Trust Units is Computershare Trust Company of Canada, at its principal offices in Calgary, Alberta, and Toronto, Ontario.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, including investment agreements with Partners, Alaris has not entered into any material contract in the most recently completed financial year other than the amendments to the Senior Credit Facility.

In addition, Alaris does not have any material contracts entered into before the most recently completed financial year which are still in effect, other than:

- (a) the GWM Loans;
- (b) the DNT LLC Agreement; and
- (c) Federal Resources Loan Agreement.

Copies of the material contracts may be inspected at our head office during normal business hours, with advance notice to ensure we can follow applicable COVID-19 protocols.

The material contracts may also be viewed by accessing disclosure documents of the Trust available through the internet at www.sedar.com.

INTEREST OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 *Continuous Disclosure Obligations*, by the Company during, or related to, the Company's most recently completed financial year other than KPMG LLP, our auditors. KPMG LLP, Chartered Professional Accountants, 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 regulation. No director, officer or employee of KPMG LLP is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

AUDIT COMMITTEE INFORMATION

The Audit Committee is a committee of the Board established for the purpose of overseeing the accounting and financial reporting process of the company and annual external audits of the consolidated financial statements.

THE AUDIT COMMITTEE'S MANDATE

The Audit Committee has set out its responsibilities and composition requirements in fulfilling its oversight in relation to the company's internal accounting standards and practises, financial information, accounting systems and procedures, which procedures are contained in the Company's Audit Committee Mandate, the full text of which is set out in the attached Schedule "A".

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee currently consists of Mary Ritchie, F.C.A. (Chair), John (Jay) Ripley and Sophia Langlois.

RELEVANT EDUCATION AND EXPERIENCE

The following chart sets out the assessment of each Audit Committee member's independence, financial literacy and relevant educational background and experience supporting such financial literacy.

Name and Municipality of Residence	Independent	Financially Literate	Relevant Education and Experience
Mary Ritchie Edmonton, Alberta	Y	Y	Ms. Ritchie is President and Chief Executive Officer of Richford Holdings Ltd., an accounting and investment advisory services company. Ms. Ritchie is a member of the Canadian Institute of Chartered Accountants and a Fellow of the Institute of Chartered Accountants of Alberta. Ms. Ritchie is a member of the Board of Directors of EnWave Corporation and Morien Resources.
John (Jay) Ripley Round Hill, Virginia, USA	Y	Y	Mr. Ripley is a founding shareholder and board member of Global Partner Acquisition Corp. II, a publicly traded special purpose acquisition corporation. Additionally, Mr. Ripley is a co-founder and board member of Sequel Youth & Family Services, a national operator of behavioral health services in the USA and former Partner of Alaris. Mr. Ripley is also a founding partner and an Advisory Board member of CYWP Funds, a group of private equity funds located in the Washington, DC area which invest in operating businesses and real estate across the USA. Previously, Mr. Ripley was a co-founder and the principal owner of BGR The Burger Joint, a highly acclaimed fast-casual gourmet burger restaurant concept. Additionally, Mr. Ripley was a founding stockholder of Youth Services International and served as its President and COO as well as its CFO. Mr. Ripley also served as President and CEO of Precision Auto Care, as well as Corporate Controller and then VP Eastern Division Operations for Jiffy Lube. He began his career with Ernst & Young, CPAs in Baltimore, MD.

Name and Municipality of Residence	Independent	Financially Literate	Relevant Education and Experience
Sophia Langlois Calgary, Alberta	Y	Y	Ms. Langlois is currently a board member of Loop Energy Inc. Ms. Langlois was a board member of SAIT from 2014 until mid-2020, serving as the Vice-Chair of the Board, Audit Committee chair, Member of the Executive committee and was formerly the Chair of the Investment Committee. She was a Partner at KPMG Canada from 2006 until early 2020. She has 28 years of experience in a broad range of industries delivering assurance and securities services and also led the Corporate Services group for KPMG Calgary for three years and was the KPMG National Audit Partner in charge of People Strategy. Ms. Langlois holds a Bachelor of Business Commerce degree with a major in Accounting from the University of Calgary, a CPA, CA designation, a CPHR designation and the ICD.D designation from the Institute of Corporate Directors.

PRE-APPROVAL POLICIES AND PROCEDURES

As part of Alaris' corporate governance practices, the Board, through its Audit Committee, ensures that a strict policy is in place limiting the Auditor from providing services not related to its role as Auditor. The Audit Committee is responsible for reviewing and pre-approving all non-audit services to be provided to the Company by its external auditors. All services comply with professional standards and securities regulations governing auditor independence.

EXTERNAL AUDITOR SERVICE FEES

Nature of Services	Fees Paid to Auditor Relating to Fiscal Year Ended December 31, 2020	Fees Paid to Auditor Relating to Fiscal Year Ended December 31, 2019
Audit Fees ⁽¹⁾	\$538,012	\$305,966
Tax Fees ⁽²⁾	342,994	324,674
All Other Fees ⁽³⁾	347,320	48,150
Totals⁽⁴⁾	\$1,228,326	\$678,790

- (1) Represents fees billed by our external auditor for audit services and the reviews of interim financial statements. The reason for the increase from 2019 was due to non-recurring additional audit work in the 2019 year-end audit file, paid in early 2020, related to the accounting for the assets and liabilities held for sale on the eventual sale of Sandbox.
- (2) Of the \$342,994 of tax fees paid in 2020, \$138,054 was with respect to tax compliance work and \$204,090 with respect to tax advisory services. Of the \$324,674 of tax fees paid in 2019, \$129,310 was with respect to tax compliance work and \$195,364 with respect to tax advisory services.
- (3) Total "All Other Fees" for 2020 were in relation to the Arrangement and equity offering completed in 2020. In 2019 these were in relation to the convertible debt offering.
- (4) The increase in total fees paid to the Auditors in 2020 was primarily due to the fees related to the conversion to an income trust during the year and the additional audit fees related to the sale of Sandbox, as noted above. In 2019 there was no work needed on either of these additional items.

ADDITIONAL INFORMATION

Additional information relating to Alaris can be found on SEDAR. Additional information, including information about the remuneration and indebtedness of our trustees and officers, the principal holders of our securities and our securities authorized for issuance under equity compensation plans, will be contained in our information circular for the annual meeting of unitholders expected to be held on or around June 1, 2021. Additional financial information about Alaris is provided in our financial statements and management's discussion and analysis for the year ended December 31, 2020.

SCHEDULE "A" - AUDIT COMMITTEE MANDATE

The Audit Committee (Committee) of the board of trustees (Board) of Alaris Equity Partners Income Trust (Trust) has the oversight responsibility and specific duties described below and shall comply with the requirements of applicable laws.

COMPOSITION

The Committee will be comprised of at least three trustees. All Committee members will be independent under applicable law.

All Committee members will be "financially literate" under the definition set out in applicable law, which, for greater certainty, is currently defined in National Instrument 52-110 *Audit Committees* as "... the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Trust's financial statements".

Committee members will be appointed and removed as required by the Board. The Committee Chair will be appointed by the Board.

RESPONSIBILITIES

The Committee's primary purpose is to assist the Board in fulfilling its oversight responsibilities with respect to (a) the integrity of annual and quarterly financial statements to be provided to the Trust's unitholders and regulatory bodies; (b) compliance with accounting and finance based legal and regulatory requirements; (c) the external auditor's qualifications, independence and compensation, and communicating with the external auditor; (d) the system of internal accounting and financial reporting controls that management has established; (e) performance of the external audit process and of the external auditor; (f) financial policies and strategies including capital structure; (g) financial risk management practices; and (h) transactions or circumstances which could materially affect the financial profile of the Trust.

SPECIFIC DUTIES

Audit Leadership

Have a clear understanding with the external auditor that it must maintain an open and transparent relationship with the Committee, and that the ultimate accountability of the external auditor is to the Committee, as representatives of the unitholders of the Trust.

Provide an avenue for communication between each of the external auditor, financial and senior management and the Board, and the Committee has the authority to communicate directly with the external auditors.

Auditor Qualifications and Selection

Subject to required unitholder approval of the appointment of auditors of the Trust, be solely responsible for recommending to the Board: (a) the external auditor of the Trust for the purpose of preparing or issuing an auditor's report or performing other audit review or attest services for the Trust; and (b) the compensation of the external auditor of the Trust. The Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit review or attest services for the Trust, including the resolution of disagreements between management and the external auditor regarding financial reporting. In all circumstances the external auditor reports directly to the Committee. The Committee is entitled to adequate funding to compensate the external auditor for completing an audit and audit report or performing other audit, review or attest services.

Evaluate the external auditor's qualifications, performance and independence. Take all reasonable steps to ensure that the external auditor does not provide non-audit services that would disqualify it as independent under applicable law.

Review the experience and qualifications of the senior members of the external audit team and the quality control procedures of the external auditor. Ensure that the lead audit partner of the external auditor is replaced periodically, according to applicable law. Take all reasonable steps to ensure continuing independence of the external audit firm. Present the Committee's conclusions on auditor independence to the Board.

Review and approve policies for the Trust's hiring of senior employees and former employees of the external auditor who were engaged on the Trust's account to the Board for consideration.

Process

Pre-approve all audit services (which may include consent and comfort letters in connection with securities offerings). Pre-approve and disclose, as required, the retention of the external auditor for non-audit services to be provided to the Trust or any of its subsidiaries permitted under applicable law. In the discretion of the Committee, annually delegate to one or more of its members the authority to grant pre-approvals provided that those pre-approvals are presented in writing to the Committee at the next regularly scheduled meeting.

Meet with the external auditor prior to the audit to review the scope and general extent of the external auditor's annual audit including (a) the planning and staffing of the audit and (b) an explanation from the external auditor of the factors considered in determining the audit scope, including the major risk factors.

Require the external auditor to provide a timely report setting out (a) all critical accounting policies, significant accounting judgments and practices to be used; (b) all alternative treatments of financial information within IFRS that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditor; and (c) other material written communications between the external auditor and management.

Take all reasonable steps to ensure that officers and trustees or persons acting under their direction are aware that they are prohibited from coercing, manipulating, misleading or fraudulently influencing the external auditor when the person knew or should have known that the action could result in rendering the financial statements materially misleading.

Upon completion of the annual audit, review the following with management and the external auditor:

- (a) The annual financial statements, including related notes, the management's Discussion and Analysis of Financial Condition and Results of Operations (**MD&A**) of the Trust and the financial statement and internal control certifications by the Chief Executive Officer and Chief Financial Officer of the Trust (**Certifications**), for filing with applicable securities regulators and provision to the unitholders of the Trust, as required, and all annual earnings press releases before their public disclosure.
- (b) The significant estimates and judgements and reporting principles, practices and procedures applied by the Trust in preparing its financial statements, including any newly adopted accounting policies and the reasons for their adoption.
- (c) The results of the audit of the financial statements and whether any limitations were placed on the scope or nature of the audit procedures.
- (d) Significant changes to the audit plan, if any, and any serious disputes or difficulties with management encountered during the audit, including any problems or disagreements with management which, if not satisfactorily resolved, would have caused the external auditor to issue a non-standard report on the financial statements of the Trust.
- (e) The cooperation received by the external auditor during its audit, including access to all requested records, data and information.
- (f) Any other matters not described above that are required to be communicated by the independent auditor to the Committee.

Risk Management

Discuss guidelines and policies with respect to risk assessment and risk management, including the processes management uses to assess and manage the Trust's risk. Discuss major financial risk exposures and steps management has taken to monitor and control such exposures. Receive reports from management with respect to risk assessment, risk management and major financial risk exposures.

Financial Statements and Disclosure

At least annually, as part of the review of the annual financial statements, receive an oral report from the Trust's counsel concerning legal and regulatory matters that may have a material impact on the financial statements.

Based on discussions with management and the external auditor, in the Committee's discretion, recommend to the Board whether the annual financial statements and MD&A of the Trust, together with any annual earnings press releases and Certifications should be approved for filing with applicable securities regulators and provided to the Trust's unitholders, as required, prior to their disclosure.

Review the general types and presentation format of information that it is appropriate for the Trust to disclose in earnings news releases or other earnings guidance provided to analysts and rating agencies.

Review with management and the external auditor the quarterly financial statements, MD&A, Certifications and quarterly earnings releases prior to their release and recommend to the Board for consideration the quarterly results, financial statements, MD&A, Certifications and news releases prior to filing them with or furnishing them to the applicable securities regulators and prior to any public announcement of financial results for the periods covered, including a written report of the results of the external auditor's

reviews of the quarterly financial statements, significant adjustments, new accounting policies, any disagreements between the external auditor and management and the impact on the financial statements of significant events, transactions or changes in accounting principles or estimates that potentially affect the quality of financial reporting.

Internal Control Supervision

As required by applicable law, review with management and the external auditor the Trust's internal controls over financial reporting, any significant deficiencies or material weaknesses in their design or operation, any proposed major changes to them and any fraud involving management or other employees who have a significant role in the Trust's internal controls over financial reporting.

Review with management, the Chief Financial Officer and the external auditor the methods used to establish and monitor the Trust's policies with respect to unethical or illegal activities by employees that may have a material impact on the financial statements.

Meet with management and the external auditor to discuss any relevant significant recommendations that the external auditor may have, particularly those characterized as "material" or "serious" (typically, such recommendations will be presented by the external auditor in the form of a Letter of Comments and Recommendations to the Committee). Review responses of management to the Letter of Comments and Recommendations from the external auditor and receive follow-up reports on action taken concerning the recommendations.

Review with management and the external auditor any correspondence with regulators or government agencies and any employee complaints or published reports which raise material issues regarding the Trust's financial statements or accounting policies of the Trust (as required and at a minimum, on a quarterly basis).

Review with management and the external auditor any off-balance sheet financing mechanisms, transactions or obligations of the Trust.

Review with management and the external auditor any material related party transactions.

Review with management and the external auditor any legal claims involving the Trust.

Review with the external auditor the quality of the Trust's accounting personnel. Review with management the responsiveness of the external auditor to the needs of the Trust.

Disclosure Controls and Procedures

Periodically assess and be satisfied with the adequacy of procedures in place for the review of public disclosure of financial information extracted or derived from the applicable financial statements (other than the annual and quarterly required filings) for the Trust.

Financial Leadership

Review the Trust's financial strategy considering current and future business needs, capital markets and the Trust's credit rating (if any).

Review the Trust's capital structure including debt and equity components, current and expected financial leverage, and interest rate and foreign currency exposures and, in the Committee's discretion, make recommendations to the Board for consideration.

Periodically review and, in the Committee's discretion, recommend changes to the Trust's distributions policy to the Board for consideration.

In conjunction with the Compensation and Governance Committee, annually review the appointment of the Chief Financial Officer (CFO) and other senior financial individuals within the Trust.

Financial Management

On a quarterly basis, review proposed monthly dividends to be declared for each quarter and, in the Committee's discretion, make recommendations to the Board for consideration.

Regularly review current and expected future compliance with covenants under all financing agreements.

Annually review the instruments the Trust and its subsidiaries are permitted to use for short-term investments of excess cash and, in the Committee's discretion, make recommendations to the Board for consideration.

Annually review a report of all expenses submitted by the Chair of the Board and by the Chief Executive Officer of the Trust.

Financial Risk Management

Regularly review the financial risks arising from the Trust's exposure to changes in interest rates, foreign currency exchange rates and credit. Review the management of these risks including any proposed hedging of the exposures. Review a summary report of the hedging activities including a summary of the hedge-related instruments.

Annually review the insurance program including coverage for property damage, business interruption, liabilities and trustees and officers.

Review any other significant financial exposures of the Trust to the risk of a material financial loss including tax audits or other activities.

Establish procedures (through approval of the relevant sections of the Code of Business Conduct) for (a) the receipt, retention and treatment of complaints received by the Trust regarding accounting, internal accounting and financial reporting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Regularly review all submissions under the Trust's Whistleblower Policy.

Transactions

Review any proposed issues of securities of the Trust or proposed issues of securities of the subsidiaries of the Trust to parties not affiliated with the Trust and, in the Committee's discretion, make recommendations to the Board for consideration. When applicable, review the related securities filings and make recommendations to the Board for consideration.

Review any proposed material issues of debt including public and private debt, credit facilities with banks and others and other credit arrangements such as capital and operating leases and, in the Committee's discretion, make recommendations to the Board for consideration. When applicable, review the related securities filings and make recommendations to the Board for consideration.

Receive reports on significant, non-material issues of or changes to debt including public and private debt, credit facilities with banks and others and other credit arrangements such as capital and operating leases.

Review any proposed repurchases of units, public and private debt or other securities and, in the Committee's discretion, make recommendations to the Board for consideration.

Committee Reporting

Following each meeting of the Committee, report to the Board on the activities, findings and any recommendations of the Committee.

Report regularly to the Board and review with the Board any issues that arise with respect to the quality or integrity of the financial statements of the Trust, compliance with applicable law and the performance and independence of the external auditor of the Trust.

Annually review and approve the information regarding the Committee required to be disclosed in the Trust's annual information form and Committee's report for inclusion in the annual Proxy Circular.

Prepare any reports required to be prepared by the Committee under applicable law.

Committee Meetings

Meet at least four times annually and as many additional times as needed to carry out its duties effectively. The Committee may, on occasion and in appropriate circumstances, hold meetings by telephone conference call.

Meet in separate, non-management, closed sessions with the external auditor at each regularly scheduled meeting.

Meet in separate, non-management, in camera sessions at each regularly scheduled meeting.

Meet in separate, non-management, closed sessions with any other internal personnel or outside advisors, as needed or appropriate.

Committee Governance

Once or more annually, as the Compensation and Governance Committee (**CG Committee**) decides, receive for consideration that Committee's evaluation of this Mandate and any recommended changes. Review and assess the CG Committee's recommended changes and make recommendations to the Board for consideration.

Advisors/Resources

Have the sole authority to retain, oversee, compensate and terminate independent advisors to assist the Committee in its activities.

Receive adequate funding from the Trust for independent advisors and ordinary administrative expenses that are needed or appropriate for the Committee to carry out its duties.

Other

With the CG Committee, the Board and the Board Chair, respond to potential conflict of interest situations, as required.

Carry out any other appropriate duties and responsibilities assigned by the Board.

To honour the spirit and intent of applicable law as it evolves, authority to make minor technical amendments to this Mandate is delegated to the Secretary, who will report any amendments to the Compensation & Governance Committee at its next meeting.

Approved: March 9, 2021

SCHEDULE "B" – DESCRIPTION OF THE TRUST UNITS

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 issued only in tandem with Exchangeable Securities (as defined in the Declaration of Trust). As of the date of the AIF, the Trust has a total of 44,962,316 Trust Units outstanding 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. The Trust Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under that act or any other legislation.

Trust Units

Each Trust Unit is transferable and is 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 the holders of Trust Units and, if applicable, Special Voting Units (collectively, the "**Voting Unitholders**" and the Trust Units and the Special Voting Units, collectively, the "**Voting Units**") 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 may decide in their sole discretion. 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 were there any issued as part of, or in connection with, the Trust Conversion 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 under 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 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 fair market value determined by the trustees (and, for so long as the Trust is listed on the TSX, such determination of fair market value 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 must 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.

Repurchase of Trust Units

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

Limitations on Non-Resident Ownership of Trust Units

For the Trust to keep 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 persons who are not residents of Canada for purposes of the Tax Act. Accordingly, the Declaration of Trust provides that at no time may persons who are not residents of Canada for the purposes of the Tax Act and partnerships that are not "Canadian partnerships" for the purposes of the Tax Act ("**Non-Resident Persons**") be the beneficial owners of more than 49% of the Trust Units (on either a basic basis or a fully-diluted basis) 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 a Non-Resident Person (and, in the case of a partnership, whether the partnership is a Non-Resident Person). 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) are, or may be, Non-Resident Persons 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 Person and does not hold such Trust Units for the benefit of Non-Resident Persons. 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) are held by Non-Resident Persons, the trustees may send or cause to be sent a notice to such persons 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-Resident Persons 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.

Redemption Right

A Unitholder may at any time demand redemption of some or all 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 fair market value 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 fair market value 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 unsecured subordinated promissory notes of the Trust (or certain of its affiliates) ("**Redemption Notes**") having a fair market value 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 fair market value 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 a registered retirement savings plan (RRSP), registered retirement income fund (RRIF), deferred profit-sharing plan, registered education savings plan (RESP), registered disability savings plan (RDSP) or tax-free savings account (TFSA), depending upon the circumstances at the time.

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.

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 like 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 way 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 allows 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.