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**NOTICE OF ANNUAL GENERAL MEETING  
OF UNITHOLDERS**

*June 1, 2021*

**&**

**INFORMATION CIRCULAR**

*Dated April 21, 2021*

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## **YOUR VOTE COUNTS**

### **REGISTERED UNITHOLDERS**

If your Units are registered in your own name, you are a registered unitholder.

You will have received a form of proxy from Alaris' proxy communications agent, Computershare Investor Services Inc. Please vote online at [www.proxyvote.com](http://www.proxyvote.com) by using the 16-digit control number provided on your form of proxy, or via telephone at 1-800-474-7493 (ENGLISH) OR 1-800-474-7501 (FRENCH) OR 1-800-454-8683 (U.S. Unitholders). Alternatively, please complete, sign and mail your form of proxy in the envelope provided. To vote in real-time during the virtual meeting, or appoint someone else to attend and vote as your proxyholder at the virtual meeting, see pages 11 through 14 of the Information Circular.

### **NON-REGISTERED UNITHOLDERS**

If your Units are held in a brokerage account or through a trustee, financial institution or another nominee, you are a non-registered unitholder.

You will have received a request for voting instructions from your broker or other nominee. Follow the instructions on your voting instruction form to vote by telephone or internet. OR, complete, sign and mail the voting instruction form in the postage prepaid envelope provided. If you plan to attend the virtual meeting and wish to vote in real-time, please follow the instructions on the enclosed voting form to appoint yourself instead of the management nominees to vote at the virtual meeting. Non-registered holders must take the necessary steps to appoint themselves if they wish to vote at the virtual meeting in real-time. For more information, please refer to the information on page 13 of the Information Circular.

# INVITATION TO UNITHOLDERS

IT IS OUR GREAT PLEASURE TO INVITE YOU TO JOIN ALARIS EQUITY PARTNERS INCOME TRUST'S BOARD OF TRUSTEES AND EXECUTIVE TEAM AT OUR ANNUAL GENERAL MEETING OF UNITHOLDERS ON JUNE 1, 2021. THE MEETING WILL BE HELD VIRTUALLY BY AUDIO WEBCAST AT 2:30 P.M. MOUNTAIN DAYLIGHT TIME.

This important meeting is your opportunity to hear a first-hand account of Alaris' performance to date and our plans for the future - and for us to respond to any questions you may have. We have decided to hold our annual general meeting of unitholders by way of a virtual only format via a live audio webcast. Unitholders will all have an equal opportunity to participate at the meeting online, regardless of their geographic location. Unitholders will have the opportunity to ask questions and vote on important matters. Please visit our website at <https://www.alarisequitypartners.com/investors> for updated information.

Whether or not you plan to attend the Meeting (via the audio webcast), we recommend that you exercise the power of your proxy vote through the procedures that are explained in the "Q&A on Proxy Voting" section of the accompanying information circular and proxy statement. We urge you to make your vote count. Please vote in sufficient time to ensure your vote is received prior to the proxy cut off of 2:30 p.m. (Calgary time) on May 28, 2021.

You will find the full text of the audited annual financial statements for the year ended December 31, 2020 (and the accompanying management discussion and analysis), the accompanying information circular and proxy statement, the Annual Information Form for the year ended December 31, 2020, corporate presentation, our Q1 2021 quarterly results (after May 6, 2021, the expected timing for filing the Q1 results) and other useful information about Alaris at <http://www.alarisequitypartners.com>.

Trustees and management never lose sight of the fact that we guide this enterprise on behalf of you, our unitholders.

We look forward to your participation in our deliberations on June 1st.

*"John (Jay) Ripley"*  
JOHN F. RIPLEY  
Chairperson of the Board

*"Steve King"*  
STEVE KING  
President & CEO

April 21, 2021

# NOTICE OF ANNUAL GENERAL MEETING OF UNITHOLDERS OF ALARIS EQUITY PARTNERS INCOME TRUST

THE ANNUAL GENERAL MEETING OF UNITHOLDERS (THE “MEETING”) OF ALARIS EQUITY PARTNERS INCOME TRUST (“ALARIS”) WILL BE HELD THE 1<sup>ST</sup> DAY OF JUNE, 2021 AT 2:30 P.M. (MDT) BY WAY OF VIRTUAL AUDIO WEBCAST AND WILL HAVE THE FOLLOWING PURPOSES, AS MORE PARTICULARLY DESCRIBED IN ALARIS’ MANAGEMENT INFORMATION CIRCULAR – PROXY STATEMENT (THE “INFORMATION CIRCULAR”) DATED APRIL 21, 2021:

1. To receive and consider the financial statements of Alaris for the year ended December 31, 2020 and the Auditor’s report on those statements (the “Financial Statements”);
2. To fix the number of Trustees to be elected at six (6) members;
3. To elect the Board of Trustees;
4. To appoint the Auditor of Alaris for fiscal year ending December 31, 2021;
5. To transact any other business properly before the meeting as may properly be brought before the meeting or any adjournment(s) thereof.

**We have decided to hold our annual general and special meeting of unitholders by way of a virtual only format via a live audio webcast. Unitholders will all have an equal opportunity to participate at the meeting online, regardless of their geographic location. For more information, please visit our website at <https://www.alarisequitypartners.com/investors>.**

Furthermore, as permitted by Canadian securities regulators, the Trust is sending meeting-related materials to Unitholders using “notice-and-access” provisions under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*. This means that, rather than receiving paper copies of the Meeting materials in the mail, Unitholders will have access to them online. All Unitholders entitled to receive the Meeting materials will receive a notice-and-access notification (the “N&A Notice”) along with a form of proxy or voting instruction form. In addition, the package will include a form to request copies of the Trust’s annual and/or interim financial statements and related and the management’s discussion and analysis (“MD&A”).

Electronic copies of this notice, the Information Circular, a form of proxy, the N&A Notice, the audited consolidated financial statements of Alaris for the financial year ended December 31, 2020 and 2019 and the related MD&A will be available on Alaris’ website at <https://www.alarisequitypartners.com/investors> and under Alaris’ profile on SEDAR at [www.sedar.com](http://www.sedar.com). Unitholders are reminded to review these online materials when voting. Electronic copies of the Meeting materials will be available on Alaris’ website for a period of at least one year.

Unitholders may choose to receive paper copies of the Meeting materials by mail at no cost. In order for Unitholders to receive the paper copies of the Meeting materials in advance of any deadline for the submission of voting instructions and the date of the Meeting, it is recommended that requests be made as soon as possible but not later than 8 business days in advance of the proxy cutoff date, which is 2:30 pm MDT May 28, 2021. If you do request the current materials, please note that another Voting Instruction Form or Form of Proxy will not be sent; please retain your current one for voting purposes.

Requests for Meeting materials can be made to Computershare Trust Company of Canada by visiting [www.investorcentre.com](http://www.investorcentre.com) or calling 1-866-962-0498 (within North America) or 1-514-982-8716 (outside North America).

If you had any questions about Notice and Access please call **1-800-564-6253**.

A copy of the Financial Statements and Management Discussion and Analysis for the year ended December 31, 2020 have been mailed to Unitholders who requested such mailing in accordance with applicable securities laws and have been filed under Alaris’ profile on SEDAR.

Unitholders who own Units as at the end of business on April 12, 2021 (the “Record Date”) will be entitled to vote at the meeting. The number of eligible votes that may be cast at the Meeting is 44,962,316 being the total number of Units outstanding on the Record Date.

Only Unitholders whose names have been entered in the register of Units at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting. Holders of Units who acquire Units after the Record Date will not be entitled to vote such Units at the Meeting unless, after the Record Date, a holder of record transfers his or her Units and the transferee, upon producing properly endorsed certificates evidencing such Units or otherwise establishing that he or she

owns such Units, requests at least 10 days before the Meeting that the transferee's name be included in the list of Unitholders entitled to vote, in which case such transferee shall be entitled to vote such Units at the Meeting.

Whether or not you plan to attend the virtual Meeting, please vote using the enclosed Form of Proxy or voting instruction form in accordance with the instructions provided. For your vote to be recorded, your proxy must be received by Computershare Investor Services Inc., no later than 2:30 P.M. (Mountain Daylight Time) on May 28, 2021 (please note that if you are a beneficial unitholder your broker will likely have an earlier deadline to provide your voting information form in order for your broker to meet the aforementioned proxy cutoff deadline).



# LIST OF ABBREVIATIONS

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

- "Affiliate"** has the meaning ascribed thereto in the Securities Act (Alberta).
- "AIF"** means the annual information form of Alaris dated March 30, 2021 and filed on Alaris' corporate profile on SEDAR.
- "Alaris"**, the **"Trust"**, **"we"**, **"us"**, or **"our"** means Alaris Equity Partners Income Trust.
- "Annual Return Generated"** means for a specified period: (ending book value per unit plus (+) distributions paid per unit) divided by (initial book value per unit).
- "Annual MD&A"** means the management discussion and analysis for the twelve months ending December 31, 2020.
- "associate"** has the meaning ascribed thereto in the Securities Act (Alberta).
- "Auditor"** means KPMG LLP.
- "BCC"** means Body Contour Centers, LLC
- "Beneficial Unitholder"** means a Unitholder who hold its Units through an intermediary such as a bank, trust company, securities broker or trustee or who otherwise do not hold their Units in their own name.
- "Board"** or **"Board of Trustees"** means the board of trustees of Alaris as it may be comprised from time to time.
- "Broadridge"** means Broadridge Financial Solutions, Inc.
- "business day"** means a day when banks are generally open for the transaction of business in Calgary, Alberta, other than a Saturday, Sunday or statutory or civic holiday.
- "Carey"** means Carey Electric Contracting, LLC.
- "CBCA"** means the Canada Business Corporations Act (Alberta), R.S.C. 1985, c. C-44, including the regulations promulgated thereunder, as amended.
- "CDS"** means CDS Clearing and Depository Services Inc.
- "CEO"** means Alaris' Chief Executive Officer.
- "CFO"** means Alaris' Chief Financial Officer.
- "Compensation Committee"** means the Compensation Committee of the Board.
- "Common Shares"** or **"Shares"** means the voting common shares in the capital of the Corporation (which were subsequently exchanged for Trust Units upon the conversion of Alaris Royalty Corp. to an income trust on September 1, 2020).
- "Compensation Period"** means, prior to July 1, 2018, the applicable twelve (12) month period commencing on July 1 and ending on June 30 and following July 1, 2018, the applicable twelve (12) month period commencing on January 1 and ending on December 31 (except that there shall be an eighteen (18) month compensation period commencing July 1, 2017 and ending December 31, 2018 for the 2018 compensation reporting in this document).
- "Computershare"** means Computershare Investor Services Inc.
- "Corporation"** means Alaris Royalty Corp., a corporation subsisting under the CBCA.
- "Court"** means the Court of Queen's Bench of Alberta, Judicial District of Calgary.
- "COVID-19"** means the 2019 coronavirus disease caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2).
- "CSA"** means the Canadian Securities Administrators.
- "Declaration of Trust"** means the amended and restated Declaration of Trust of Alaris Equity Partners Income Trust made as at May 31, 2020 and amended and restated as of July 20, 2020.
- "Designated Group"** means a "designated group" as defined under the amendments to the CBCA, which includes women, Aboriginal peoples, persons with disabilities and members of visible minorities.
- "Distribution Entitlement"** means distribution entitlements earned on issued and outstanding RTUs.
- "Dividend Entitlement"** means dividend entitlements earned on issued and outstanding RSUs (prior to September 1, 2020).
- "Edgewater"** means Edgewater Technical Associates, LLC.
- "ERISA"** means the United States Employment Retirement Income Security Act of 1974, as amended from time to time.
- "ERISA Person"** means any Person that is or is acting on behalf of an ERISA Plan.

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

**“ESG”** means environmental, social and governance.

**“Financial Statements”** means the financial statements of Alaris for the year ended December 31, 2020 & the Auditor’s report on those statements.

**“Form of Proxy”** means the form of proxy enclosed with the Notice & this Information Circular.

**“Governance Committee”** means the Governance Committee of the Board.

**“GWM”** means GWM Holdings, Inc. and a subsidiary thereof, to which Alaris has contributed capital.

**“Information Circular”** means this management information circular and proxy statement of Alaris, together with all schedules and appendices hereto to be mailed or otherwise distributed or made available by Alaris to the Unitholders.

**“Management”** means senior management of Alaris.

**“Market Price”** means the VWAP on the applicable day.

**“Meeting”** means the annual general and special meeting of Unitholders to be held virtually via audio webcast at 2:30 p.m. (Mountain Daylight Time) on Tuesday, June 1, 2021, to consider, among other things, the election of trustees of the Trust, the appointment of the auditors and any other matters that may properly be brought before the Meeting, and any adjournment(s) thereof.

**“Meeting Date”** means June 1, 2021 at 2:30pm MDT.

**“Mercer”** means Mercer Canada Limited.

**“Named Executive Officer (NEO)”** means the CEO, CFO, and the three most highly compensated executive officers (or the three most highly compensated individuals acting in a similar capacity) whose total compensation (as determined in accordance with Subsection 1.3(6) of Form 51-102F6 - Statement of Executive Compensation) was, individually, more than \$150,000.

**“Notice”** means the Notice of the Annual General Meeting of Unitholders of Alaris Equity Partners Income Trust accompanying this Information Circular.

**“Option Plan”** means Alaris’ unit option plan, as more particularly described beginning on page 37 of this Information Circular under the heading “Alaris Unit Option Plan”.

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

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

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

**“Plan Asset Rules”** means the principles for identifying the assets of an ERISA Plan as set forth in the Plan Asset Regulations and Section 3(42) of ERISA.

**“Private Company Partner”, “Private Company Partners” and “Partners”** means those corporations, partnerships or other entities with which Alaris has directly or indirectly entered into a financing arrangement as of the date hereof.

**“PTUs”** means restricted trust units issued or authorized for issuance pursuant to the RTU Plan that are subject to performance based vesting conditions and individually each is a “PTU”.

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

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

**“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 and is not acting on behalf of any ERISA Person.

**“Record Date”** means April 12, 2021.

**“Regulation S”** means Regulation S under the U.S. Securities Act.

**“RSU Plan”** means Alaris’ former (prior to the conversion of Alaris Royalty Corp. to an income trust on September 1, 2020) restricted share plan.

**"RSUs"** means restricted share units issued by Alaris Royalty Corp. to employees pursuant to the RSU Plan (and which were subsequently exchanged for RTUs upon the conversion of Alaris Royalty Corp. to an income trust on September 1, 2020).

**"RTU Plan"** means Alaris' restricted trust unit plan, as more particularly described beginning on page 34 of this Information Circular under the heading "Alaris RTU Plan".

**"RTUs"** mean PTUs and TTUs issued or authorized for issuance pursuant to the RTU Plan, and is also used to describe RSUs which were formerly issued by Alaris Royalty Corp. to employees (and which were subsequently exchanged for RTUs upon the conversion of Alaris Royalty Corp. to an income trust on September 1, 2020).

**"SCR"** means SCR Mining and Tunneling L.P.

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

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

**"Shareholders"** mean the former holders of Shares of the Corporation (prior to September 1, 2020).

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

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

**"Total Cash Available for Distribution"** means ongoing revenues from Private Company Partners less cash compensation (including cash and non-cash bonuses), overhead expenses, out-of-pocket expenses, cash taxes and general expenses. Such amounts are to be determined with reference to the audited or reviewed financial statements of Alaris for the Compensation Period. For simplicity, the calculation of "Total Cash Available for Distribution" can be calculated with reference to the "Cash-Flows from Operating Activities" line of the "Condensed Consolidated Statement of Cash Flows" statement with adjustments being made for the above mentioned items.

**"Total Cash Available for Distribution Per Unit"** means Total Cash Available for Distribution divided by the weighted average Units outstanding for the period.

**"Trust Units"** or **"Units"** means a unit of interest in the Trust, authorized and issued under the Declaration of Trust.

**"TTUs"** mean restricted trust units issued or authorized for issuance pursuant to the RTU Plan that are subject to only time-based vesting conditions; and individually, each is a **"TTU"**.

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

**"Unitholders"** means the holders of Trust Units from time to time.

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

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

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

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

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

**"VWAP"** means, on the applicable date, the volume weighted average price of Trust Units on the TSX for the five (5) trading days immediately preceding such date.

# CONVERSION TO TRUST

On September 1, 2020 (the “**Conversion Date**”), the Corporation became a wholly-owned subsidiary of Alaris Equity Partners Income Trust. As of the Conversion Date, issued and outstanding Common Shares were exchanged for Trust Units; thereafter, the Trust Units were listed and posted for trading on the TSX, under the symbol “AD.UN”. To the extent this document refers to actions taken by Alaris prior to the Conversion Date, it will refer to actions taken by the *Corporation*, and decisions made by the *directors* of the Corporation. Furthermore, prior to the Conversion Date employees were granted *RSUs* (which were subsequently exchanged for *RTUs* on the Conversion Date); following the Conversion Date employees were granted *RTUs*. To the extent this document refers to ownership of voting securities of Alaris prior to the Conversion Date, it will refer to *Common Shares*; following the Conversion Date it will refer to *Trust Units*.

# CURRENCY & EXCHANGE RATES

All dollar references in this Information Circular (and any documents incorporated by reference in the Information Circular) are in Canadian dollars, unless otherwise indicated. The following table describes: (i) the rates of exchange for 1 Canadian dollar, expressed in United States dollars, in effect at the end of each of the periods indicated; (ii) the average of exchange rates in effect on the last day of each month during such period; and (iii) the high and low exchange rates during each such period (source of data: Bloomberg).

(1 CAD per USD)	2020	2019	2018
Rate at End of Period	.7853	.7698	.7332
Average Rate During Period	.7464	.7538	.7718
High	.7881	.7698	.8152
Low	.6818	.7362	.7332

# INFORMATION FOR UNITED STATES UNITHOLDERS

## U.S. Investment Company Act Considerations and Restrictions

Based on its current assets, and absent an exemption under the U.S. Investment Company Act, Alaris may be deemed to be an “investment company” as defined in the U.S. Investment Company Act. The U.S. 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 U.S. 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 U.S. 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 Regulation S), to persons that are: (a)(i) located in the United States, or (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 U.S. Investment Company Act), and (c) it does not make, or propose to make, a public offering of its securities in the United States. Consequently, for so long as Alaris may be deemed to be an “investment company” under the U.S. 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 in reliance 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 (which are required to be Qualified Institutional Buyers). 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 to persons acquiring securities for the account or benefit of persons located in the United States or, U.S. Persons. For a more complete 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” as well as other 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) 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, and, therefore, will be treated by Alaris as benefit plan investors. For a more complete discussion of the prohibition on investment by and transfers to benefit plan investors, see “*Ownership and Transfer Restrictions*”.

# Q&A ON PROXY VOTING

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

A: Unitholders are voting on: setting the number of trustees at six (6); the election of trustees to the Board for 2021; and the appointment of the Auditor for 2021.

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

A: Unitholders of record as at the close of business on the Record Date of April 12, 2021 are entitled to vote. Only Unitholders whose names have been entered in the register of Units at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting. Unitholders who acquire Units after the Record Date will not be entitled to vote such Units at the Meeting unless, after the Record Date, a holder of record transfers his or her Units and the transferee, upon producing properly endorsed certificates evidencing such Units or otherwise establishing that he or she owns such Units, requests at least 10 days before the Meeting that the transferee's name be included in the list of Unitholders entitled to vote, in which case such transferee shall be entitled to vote such Units at the Meeting.

Each Unitholder is entitled to one vote on those items of business identified in the Notice. There will be a quorum present at the Meeting if two persons are present at the Meeting holding or representing by proxy in the aggregate not less than 5% of the Units entitled to be voted at the Meeting.

## 3. Q: How do I vote?

If you are a registered Unitholder, you may vote in real time at the Meeting via the live audio webcast or by using one of the voting methods on the enclosed Form of Proxy. You may use the enclosed Form of Proxy appointing the persons named in the proxy or some other person you choose, who need not be a Unitholder, to represent you as proxyholder and vote your Units at the Meeting. If your Units are held in the name of a nominee, please see the information under Q. 16 of this section for voting instructions.

## 4. Q: What if I plan to attend the Meeting and vote in person?

A: The Meeting will be held in a virtual only format, which will be conducted via live audio webcast. Unitholders will not be able to attend the Meeting in person. However, registered Unitholders (and duly appointed proxyholders) will be permitted to participate at the Meeting online and will be able to vote in real time, provided they are connected to the internet and comply with all of the requirements set forth below in this circular. In order to vote live at the Meeting, a registered Unitholder should not complete or return the Form of Proxy. Your vote will be taken and counted at the Meeting, so long as you are

connected to the internet and are properly logged into the live webcast. The login procedures are set forth below:

- Login online at <https://web.lumiagm.com/224486647>
- We recommend that you log in at least 30 minutes before the Meeting starts.
- Click "Login" and then enter your Control Number located on the form of proxy.

For duly appointed proxyholders, you must log in to the virtual meeting at <https://web.lumiagm.com/224486647> and enter the Appointee Identification Number details you were provided.

Only registered Unitholders are entitled to vote at the meeting. If your Units are held in the name of a nominee and you wish to vote in person at the meeting, please see the box under the answers for Q. 16 for voting instructions on how to appoint yourself or someone else to attend the meeting and vote in real-time.

As the Meeting is being held by virtual only format, it is important that registered Unitholders and duly appointed proxy holders wishing to attend the Meeting remain connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting.

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

A: The enclosed Form of Proxy is being solicited on behalf of management of Alaris. The solicitation will be made primarily by mail but may also be made by telephone, in writing or in person by trustees, officers and employees of Alaris. All costs of the solicitation for the Meeting will be borne by Alaris. As at the date hereof, Alaris has not made a decision to engage soliciting dealers or other proxy solicitation agents to encourage the return of completed proxies and to solicit proxies in favour of the matters to be considered at the Meeting. Alaris may elect to do so and, if it does, the costs in respect of such services would be paid by Alaris in respect of the Meeting. Alaris will not reimburse Unitholders, nominees or agents for the cost incurred in obtaining authorization to execute forms of proxy from their principals.

## 6. Q: What if I sign the Form of Proxy enclosed with this circular?

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

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

A: If you wish to appoint someone to represent your units in person at the virtual meeting they must appoint as per the normal process and then subsequently go to [www.computershare.com/Alaris](http://www.computershare.com/Alaris) and complete the form there. Once that is done Computershare will email the appointee their login information for the meeting.

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

A: Return it to Computershare in accordance with the instructions on the enclosed Form of Proxy, so that it arrives no later than 2:30 p.m. (Mountain Daylight Time) on May 28, 2021. This will ensure that your vote is recorded.

**9. Q: If I change my mind, can I take back my proxy once I have given it?**

A: Yes. If you change your mind and wish to revoke your proxy, in addition to revocation in any other manner permitted by law, you may prepare a written statement to this effect. The statement must be signed by you or your attorney as authorized in writing or, if the Unitholder is a corporation, under its corporate seal or by an officer or attorney of the corporation duly authorized. Only Registered Unitholders may revoke a proxy, Beneficial Unitholders will need to contact their financial intermediary and follow their instructions to revoke their vote. You may also submit a later dated proxy to revoke any prior vote received. This statement must be delivered to the Corporate Secretary of Alaris at the following address no later than 2:30 p.m. (Calgary Time) on May 28, 2021 or to the Chairperson of the Meeting on the day of the Meeting, prior to its commencement or prior to the continuation of any adjournment of the Meeting:

Alaris Equity Partners Income Trust  
Suite 250, 333-24th Avenue SW  
Calgary, Alberta T2S 3E6  
Michael Ervin, Chief Legal Officer and Corporate Secretary  
Fax: 403-228-0906

If you have followed the process for attending and voting at the Meeting online, voting at the Meeting online will revoke your previous proxy.

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

A: The persons named on the Form of Proxy must vote for or against or withhold from voting your Units in accordance with your directions, or you can let your proxyholder decide for you. In the absence of such directions, proxies appointing the persons named in the Form of Proxy will be voted in favor of: fixing the trustees at six (6); the individual election of each of the nominee trustees presented herein; and the appointment of the Auditors.

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

A: The persons named in the Form of Proxy will have discretionary authority with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting.

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

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

A: As of the Record Date, there were 44,962,316 Units issued and outstanding. Each registered Unitholder has one vote for each Unit held at the close of business on the Record Date.

The rights, privileges and restrictions attached to the Units are more fully described in Schedule 2 attached to this Information Circular.

To the knowledge of the trustees and officers of Alaris, as of the Record Date, no one person or entity beneficially owned, directly or indirectly, or exercised control or direction over more than 10% of the issued and outstanding Trust Units.

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

A: Each matter brought before the Meeting, other than the election of trustees and the appointment of auditors, is determined by a simple majority of votes cast on the question. The appointment of auditors will be determined by plurality voting. The election of trustees will be determined in accordance with our majority voting policy, which is summarized on page 15 of this Information Circular.

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

A: Alaris' transfer agent, Computershare, counts and tabulates the proxies. This is done independently of Alaris to preserve the confidentiality of the individual Unitholder votes. Proxies are referred to Alaris only in cases where a Unitholder clearly intends to communicate with management or when it is necessary to do so to meet the requirements of applicable law.



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

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

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

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

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

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

**16. Q: If my Units are not registered in my name but are held in the name of a nominee (a bank, trust company, securities broker, trustee or other), how do I vote them?**

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

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called “OBOs” for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called “NOBOs” for Non-Objecting Beneficial Owners).

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

For your Units to be voted, please follow the voting instructions provided by your nominee. **Every nominee will have its own mailing procedures and provide its own return instructions, which should be carefully followed by you to ensure that your Units are voted at the Meeting.** Units that are held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against or withheld from voting on resolutions) at the direction of the Beneficial Unitholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting units for the brokers’ clients. **Therefore, each Beneficial Unitholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Unitholders in order to ensure that their Unit are voted at the Meeting. Often the form of proxy supplied to a Beneficial Unitholder by its broker is identical to the form of proxy provided by Alaris to the registered unitholders. However, its purpose is limited to instructing the registered unitholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Unitholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Unitholders and asks Beneficial Unitholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Units to be represented at the Meeting.

A Beneficial Unitholder who receives a Broadridge voting instruction form cannot use that form to vote Units directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of Units must be communicated to Broadridge) well in advance of the Meeting in order to have the Units voted.

*Although Beneficial Unitholders may not be recognized directly at the Meeting for the purposes of voting Units registered in the name of his broker, a Beneficial Unitholder may attend the Meeting as proxyholder for the registered Unitholder and vote the Units in that capacity.*

Since Alaris does not have unrestricted access to the names of its non-registered Unitholders, if you attend the Meeting, Alaris may have no record of your unitholdings or of your entitlement to vote unless your nominee has appointed you as proxyholder. Therefore, if you wish to vote in real time at the Meeting, insert your own name in the space provided on the request for voting instructions or Form of Proxy and return same by following the instructions provided. You will also be required to provide the login code that was provided to you by Computershare via email before the meeting which will allow you entry into the Virtual Unitholder Meeting. Alternatively, you can appoint someone online by visiting [www.proxyvote.com](http://www.proxyvote.com), entering the 16-digit control number located on your form of proxy or voting instruction form and follow the instructions under the appointee section of the web page. You can indicate on the Form how you wish your units to be voted, as well you must go to [www.computershare.com/Alaris](http://www.computershare.com/Alaris) and complete the appointee information there. If you wish to give voting discretion, do not otherwise complete the form as your vote will be taken at the Meeting. Duly appointed proxy holders shall be entitled to vote in real time at the

meeting, provided they remain connected to the internet and have properly logged into the Meeting using the instructions set forth above under Question 4.

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

A: You can ask your question in real time at the Virtual Meeting by entering the question in the text box entitled "Ask a Question", (provided you are properly logged into the Meeting and remain connected to the internet, see the response to Question 4 above for instructions on how to log into the live audio webcast). You can also submit a question prior to the meeting by writing to the Corporate Secretary at:

Alaris Equity Partners Income Trust  
Suite 250, 333-24th Avenue SW  
Calgary, Alberta T2S 3E6  
Attention: Michael Ervin  
Chief Legal Officer and Corporate Secretary  
or by email at: [mervin@alarisequity.com](mailto:mervin@alarisequity.com)

**18. Q: Will the Trust utilize Notice & Access for delivery of materials for the Meeting?**

The Trust has elected to use the "notice-and-access" provisions under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* (the "**Notice-and-Access Provisions**") with respect to delivering materials for the Meeting to its Unitholders. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that the Trust must physically mail to Unitholders by allowing the Trust to post the Information Circular and related materials online.

All Unitholders entitled to receive the Meeting materials will receive a notice-and-access notification (the "**N&A Notice**") along with a form of proxy or voting instruction form. In addition, the package will include a form to

request copies of the Trust's annual and/or interim financial statements and related and the management's discussion and analysis ("**MD&A**").

Electronic copies of this notice, the Information Circular, a form of proxy, the N&A Notice, the audited consolidated financial statements of Alaris for the financial year ended December 31, 2020 and 2019 and the related MD&A will be available on Alaris' website at <https://www.alarisequitypartners.com/investors> and under Alaris' profile on SEDAR at [www.sedar.com](http://www.sedar.com). Unitholders are reminded to review these online materials when voting. Electronic copies of the Meeting materials will be available on Alaris website for a period of at least one year. For more information about the notice-and access procedures, please call Computershare at 1-800-564-6253.

Unitholders may choose to receive paper copies of the Meeting materials by mail at no cost. In order for Unitholders to receive the paper copies of the Meeting materials in advance of any deadline for the submission of voting instructions and the date of the Meeting, it is recommended that requests be made as soon as possible but not later than 8 business days prior to the proxy cutoff date, which is 2:30pm MDT on May 28, 2021. If you do request the current materials, please note that another Voting Instruction Form or form of proxy will not be sent; please retain your current one for voting purposes.

Requests for Meeting materials can be made to Computershare Investor Service, Inc.:

by visiting [www.investorcentre.com](http://www.investorcentre.com) or calling 1-866-962-0498 (within North America) or 1-514-982-8716 (outside North America).

If you had any questions about Notice and Access please call 1-800-564-6253.



# BUSINESS OF THE MEETING

## 1. FINANCIAL STATEMENTS

The Financial Statements and Annual MD&A are available under our corporate profile on SEDAR. Copies of the same will also be available at the Meeting.

## 2. FIXING NUMBER OF TRUSTEES

At the Meeting it is proposed that the number of trustees to be elected at the Meeting to hold office until the next annual meeting or until their successors are elected or appointed, subject to the Declaration of Trust of Alaris, be fixed at six (6). Unless otherwise instructed, the persons named in the enclosed Form of Proxy, if named as a proxy, intend to vote for an ordinary resolution fixing the number of trustees to be elected at the Meeting at six (6), subject to amendment between annual meetings by the Board of Trustees in accordance with the Declaration of Trust and applicable law. The fixing of the number of trustees at six (6) must be approved by a simple majority of votes cast at the Meeting in person or by proxy.

## 3. ELECTION OF TRUSTEES

The six (6) nominees proposed for election as trustees of Alaris are: John (Jay) Ripley, E. Mitchell Shier, Mary C. Ritchie, Stephen W. King, Robert Bertram and Sophia Langlois. Please see the trustee nominee descriptions starting at page 17 of this Information Circular for more information about each of these trustee nominees. All nominees have established their eligibility and willingness to serve as trustees. Trustees will hold office until the next annual meeting of Unitholders or until their successors are elected or appointed. As required pursuant to the policies of the TSX, the election of trustees will be conducted on an individual basis rather than as a slate. **Unless otherwise instructed, the persons named in the enclosed Form of Proxy, if named as a proxy, intend to vote for the individual election of each of the nominees set forth above.** If, for any reason, at the time of the Meeting any of the nominees are unable to serve, and unless otherwise specified, it is intended that the persons designated in the Form of Proxy will vote at their discretion for a substitute nominee or nominees. The Board has adopted a majority voting policy, which provides that in respect of Unitholder meetings involving the uncontested election of trustees, any nominee trustee who receives a greater number of votes “withheld” from his or her election than votes “for” his or her election (a “majority withhold vote”) shall tender his or her resignation for consideration by the Board to the Chairperson of the Governance Committee promptly following certification of the unitholder vote. If the Chairperson of the Governance Committee receives a majority withhold vote, then he or she shall tender his or her resignation to the Chairperson of the Board. While the Board will retain its discretion to accept or reject the resignation, in the absence of exceptional circumstances the Board will accept the resignation. The Governance Committee, and/or the Board, as applicable, may consider all factors it deems relevant and that may constitute exceptional circumstances in determining whether to recommend to accept or reject, as applicable, the tendered resignation. Such factors may include, without limitation:

- a) the reasons, if known, why Unitholders “withheld” or were requested to “withhold” votes from the trustee;
- b) the trustee’s length of service and qualifications;
- c) the trustee’s unit ownership;
- d) the trustee’s contributions to the Trust;
- e) the current mix of skills and attributes of the trustees on the Board;
- f) the impact with respect to covenants in agreements or plans; and
- g) legal requirements, policies or guidelines (regulatory, securities or corporate laws, or stock exchange rules) for trustee numbers and qualifications.

## BUSINESS OF THE MEETING (continued)

The Board will make its decision as to whether to accept or reject a resignation tendered in accordance with the Policy no later than 90 days following the date of the Unitholders meeting at which the election occurred. Promptly following the Board's decision, the Trust will disclose that decision, including an explanation of the process by which the decision was reached and, if applicable, the exceptional circumstances for rejecting the tendered resignation, in a press release. If the Board decides to accept the trustee's resignation, the Governance Committee will recommend to the Board whether to fill the resulting vacancy or to continue with the reduced size of the Board.

The majority voting policy provides that any trustee who tenders his or her resignation pursuant to the majority voting policy will not participate in the Governance Committee recommendation or the Board consideration whether to accept or reject the tendered resignation. In the event that any trustee who received a majority withhold vote does not tender his or her resignation in accordance with this Policy, he or she shall not be re-nominated by the Board and shall not be entitled to any benefits (financial or otherwise) of a trustee or past trustee of the Trust.

### 4. APPOINTMENT OF AUDITORS

The trustees propose that the firm of KPMG LLP be appointed as auditors of Alaris for the fiscal year ending December 31, 2021. KPMG LLP has served continuously since July 31, 2008 as Alaris' sole auditing firm. **Unless otherwise instructed, the persons named in the enclosed Form of Proxy, if named as a proxy, intend to vote for the appointment of KPMG LLP as auditors and to authorize the trustees to fix the remuneration of the Auditors.**

Please see *"Audit Committee Information – External Auditor Service Fees"* in the AIF dated March 30, 2021 for a summary of the fees paid to KPMG LLP over the last two fiscal years.

# TRUSTEES OF THE TRUST

## JAY RIPLEY



Age 63

Independent Trustee<sup>1</sup>: Since 2018  
Round Hill, Virginia, USA

### Areas of Expertise

- Financial Services • Healthcare
- Private Equity • Franchise Systems

### Voting Results for 2020:

Votes for 97.27%  
Votes withheld 2.73%

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.

Board / Committee Memberships		Meeting Attendance	
Board		14 of 14 / 100% <sup>2</sup>	
Compensation Committee		2 of 2 / 100%	
Audit Committee		4 of 4 / 100%	
Other Public Boards	Committee Membership	Stock Exchange	
N/A	N/A	N/A	
Units Owned <sup>3</sup>	Equity at Risk <sup>4</sup>	Unvested RTUs <sup>5</sup> <sup>6</sup>	Value of Unvested RTUs <sup>4</sup>
461,512	\$7,314,965	20,896	\$331,201

## E. MITCHELL SHIER



Age 63

Independent Trustee<sup>1</sup>: Since 2008  
Calgary, Alberta, Canada

### Areas of Expertise:

- Legal
- Energy

### Voting Results for 2020:

Votes for 95.08%  
Votes withheld 4.92%

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.

Board / Committee Memberships		Attendance Meeting	
Board		14 of 14 / 100% <sup>2</sup>	
Governance Committee (chair)		2 of 2 / 100%	
Other Public Boards	Committee Membership	Stock Exchange	
N/A	N/A	N/A	
Units Owned <sup>3</sup>	Equity at Risk <sup>4</sup>	Unvested RTUs <sup>5</sup> <sup>6</sup>	Value of Unvested RTUs <sup>4</sup>
25,000	\$396,250	18,065	\$286,330

## MARY C. RITCHIE



**Age 65**  
**Independent Trustee<sup>1</sup>:** Since 2008  
 Edmonton, Alberta, Canada

**Areas of Expertise:**  
 Financial Services

**Voting Results for 2020:**  
 Votes for 95.99%  
 Votes withheld 4.01%

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.

Board / Committee Memberships		Meeting Attendance	
Board		13 of 14 / 93% <sup>2</sup>	
Governance Committee		2 of 2 / 100%	
Audit Committee		4 of 4 / 100%	
Other Public Boards	Committee Membership	Stock Exchange	
EnWave Corporation	Audit (Chair)	TSX Venture	
Morien Resources	Audit (Chair)	TSX	
Units Owned <sup>3</sup>	Equity at Risk <sup>4</sup>	Unvested RTUs <sup>5 6</sup>	Value of Unvested RTUs <sup>4</sup>
47,337	\$750,291	18,065	\$286,330

## ROBERT BERTRAM



**Age 76**  
**Independent Trustee<sup>1</sup>:** Since 2015  
 Calgary, Alberta, Canada

**Areas of Expertise:**  
 • Financial Services • Real Estate  
 • Energy

**Voting Results for 2020:**  
 Votes for 94.43%  
 Votes withheld 5.57%

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.

Board / Committee Memberships		Meeting Attendance	
Board		14 of 14 / 100% <sup>2</sup>	
Compensation Committee (Chair)		2 of 2 / 100%	
Other Public Boards	Committee Membership	Stock Exchange	
N/A	N/A	N/A	
Units Owned <sup>3</sup>	Equity at Risk <sup>4</sup>	Unvested RTUs <sup>5 6</sup>	Value of Unvested RTUs <sup>4</sup>
53,337	\$845,391	18,065	\$286,330

## STEVE KING



**Age 51**

**Trustee<sup>1</sup>:** Since 2008  
Calgary, Alberta, Canada

**Areas of Expertise:**

- Financial Services
- Private Equity

**Voting Results for 2020:**

Votes for 99.18%

Votes withheld 0.82%

Mr. King is the President and CEO of Alaris and has served in that role since he co-founded the Company's predecessor, Alaris IGF in 2004. Mr. King has also served on the board of trustees of Alaris since the company went public in 2008. Prior to creating 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.

Board / Committee Memberships			Meeting Attendance
Board (Chair)			14 of 14 / 100% <sup>2</sup>
Other Boards	Public	Committee Membership	Stock Exchange
N/A		N/A	N/A
Units Owned <sup>3</sup>	Equity at Risk <sup>4</sup>	Unvested RTUs <sup>5 6</sup>	Value of Unvested RTUs <sup>4</sup>
797,877	\$12,054,924	85,733	\$1,358,868

## SOPHIA LANGLOIS



**Age 51**

**Independent Trustee<sup>1</sup>:** Since 2020  
Toronto, Ontario, Canada

**Areas of Expertise:**

- Financial Services
- Private Equity

**Voting Results for 2020:**

N/A<sup>(7)</sup>

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.

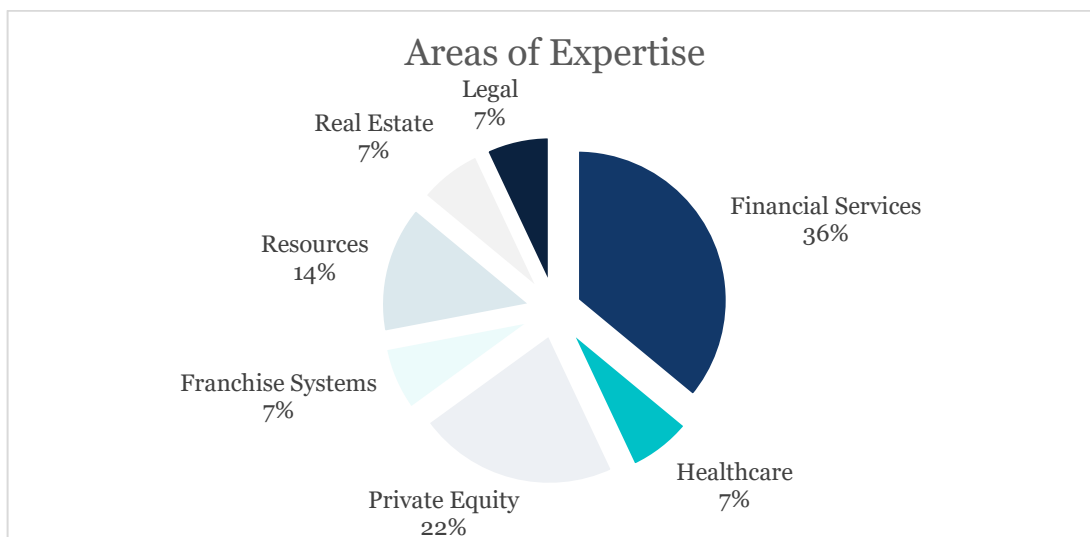
Board / Committee Memberships			Meeting Attendance <sup>7</sup>
Board			9 of 9 / 100% <sup>2</sup>
Compensation Committee			1 of 1 / 100%
Audit Committee			2 of 2 / 100%
Other Boards	Public	Committee Membership	Stock Exchange
Loop Energy Inc.		Audit Committee Governance Committee and HR Committee	TSX
Units Owned <sup>3</sup>	Equity at Risk <sup>4</sup>	Unvested RTUs <sup>5 6</sup>	Value of Unvested RTUs <sup>4</sup>
4,033	\$63,923	24,195	\$383,490

### Notes to Trustee Nominee Biographies:

1. Independent refers to the Board's determination of whether a trustee is "independent" under the categorical standards adopted by the Board as described under the heading "Trustee Independence" in Schedule 1 to this Information Circular.
2. The fourteen (14) meetings held by the Board of Trustees (or the board of directors of the Corporation prior to the trust conversion) in fiscal 2020 included regularly scheduled meetings held by the Board of Trustees and meetings which were outside their regular meeting schedule. At each such meeting the Board met in camera without members of management being present.
3. "Units" refers to the number of Units, as applicable, that are beneficially owned, directly or indirectly, or over which control or direction is exercised, by the trustee nominee as of the date of this Information Circular (April 21, 2021). The information as to the number of securities beneficially held by each nominee is based upon information furnished to us by the nominees and public filings for each trustee. For Mr. Bertram, 19,000 are held through his spouse and a family trust.
4. The value of the Units and invested RTUs in the tables above is determined using the closing unit price of the Units on the TSX on April 13, 2021, which was \$15.85.
5. "RTUs" refers to the number of Restricted Trust Units held by the nominee under the RTU Plan as of the date of this Information Circular.
6. None of the trustees, other than Stephen King, held any unexercised Options under Alaris' Option Plan. Options held by Mr. King are more particularly described in the Executive Compensation tables beginning on page 41 of this Information Circular.
7. Ms. Langlois was appointed as a trustee of the Trust on July 17, 2020. Since her date of appointment, there were nine (9) Board meetings.

The board mandate provides that it is the Board's responsibility to review and assess the number of outside trusteeships and executive positions held by Alaris' trustees, which responsibility has been delegated to the Governance Committee and is carried out as a part of the Governance Committee's annual performance review of trustees. The Governance Committee will consider whether each trustee in question will be reasonably able to meet his or her duties in light of the responsibilities associated with fulfilling his or her duties as a trustee of Alaris as well as whether conflicts of interest will arise on a regular basis as a result of any outside trusteeships or outside executive positions. In this regard, the Governance Committee has determined that none of the proposed nominee trustees are over boarded as a result of their outside trusteeships.

## AREAS OF EXPERTISE OF NON-EMPLOYEE NOMINEES FOR THE BOARD OF TRUSTEES



## ADDITIONAL DISCLOSURE RELATING TO TRUSTEES

In fiscal 2020, no trustee of Alaris served on an outside board with any other trustee of Alaris.

To Alaris' knowledge, no proposed trustee of Alaris:

- 1) is, as at the date of this Information Circular, or has been, within the 10 years before, a trustee, director, CEO or CFO of any company (including Alaris):
  - a) 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 trustee was acting in the capacity as trustee, director, CEO or CFO; or
  - b) 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 trustee ceased to be a trustee, director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as trustee, director, CEO or CFO;



2) is, as at the date of this Information Circular, or has been, within the 10 years before, a trustee, 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

3) has, within the 10 years before the date of this Information Circular, 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 trustee.

To Alaris' knowledge, none of its proposed trustees have been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Unitholder in deciding whether to vote for a proposed trustee.

## BOARD OF TRUSTEES COMPENSATION

### HOW WERE ALARIS' TRUSTEES COMPENSATED IN 2020?

The compensation program for non-employee trustees has two primary objectives:

- i. to align trustees' interests with the interests of our unitholders; and
- ii. to fairly and competitively compensate trustees in order to attract well qualified board members.

In determining the appropriate compensation for non-employee trustees, the board considers the time and effort required to fulfill their responsibilities and contribute to the effective direction of the enterprise. In this regard, the compensation structure for Alaris' non-employee trustees consists of two elements:

- i. a cash retainer fee; and
- ii. equity based compensation in the form of RTUs issued under our RTU Plan.

Trustees are also reimbursed for any travel and out-of-pocket expenses incurred in attending Board and Committee meetings.

### RETAINER FEES

In July 2020 the Board adopted a new cash retainer fee whereby non-employee trustees, who now receive an annual cash retainer of \$25,000 (payable in equal quarterly installments). In addition, in recognition of the additional duties and responsibilities of the Chair of the Board and the Chair of the Audit Committee: (i) the Chair of the Board is entitled to an additional annual cash retainer of \$6,250 (payable in equal quarterly installments); and (ii) the Chair of the Audit Committee is entitled to an additional \$10,000 annual cash retainer (payable in equal quarterly installments).

Prior to July 2020, non-employee trustees were paid an annual cash retainer fee in an amount equal to the cash distributions that such trustee would have received on the Units underlying their outstanding RTUs if such RTUs were vested (or if RTUs were not yet issued to such trustee, based on the number of RTUs that were expected to be issued to such trustee), which fees were paid on a monthly basis. The following table sets forth the cash retainer fees paid to non-employee trustees in 2020 (due to the adoption of the new cash retainer policy in July 2020, the amounts below reflect a combination of the previous retainer policy and the new policy):

Name	Retainer Fee (\$) <sup>2</sup>
Jay Ripley	\$29,051 <sup>1,2</sup>
E. Mitchell Shier	\$24,854
Mary C. Ritchie	\$29,021 <sup>1</sup>
Robert Bertram	\$24,854
Sophia Langlois	\$12,500 <sup>3</sup>

Notes to table on previous page:

1. The amount paid to Mr. Ripley is higher than other Trustees in recognition of the additional duties and responsibilities attributed to his position as Chairperson of the Board. The amount paid to Ms. Ritchie is also higher than other trustees due to her role as chair of the audit committee.
2. The Board has the discretion to approve an additional cash retainer fee to be paid to all non-employee trustees, including the Chairperson, if it is determined that additional compensation is required based on, among other things, increased duties and responsibilities of the non-employee trustees, corporate performance and market analysis.
3. Peter Grosskopf ceased being a board member on July 28, 2020 but was paid \$14,438 in 2020 for retainer fees. Ms. Langlois joined the board on July 17, 2020 and therefore was only paid retainer fees for half of the year.

## TRUSTEES UNIT OWNERSHIP

Trustee	Units at Dec. 31, 2019 (#)	Units at Dec. 31, 2020 (#)	Net Changes (#)	Ownership at December 31, 2020		
				Equity at Risk (\$) <sup>1</sup>	Multiple of Annual Equity Award <sup>2</sup>	Meets Plan Guidelines
Jay Ripley	117,500	306,512	189,012	4,631,396	47.1	Yes
E. Mitchell Shier	22,500	25,000	2,500	377,750	5.0	Yes
Mary C. Ritchie	42,337	47,337	5,000	715,262	9.5	Yes
Robert Bertram	53,337	58,337	5,000	881,472	11.7	Yes
Sophia Langlois <sup>3</sup>	NA	4,033	4,033	60,939	1.0	N/A
<b>Total</b>	<b>235,674</b>	<b>441,219</b>	<b>205,545</b>	<b>\$6,666,819</b>		

**Notes:**

1. This column represents the total value of Units owned by Trustee's at the closing price on December 31, 2020 of \$15.11.
2. The multiple of annual equity award is based on each Trustee receiving a maximum of \$100,000 (\$125,000 for the Chairperson) in annual RTU grants. This multiple is derived by taking the Units owned by each Trustee and dividing it by the most recent annual RTU grant. Although the ownership requirement is just a guideline, all Trustees are on track to meet the 2 times most recent annual equity award guideline.
3. Ms. Langlois was appointed to the Board on July 17, 2020 and has a two-year period to increase ownership to 2x the most recent annual equity award.

As at the date of this Information Circular (April 21, 2021):

- total Units held by non-employee trustees: 596,219
- total RTUs held by non-employee trustees: 99,286
- total value of Units and RTUs held by non-employee trustees: \$11,023,754 (based on the closing price of the Units on the TSX on April 13, 2021, which was \$15.85).

Pursuant to Alaris' unit ownership guideline for its non-employee trustees (a policy adopted by Alaris in 2014 that strives to ensure that the interests of trustees and Unitholders are aligned and to demonstrate the Board's long-term commitment to growth and continuance of a sound corporate governance program), it is recommended that each non-employee trustee maintain a minimum unit ownership equal to two (2) times the most recent annual equity grant issued to such trustee. Each trustee is expected to achieve this level of unit ownership within two (2) years of their initial appointment to the Board. The Board continues to have the discretion to adjust or change this guideline as circumstances warrant. As of the date hereof, all trustees of Alaris meet this ownership requirement except for Ms. Langlois. Ms. Langlois joined the Board in July 2020 and, as such, has until July 2022 to comply with the unit ownership guidelines.

In July 2020 the Board also adopted a new equity-based compensation policy for non-employee trustees. The new policy provides for an annual grant of RTUs to non-employee trustees having an aggregate value of \$100,000 per trustee, with the number of RTUs to be determined on the basis of the market price of the Trust's Units at the time of the grant (based on the 5-day volume weighted average price on the TSX). In recognition of the additional duties and responsibilities of the Chair of the Board, the Chair is entitled to receive an additional annual grant of RTUs having an aggregate value of \$25,000 (for a total annual grant value of \$125,000). The RTUs granted pursuant to an annual grant will vest after three (3) years and consist entirely of TTUs (rather than a mix of TTUs and PTUs). The Compensation Committee has determined that using only time based versus performance based vesting conditions is appropriate because non-employee trustees' compensation is primarily composed of equity compensation. The RTUs issued to the non-employee trustees are intended to compensate them for their services, provide them with long-term incentive and align their interests with those of Unitholders.



Prior to July 2020, the equity-based compensation for non-employee trustees consisted of an annual grant of RTUs equal to 5,000 RTUs (6,250 for the Chair of the Board), subject to a maximum annual grant value of \$150,000 (with the number of RTUs granted being reduced as required to ensure the annual grant value did not exceed \$150,000). The annual grant of RTUs to non-employee trustees has been set to coincide with the vesting date of previously issued RTUs (generally on or around October 25 of each year, subject to any restrictions under the Trust's trading and blackout policy).

### *Trustees' Summary Compensation Table*

The following table sets out for the year ended December 31, 2020 the total compensation paid to our non-employee trustees for that fiscal year:

Trustees	Fees earned (\$)	Unit-based awards (\$) <sup>1</sup>	Total (\$)
Jay Ripley	\$29,051	\$151,764	\$180,815
E. Mitchell Shier	\$24,854	\$100,006	\$124,860
Mary C. Ritchie	\$29,021	\$100,006	\$129,027
Robert Bertram	\$24,854	\$100,006	\$124,860
Sophia Langlois <sup>2</sup>	\$12,500	\$350,027	\$362,527

Notes:

- Trustees of Alaris did not receive any Options-based awards, non-equity incentives, contributions to a pension plan or any other compensation in 2020 or prior years.
- Ms. Langlois joined the board on July 17, 2020 and was initially granted 28,228 RTUs (based on the \$12.40 closing price of the Units on the TSX as of July 17, 2020), of which 4,033 vested on October 20, 2020 to bring her total RTUs to 24,195, which will vest in line with the other non-employee trustees over a three-year period (from 2021 to 2023). The amount of unit-based awards granted to Ms. Langlois is higher than other trustee awards because it includes her initial grant and covers a 2.5 year period, which was designed to align her RTUs and vesting schedule with the other non-employee trustees.

### *Trustees' Outstanding Option-Based Awards and Unit-Based Awards*

For each of our non-employee trustees, the following table sets out all option-based awards and unit-based awards outstanding December 31, 2020.

Name	Unit-based Awards	
	Number of RTUs that have not vested (#)	Market or payout value of RTUs based awards that have not vested <sup>1 2</sup>
Jay Ripley	20,896	\$315,739
E. Mitchell Shier	18,065	\$272,962
Mary C. Ritchie	18,065	\$272,962
Robert Bertram	18,065	\$272,962
Sophia Langlois	24,195	\$365,586

Notes:

- Calculated based on the \$15.11 closing price of the Units on the TSX as of December 31, 2020 and on the assumption that vesting criteria was satisfied at December 31, 2020. However, the value of an RTU to be recognized by the trustee for income tax purposes on the date the RTU vests will be the fair market value of the Units, being the five-day VWAP for the five trading days preceding the date of vesting and can therefore fluctuate from the grant date fair value used to calculate the value disclosed in the table above.
- Non-employee trustees have not been granted Options in 2020 or any prior years.

### *Trustees' Incentive Plan Awards - Value vested or Earned During the Year*

For each of our non-employee trustees, the following table sets out the value of unit-based awards which vested during the year ended December 31, 2020. Non-employee trustees do not receive any non-equity incentive awards or considerations.

Name	Unit Based Awards - Value Vested During the Year (\$) <sup>1 2</sup>
Jay Ripley	\$80,749
E. Mitchell Shier	\$62,000
Mary C. Ritchie	\$62,000
Robert Bertram	\$62,000
Sophia Langlois <sup>3</sup>	\$50,009

**Notes:**

1. Non-employee trustees do not hold any outstanding option-based awards.
2. Alaris does not have any non-equity incentive plans for non-employee trustees.
3. Ms. Langlois joined the board on July 17, 2020

Jack Lee retired from the Board in May of 2020 and the Board used its discretion to accelerate the vesting of 18,750 RTUs (being all of the RTUs held by Mr. Lee at that time) in recognition of his long service and valuable contributions to Alaris during his tenure as the Chair of the Board. Mr. Grosskopf resigned from the board on July 28, 2020 and the Board used its discretion to accelerate the vesting of 2,500 RTUs (with all other RTUs being forfeited upon his resignation) in recognition of his contributions to Alaris during his tenure as a board member.

# EXECUTIVE COMPENSATION

For the purposes of this document the following individuals were Alaris' Named Executive Officers ("NEO's") in 2020.

## Named Executive Officers (NEOs):

Steve King	President and Chief Executive Officer
Darren Driscoll	Chief Financial Officer
Mike Ervin	Chief Legal Officer and Corporate Secretary
Gregg Delcourt	Managing Director
Curtis Krawetz	Senior Vice President

NEO	Units at Dec. 31, 2019 (#)	Units at Dec. 31, 2020 (#)	Net Changes (#)	Common Equity at Risk (\$)¹
Steve King	771,168	797,811	26,643	\$12,054,924
Darren Driscoll	395,033	418,626	23,593	\$6,325,439
Mike Ervin	20,158	27,902	7,744	\$421,599
Gregg Delcourt	9,634	13,692	4,058	\$206,886
Curtis Krawetz	39,300	47,300	8,000	\$714,703
<b>Totals</b>	<b>1,235,293</b>	<b>1,305,331</b>	<b>70,038</b>	<b>\$19,723,551</b>

### Notes:

1. This column represents the value of Trust Units owned by each NEO as of December 31, 2020 and based on a Unit price of \$15.11. The total does not include the value of any unvested RTUs or Options.

## COMPENSATION GOVERNANCE

The Compensation Committee is a committee of the Board that is responsible for reviewing and monitoring Alaris' compensation program in light of its strategic goals and objectives, and recommending changes to the Board, as well as recommending to the Board, the level and form of compensation to be made to Management and Alaris' trustees. For a more complete description of the role, powers, duties and responsibilities of the Compensation Committee please refer to the discussion in Schedule 1 of this Information Circular.

The Compensation Committee currently consists of Robert Bertram (Chair), Jay Ripley and Sophia Langlois. All members of the Compensation Committee are "independent" within the meaning of the relevant CSA rules and standards. For more information on the determination of the independence of the Compensation Committee members, please refer to the discussion in Schedule 1 of this Information Circular.

For information concerning each member of the Compensation Committee's experience with respect to executive compensation matters, please see the Trustee descriptions beginning on page 17 of this Information Circular.

## COMPENSATION REVIEW

The Compensation Committee and the Board believe that an effective compensation program appropriately rewards long-term growth and performance and does not encourage inappropriate risk taking. In developing our compensation program, the Compensation Committee and the Board have developed a set of guidelines to ensure the program meets the foregoing objectives. Such guidelines are more particularly described in the "Executive Compensation Discussion and Analysis" section of this Information Circular beginning on page 28 herein. These guidelines are intended to be guidelines only, and the Board continues to have the discretion to adjust or change such guidelines as circumstances warrant.

## PERFORMANCE AND COMPENSATION RELATIVE TO UNITHOLDER RETURNS

Executive compensation is largely performance based and dependent on corporate performance, with the primary performance metric being improvement in cash flow per unit. As such, the compensation paid to Alaris' NEOs is expected to be positively correlated to the returns Unitholders receive (in normal market conditions). It should be noted that prior to 2020 Alaris' compensation levels were set in July of each year. As such, the amount of NEO compensation for years prior to

2020 may not directly correlate with the performance of Alaris' units ending at December 31 of such years. The Trust now utilizes a calendar year for its Compensation Period.

In 2020 Alaris continued to make progress in advancing its objectives. Our strategic priorities include: (i) generating stable and growing cash flows from existing Private Company Partners; (ii) adding new Private Company Partners both in Canada and the United States; (iii) strengthening our relationships with our existing Private Company Partners by providing additional funding where required in furtherance of their initiatives; (iv) generating positive returns when exiting investments; and (v) work diligently towards positive resolutions with Partners that are not currently paying full distributions.

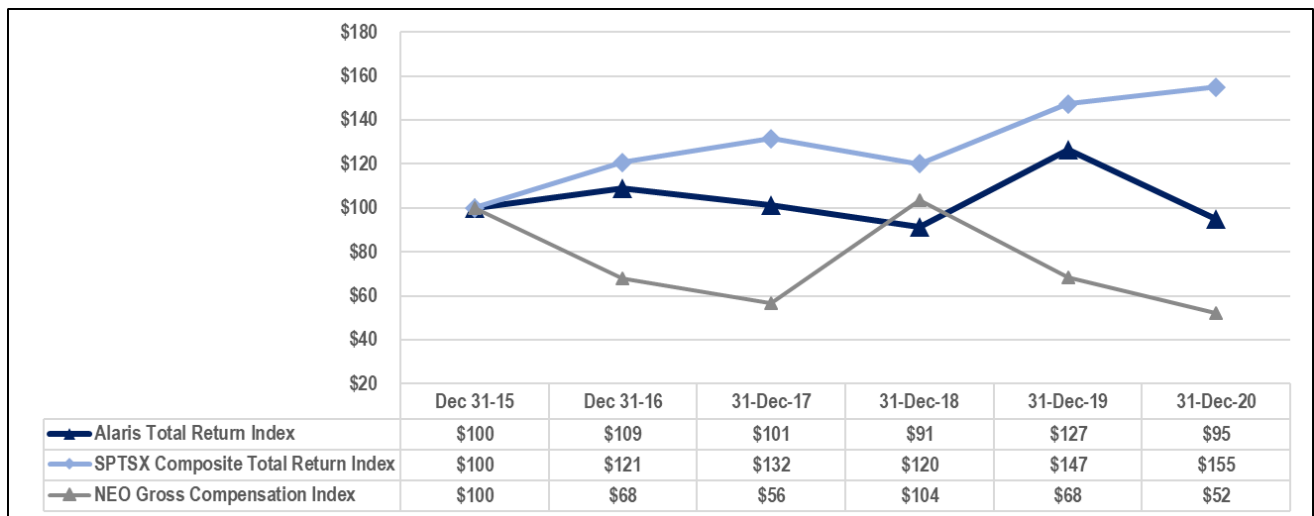
In 2020, Alaris made accretive contributions of \$170 million, which included investing into new partners (Carey Electric and Edgewater) as well as adding follow-on contributions to existing partners (GWM and BCC). These contributions resulted in positive cash flow per share but the majority of the impact will be realized in 2021 and beyond as all but the Carey Electric contributions were done in Q4, 2020. The Trust also saw cash flow grow organically from net increases of distributions from our Private Company Partners of 4.5% in 2020 (which resulted in additional revenue of approximately \$3.7 million in 2020). The additional cash flow from follow-on and new investments as well as the organic growth in distributions from Partners in 2020 helped to offset the reduction of revenue from Providence and ccComm of \$6.3 million and the deferral of revenue from Planet Fitness of \$5.5 million compared to 2019 due to the impacts of COVID-19. Additionally, the redemption on the sale of SBI and Sandbox early in the year resulted in a decrease in revenue of \$13 million compared to 2019. Contributions to new and existing Partners (gross deployment of \$170 million), less the capital received from repurchases (\$117 million), resulted in net capital deployment of approximately \$53 million in 2020. Also adding to an increase in cash flow for 2020 was an increase in distributions from SCR and Kimco. The increase from 2019 to 2020 in total distributions received from SCR and Kimco was \$1.95 million and \$5.7 million respectively. The cumulative effect of the above resulted in cash flow per unit decreasing by 2.5% in 2020 to \$1.99 from \$2.04 the prior year. Book value per unit increased to \$16.75 in 2020 from \$16.57, primarily as a result of net deployment, organic growth and additional revenues from Kimco and SCR net of COVID-19 related losses of revenue and write downs, and lost revenue from redemptions.

Total return to Unitholders ("TSR") (assuming the reinvestment of distributions) for the 12 months ended December 31, 2020 was -25.1% vs 5.2% for the S&P TSX Composite Index (the "Index") over that same time period. Unitholders that owned Alaris' Units on January 1, 2020 through December 31, 2020 earned a 6.0% return by way of dividends/distributions of \$1.33 per share/unit in the year.

Total Return Analysis	2016	2017	2018	2019	2020
Alaris Equity Partners Income Trust % total unitholder return <sup>1</sup>	8.8%	-6.9%	-10.0%	38.8%	-25.1%
S&P TSX Composite Index % total unitholder return <sup>1</sup>	20.7%	8.9%	-8.7%	22.6%	5.2%
Compensation Data	2016	2017	2018	2019	2020
CEO Compensation (\$ millions)	\$1.17	\$0.85	\$2.05	\$1.11	\$0.86
% change	-32.9%	-27.7%	141.5%	-45.8%	-22.5%
NEO Compensation (\$ millions - incl. CEO)	\$3.59	\$2.97	\$5.46	\$3.60	\$2.74
% change	-31.9%	-17.1%	83.5%	-34.1%	-23.4%

**Notes:**

1) the data in the table above was based on the closing share price of Alaris' Shares and Trust Units, as applicable, at December 31, 2016 through December 31, 2020 as well as the value of the Index during those same time periods. It also includes the reinvestment of dividends/distributions paid by Alaris and the Index during the same time periods. This table also includes compensation data for the CEO and all NEOs for use in the following sections.



The chart above displays the total return on investing \$100 into both Alaris Shares and the Index on December 31, 2015, which includes reinvesting distributions/dividends for both at each year end. The chart also displays total gross NEO compensation performance on the same \$100 base with annual adjustments based on the percentage change in gross NEO compensation, year over year. Unitholders that have held Units since December 31, 2015 have realized a total return of -5% based on the closing price on December 31, 2020 versus a +55% return from the Index while NEO compensation has decreased by -48% over that same time period. Alaris has returned capital to its unitholders in the form of aggregate annual distributions paid of \$1.62, \$1.62, \$1.623, \$1.65 and \$1.323 per share from January 1, 2016 through December 31, 2020.

Referring to the tables on the previous page, CEO and NEO total compensation is highly variable and is the result of several factors including a variable bonus program and the issuance of Options and performance based RTUs as well as a base salary. Total gross NEO compensation decreased to \$2.74 million in 2020, which was -24% lower than 2019 and -48% lower than 2015 on a gross basis. 2020 NEO total compensation was lower than 2019 by \$0.86 million as a result of a lower level of variable compensation, including a lower bonus paid as well as a lower amount of unit-based compensation granted to NEOs in 2020. Bonuses paid for the 2020 Compensation Period were lower than the 2019 Compensation Period due to the impacts COVID-19 had on the business. The bonus formula would have resulted in a \$0 bonus pool for 2020, mainly due to the impact of COVID-19; however, after considering management's extraordinary efforts during 2020 and the ongoing COVID-19 pandemic and the overall portfolio performance in 2020 given the circumstances, the Board elected to use its discretion to award a bonus pool of \$1.5 million to employees of Alaris. The amount of the 2020 bonus pool was determined by using the standard bonus calculation formula but including certain normalized inputs for 2020. CEO Compensation decreased to \$0.86 million for 2020, which is 22.5% lower than 2019 total CEO compensation of \$1.11 million due to lower variable compensation including a lower bonus (\$300,000 vs \$397,500 in the prior year) and lower unit-based compensation (\$195,551 vs \$353,360 in the prior year).

CEO and NEO total compensation is influenced by a number of factors, most specifically; (a) stock based compensation (in the form of RTUs) which varies year to year depending on the trust units available to grant under the program during the year, (b) the number of non-executive employees Alaris has, which results in a distribution of compensation (bonus and stock based) among more individuals and (c) cash bonuses are based on the increase in Total Cash Available for Distribution per Unit each year and therefore could fluctuate significantly year over year. As can be seen in the graphic above, NEO compensation has been highly correlated with the total return to Alaris unitholders and has decreased at a greater rate than total unitholder returns over the last 5 years (-48% decrease in NEO compensation vs -5% TSR).

Our Board considers several factors in connection with its determination of appropriate levels of compensation, including, but not limited to, the Board's compensation philosophy and guidelines; the demand for and supply of skilled professionals in the financial services industry generally; individual performance; our corporate performance (which is not necessarily tied exclusively to the trading price of the units on the TSX); and other factors discussed under "Executive Compensation Discussion and Analysis" on the next page. Furthermore, certain aspects (including bonuses and the vesting of PTUs) are based in part on the achievement of certain predetermined performance metrics and is measured against corporate performance, which does not necessarily track the changes in the market value of our Units. As RTUs form a significant portion of compensation, the total compensation for NEOs is affected by increases and decreases in the price of the Units as the value of such Options and RTUs decrease as the Unit price decreases.

Alaris has a very scalable business model, which has allowed it to operate with relatively low operating costs and work force in comparison to the revenues and profit it generates. In 2020, Alaris generated revenue of \$109.6 million and net cash from operations (“CFO”) of over \$71.9 million. This equates to revenue and CFO per employee of over \$6.85 million and \$4.49 million respectively.

## EXECUTIVE COMPENSATION-RELATED FEES

In 2020, the Corporation engaged Mercer to review its information circular and proxy statement for the 2020 shareholder meeting. The corporation paid Mercer fees of \$8,000 for such services.

## EXECUTIVE COMPENSATION DISCUSSION & ANALYSIS

### 1. COMPENSATION APPROACH AND OBJECTIVES

Alaris’ approach to compensation is based on a “pay for performance” philosophy whereby fixed elements of pay such as salary, are positioned at, or below, market median levels, while short and long-term incentives are structured to provide above-market total compensation for high levels of corporate performance. As such, the Trust’s compensation program has been carefully designed to directly link compensation to the achievement of corporate performance goals that enhance shareholder value and create a strong alignment between shareholder and management interests.

Based on the foregoing philosophy the majority of the NEOs’ compensation is comprised of variable “at risk” compensation in the form of bonuses, Options (the Trust has terminated the Option Plan with no further Options permitted to be issued), TTUs and PTUs, the payment or vesting of which is dependent on several factors including the continued growth of Total Cash Available for Distribution (see the charts and tables below and “Executive Compensation Discussion and Analysis - 3. Program Components” to follow for further detail). Below is the compensation mix for 2020 for our CEO as well as for NEOs excluding the CEO.



1. The numbers in the pie graphs above do not directly correspond to the table below as the “other” compensation in the table below has been excluded.

NEO	Base Salary % <sup>1</sup>	Variable Pay at Risk			Total Compensation
		Bonus (short-term incentive) % <sup>1</sup>	Unit Awards (long-term incentive) % <sup>1,2</sup>	Other % <sup>1,3</sup>	
Steve King	34.9%	34.9%	29.9%	0.3%	\$859,070
Darren Driscoll	42.9%	30.0%	26.7%	0.4%	\$582,836
Mike Ervin	45.3%	32.4	21.8%	0.5%	\$463,642
Gregg Delcourt	48.2%	28.9%	22.3%	0.6%	\$435,519
Curtis Krawetz	45.1%	28.8%	25.5%	0.6%	\$399,047

1. All amounts are as a percentage of total compensation.
2. Unit based awards include distribution entitlements on vested RTUs.
3. “Other” compensation represents taxable benefits for certain perquisites offered to employees (\$2,400 of total compensation per NEO in 2020).

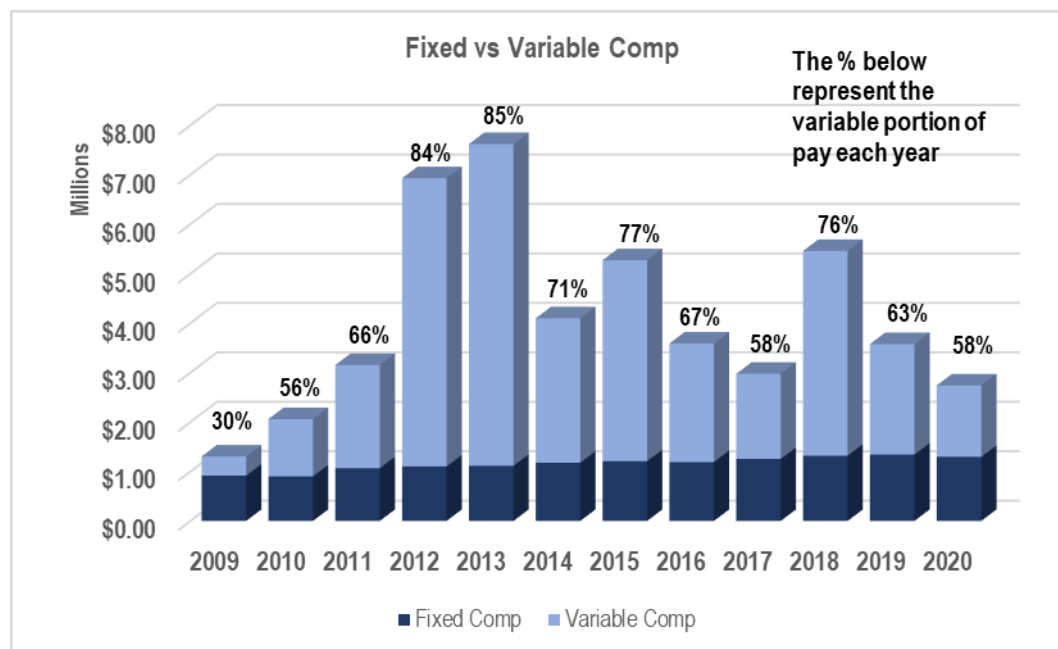
For more detail on the compensation for all NEOs in 2020 please refer to the “Summary Compensation Table” on page 40 of this document. As set forth above, the bonus formula would have resulted in a \$0 bonus pool. However, the Board used its discretion to award a bonus pool of \$1.5 million for 2020 in recognition of management’s extraordinary efforts during 2020 and the ongoing COVID-19 pandemic. The bonus pool was calculated using the standard bonus calculation formula (described in detail on pages 32 to 34) with certain normalized inputs being utilized.

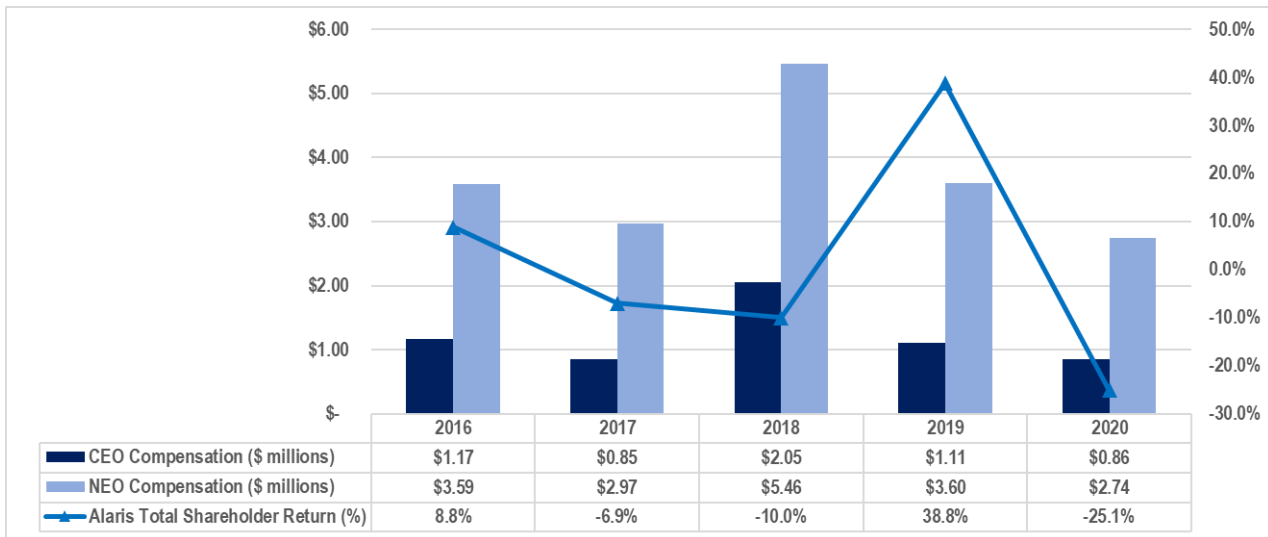
The Board has approved an executive compensation program that consists of the following:

- i. a fixed salary;
- ii. TTUs that vest after three (3) years;
- iii. PTUs that will vest over three (3) years (with one-third (1/3) eligible to vest each year), subject to the satisfaction of certain performance conditions;
- iv. deferred distribution entitlements on all RTUs that will accrue and only be paid out upon the vesting of the underlying RTUs; and
- v. an annual cash bonus plan.

For a detailed description of each component of the executive compensation program please see “Executive Compensation Discussion & Analysis - 3. Program Components” beginning on page 32. The Board has previously determined to terminate the Option Plan in lieu of moving to more RTU based equity-based compensation as it was determined that would better align management and unitholders. The Option Plan will continue to govern the terms of all previously issued and outstanding Options, but no further Options may be granted under the plan and upon the exercise, forfeiture, surrender or expiry of the last outstanding Option, the Option Plan will become null and void.

In the chart below (with numbers supporting on the following page) we display total NEO compensation broken down by the variable and fixed portions and display the percentage of variable compensation per year. As illustrated, variable compensation made up 58% (\$1.58 million) of total NEO compensation of \$2.74 million in 2020, down from variable compensation of 63% (\$2.23 million) in 2019 on a total compensation of \$3.58 million. While the fixed portion of total compensation has been relatively flat historically and versus the prior year, the variable portion was down as a percentage of total compensation due to the fact that less RTUs were granted for the 2020 period vs the 2019 period and a lower bonus was paid in 2020 vs. 2019 due mainly to the impact of the COVID-19 pandemic on the Private Company Partners and the impact on the bonus calculation. The Compensation Period for 2019 also covered 18 months as Alaris was transitioning from a mid-year Compensation Period to a calendar year Compensation Period.

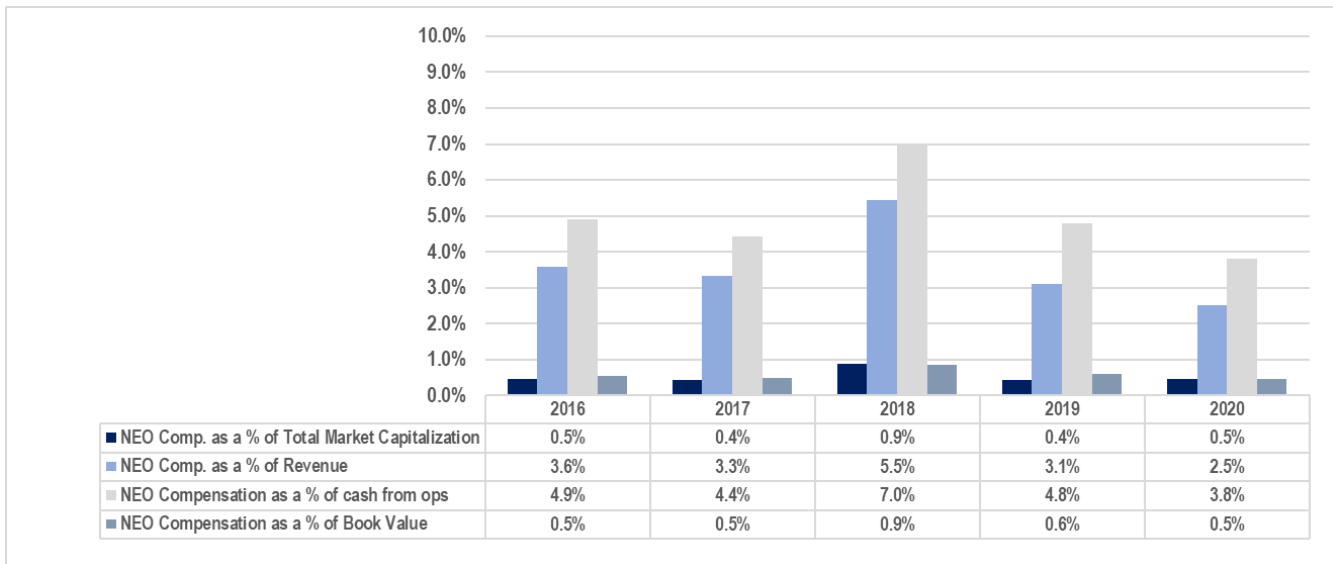




The variable compensation Alaris NEO’s receive consists of unit-based compensation and a cash bonus, which is determined based on hitting the Total Cash Available for Distribution performance targets as mentioned on page 33 of this circular.

The unit-based compensation is derived by the value of the Options and RTUs on issuance and isn’t a true indicator of what the NEO will actually receive from the unit-based compensation upon vesting or exercise, as applicable, as the Option and RTU value fluctuates with Unit price. Also, the RTUs have performance targets that need to be met in order to vest.

Of the variable compensation component in 2020, 55% was a performance bonus, 37% was for the granting of RTUs and 8% was for the payment of distribution entitlement equivalents upon the vesting of RTUs. In 2021, 120,277 Options will vest with an average exercise price of \$20.60. As of the record date, all Options outstanding (984,019) are out of the money, including those that will vest in 2021.



The table above shows the total cost of NEO compensation as a percentage of total market capitalization, revenue, cash flow from operations and equity book value over the last 5 years. Market capitalization at December 31, 2020 was \$589.2 million vs \$805.0 million at December 31, 2019 and \$791.9 million at December 31, 2016 while revenue and cash from operations were \$109.6 million and \$71.9 million in 2020 vs \$114.9 million and \$74.8 million in 2019 and \$100.0 million and \$73.3 million in 2015. Book value was \$605.0 million in 2020 vs \$604.5 million in 2019 and \$654.7 million in 2016. NEO total compensation in 2020 was down to \$2.74 million in 2020 from \$3.6 million in 2019 and \$3.6 million in 2016. The decrease in NEO compensation as a percentage of these metrics in 2020 vs 2019 is a result of NEOs receiving less variable compensation (performance-based bonus and RTUs) in the current period. This decrease in NEO compensation reflects the alignment Alaris compensation plan has with unitholder returns.



Our compensation practices are designed to provide an effective balance among four core compensation principles:

- Compensation is **aligned with overall Alaris performance**. It is linked to both corporate and individual performance.
- Compensation **encourages a long-term view to increasing Unitholder value**. A significant portion of each executive's variable pay is equity-based and encourages executives to take significant personal and financial interest in the long-term health and growth of Alaris.
- Compensation **does not encourage excessive or inappropriate risk-taking**. Compensation structures reflect risk and capital usage and a significant portion of each executive's compensation is deferred in the form of equity compensation that vests over multiple years and Distribution Entitlements that are deferred until the vesting of the related RTUs.
- Compensation **helps attract and retain highly trained, experienced and committed talented people** and motivates them to excel against specified corporate objectives.

The governing objective of Alaris' compensation program continues to be to motivate Alaris' management and employees to build a highly diversified group of Private Company Partners in North America with a conservative financial structure and a stable and consistently increasing distribution stream to Alaris Unitholders. In meeting this objective, the intent of our compensation program is to motivate Alaris management and employees to: (1) pursue a series of judicious and accretive partnerships with new Private Company Partners that will result in a stable source of revenue, principally financed with debt financing, cash and/or equity from issuances of new Units; (2) ensure a responsible use of debt; and (3) maintain relationships with our Private Company Partners for the long term. In this manner, executive and trustee interests are aligned with those of unitholders. Executives are evaluated annually and compensation awards are made annually as appropriate in light of such performance factors. Annual awards and allocations of RTUs and bonuses to individual executives are recommended to the Board by the Compensation Committee, in consultation with the CEO and are intended to reflect an executive's level of responsibility, corporate performance and an individual's contribution thereto. The Corporation previously utilized a 12-month Compensation Period of July 1 to June 30, but in 2018 the Board approved a change to a calendar year Compensation Period of January 1 to December 31 each year.

## 2. RISK ASSESSMENT

The Compensation Committee has considered the implications of the risks associated with Alaris' compensation program and has determined that the compensation program does not encourage an NEO to take inappropriate or excessive risks. Reasons for this determination include, without limitation, the following:

- Awards under the compensation program are made using some discretion;
- The compensation package for NEOs is reviewed and assessed annually by the Compensation Committee and the Board;
- The compensation program consists of fixed components (base salary) and short and long-term variable components (bonuses and RTUs), and this is purposely designed to balance the level of risk-taking while also focusing on generating long-term and sustainable value and growth for Unitholders;
- TTUs and PTUs, which typically make up a significant portion of an NEO's total compensation, vest over a period of three years and, in the case of PTUs, are subject to certain performance conditions, which acts to further mitigate against the potential for inappropriate short-term risk taking;
- There are no compensation policies and practices that are structured significantly differently for any NEOs; and
- An NEO that resigns or is terminated for cause forfeits their bonus and, unless otherwise determined any unvested, outstanding RTUs.

The Compensation Committee will continue to monitor compensation governance and risk assessment practices on an ongoing basis to ensure that Alaris' compensation program is appropriately structured, including, without limitation, reviewing industry best practices, institutional unitholder guidelines and discussions with external advisors.

### *Restrictions on Certain Hedging Activities and Financial Instruments*

No insider, employee or consultant of Alaris may, directly or indirectly: (a) sell a security of Alaris if the person does not own or has not fully paid for the security to be sold; (b) buy or sell a call or put in respect of a security; (c) engage in short sales of securities; or (d) purchase financial instruments (including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds) that are designed to hedge or offset a decrease in market value of equity securities of Alaris granted as compensation or held, directly or indirectly, by such person. However, insiders, employees or consultants may sell a Unit that they do not own if they own another security convertible into Units or an option or right to acquire Units sold and, within 10 days after the sale, they: (i) exercise the conversion privilege, option or right and deliver the Unit so associated to the purchaser; or (ii) transfer the convertible security, option or right, if transferable to the purchaser. We

believe that such arrangements reduce the risk of equity ownership by trustees, officers, employees and consultants and thereby negate the alignment of interests of such persons with those of Unitholders. These restrictions are designed to ensure the continued alignment of the interests of our trustees, officers, employees and consultants with unitholders.

### *Executive Compensation - Market Analysis*

As discussed above, the Trust has spent considerable time and effort in designing and refining a compensation program that “pays for performance” and that directly aligns the interests of Alaris’ NEOs with Unitholders. This pay for performance philosophy will continue to be the primary tool the Compensation Committee uses to assess and set NEO compensation. However, in order to provide context for, and assess the reasonableness of, its compensation decisions the Compensation Committee does from time to time review executive compensation practices and pay levels at companies that share some of the Trust’s attributes, including the following:

- i. non-resource-based royalty collecting entities;
- ii. dividend/distribution paying entities;
- iii. inclusion in the S&P/TSX Composite Index;
- iv. similar market capitalization; and
- v. inclusion in the “diversified equities” category (or other similar category) by securities analysts in the industry and whom follow Alaris.

Given the Trust’s unique business model none of the companies included in this analysis is considered to be directly comparable to Alaris. Accordingly, while the Compensation Committee will continue to conduct these comparative reviews as part of its compensation decision making process, the Trust’s executive compensation program has not been designed with specific reference to the structures in place at any of these companies, nor has the compensation paid to Alaris’ NEOs been set by benchmarking it against these companies’ pay levels.

## 3. PROGRAM COMPONENTS

### *Compensation-Key Components*

Alaris’ compensation program seeks to evaluate an executive based on both corporate and individual performance. Corporate performance is measured through two primary means, namely:

1. Total Cash Available for Distribution per Unit (see “List of Abbreviations” – “Total Cash Available for Distribution” on page 9 of this Information Circular for the definition of Total Cash Available for Distribution); and
2. Annual Return Generated.

Individual performance is generally evaluated based on individual expertise and responsibilities, leadership and achievement of personal performance as well as individual contribution to corporate performance (including a review of a NEO’s specific contribution on equity financings, partner contributions and public company administration).

The key components and guidelines of Alaris’ compensation program for executives are outlined in the table below.

Component	Purpose	Form	How it is Determined
<b>Base Pay (Salary)</b>	Is intended to form a relatively small component of total compensation and compensates individuals for fulfilling their role responsibilities. In years where there is less variable compensation paid, the base salary will reflect a higher percentage of total compensation.	Cash	Salaries are based on available market place information, as well as an executive’s experience, performance and level of responsibility. Salaries are also determined with consideration to Alaris’ total compensation package. An approach of moderate base salaries and a higher incentive component to employee compensation continues to be appropriate to encourage long-term corporate and individual performance. It is intended that base salaries will increase as Alaris’ corporate size, complexity and responsibilities, increase. All salary adjustments are at the discretion of the Board.
<b>Bonuses</b>	Bonuses are intended to be awarded annually and determined based on the	Cash	The Board has adopted the following guidelines for the bonus pool:

	<p>trust's performance and individual performance.</p>	<p>(i) the bonus pool will be funded based on 20% of growth in Total Cash Available for Distributions over the specified period;</p> <p>(ii) individual allocations from the bonus pool will be guided by base targets ("<b>Individual Bonus Targets</b>")</p> <p>(iii) there will be a target increase in Total Cash Available for Distributions of 8%;</p> <p>(iv) if the target increase in Total Cash Available for Distributions is achieved, then the individual will be allocated their Individual Bonus Target;</p> <p>(v) If the target increase in Total Cash Available for Distributions is exceeded, then, at the Committee's discretion, the Individual Bonus Target can be adjusted by multipliers in a range of 1.5x to 2.0x; and</p> <p>(vi) the bonus pool will be subject to a discretionary adjustment of +/- 25%, based on factors deemed appropriate by the Compensation Committee, including, without limitation: shortfalls in expected distributions received; receipt of catch up distributions from Private Company Partners; redemptions during a Compensation Period; impairments during the Compensation Period; qualitative and quantitative assessment of the portfolio; capital deployment; and external events that may be beyond management or Alaris's control.</p> <p>Furthermore, the bonus payable can be adjusted at the discretion of the Compensation Committee and the Board based on an individual's specific contributions to corporate performance and administrative matters. If the target increase in Total Cash Available for Distribution is less than 8% but greater than 0%, the Compensation Committee and Board shall use its discretion to determine the allocation of the bonus, if any.</p> <p>The base Individual Bonus Targets for the NEOs are current set as follows: Steve King: 100% of base salary; Darren Driscoll: 70% of base salary; all other NEOs: 50% of base salary.</p> <p>In 2020 an aggregate bonus of \$1,500,000 (\$1,900,000 in 2019 and \$2,587,000 in 2018) was paid to Alaris employees, of which \$866,000 (\$1,187,500 in 2019 and \$1,611,000 in 2018) was paid to NEOs.</p> <p>Given the structure of the Bonus Plan, there is a possibility that the bonus pool could be \$0 (and participants, including the CEO, could receive no bonus) for a particular year if the Trust does not achieve its targets. Alaris achieved Total Cash Available for Distribution of \$67,008,129 in 2020, which was \$1.85 per unit, a decrease of 40% year over year. As a result, the bonus calculation resulted in a \$0 bonus pool. However, as noted above, the Board used its discretion to pay a cumulative bonus of \$1.5 million to all staff in recognition of their extraordinary efforts and achievements during 2020 and the ongoing COVID-19 pandemic as well as in recognition of the overall portfolio performance in such a tough year.</p>
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<b>RTU Plan</b>	Encourages executives to create sustainable Unitholder value and returns over a three year performance cycle and aligns Management's interests with Unitholder's interests.	RTUs	It is intended that there will be an annual grant of RTUs to executives, with half of such RTUs being TTUs and the other half being PTUs, provided that the Compensation Committee and the Board have the discretion to adjust the allocation between TTUs and PTUs (for the 2020 Compensation Period, the RTUs granted in March 2021, the allocation of RTUs was 60/40 of PTUs and TTUs, respectively). New grants may also be made once outstanding RTUs have expired or vested. In 2020, 56,542 RTUs were issued to employees (granted in March 2021 for the 2020 period) of which 35,138 were issued to NEOs.
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In 2018, the Board determined to move away from using Options as a part of the Executive Compensation Program and in March 2019 the Option Plan was terminated and only remains in place to govern the terms of previously issued and outstanding Options.

## Compensation Ancillary Components

### Benefits

All employees including executives also receive health care insurance benefits that promote employee health and productivity in the workplace.

### Perquisites

All employees including executives are entitled to an additional health spending account of \$2,000 per year (in addition to participation in the Trust's health plan) and a paid parking stall.

## EQUITY INCENTIVE PLANS

The tables below provide a description of the material features of each plan. The first table below sets out information about the equity plans as at December 31, 2020. A full copy of the Trust's current Option Plan and RTU Plan are attached hereto as Schedule 5 of this Information Circular.

### Alaris RTU Plan

<b>Summary</b>	The RTU plan consists of PTUs (performance-based vesting) and TTUs (time-based vesting). Prior to the conversion of Alaris Royalty Corp. to an income trust on September 1, 2020, <i>RSUs</i> (rather than RTUs) were issued (and upon conversion, all existing RSUs were exchanged for RTUs having the same terms of the previously issued RSUs).
<b>Award Upon Vesting</b>	<p>A vested TTU will be settled by either of the following or a combination of the following: (i) cash in an amount equal to value of vested TTUs; or (ii) 1 Unit for each TTU held.</p> <p>A vested PTU will be settled by either of the following or a combination of the following: (i) cash in an amount equal to the value of vested PTUs; or (ii) either 0.5 of a Unit, one (1) Unit or two (2) Units for each PTU held, depending on the vesting conditions that are satisfied.</p> <p>Vested TTUs and PTUs are settled without the payment of additional consideration by the employee. The Compensation Committee has full discretion to determine the vesting conditions for any PTUs that are granted.</p>
<b>TTU Vesting Conditions</b>	TTUs issued under the RTU Plan vest on the third anniversary of their grant.
<b>PTU Vesting Conditions</b>	PTUs will be subject to both time and performance vesting conditions. The PTUs will vest over a three-year period from the date the Board approves the grant of such PTUs, with one-third (1/3) available for vesting on each of the first, second and third anniversary of the approval of the grant (each such anniversary being a vesting date with each 12 month period over the three (3) year term being a vesting period) on the following basis:

	<p>(i) one-third (1/3) of the PTUs will vest at a rate of 0.5 of a Unit for each such PTU on the applicable vesting date if the Annual Return Generated for the applicable vesting period is equal to at least 5% and less than 7%;</p> <p>(ii) one-third (1/3) of the PTUs will vest at a rate of one (1) Unit per PTU on the applicable vesting date if the Annual Return Generated for the applicable vesting period is equal to at least 7% and less than 10%; and</p> <p>(iii) one-third (1/3) of the PTUs will vest at a rate of two (2) Units per PTU on the applicable vesting date if the Annual Return Generated for the applicable vesting period is equal to at least 10%.</p> <p>In the event that the Annual Return Generated for an applicable vesting period is less than 5% then the applicable one-third (1/3) of such PTUs will not vest and all such PTUs will be forfeited and become null and void.</p>
<b>Maximum Number of Units Issuable &amp; that May be Reserved</b>	Under the RTU Plan, the maximum number of Units issuable under the RTU Plan (and that may be reserved by Alaris for issuance under the RTU Plan at any given time) is limited to 2.5% of the total number of outstanding Units at such time. As of April 21, 2021, 1,124,058 Units are reserved for issuance under the RTU Plan (representing approximately 2.5% of issued and outstanding Units).
<b>Currently Issued (dilution)</b>	There are 472,700 RTUs currently outstanding with a maximum of 631,790 Units being issuable upon vesting of such RTUs, representing approximately 1.41% of Alaris' issued and outstanding Units as at April 21, 2021. This figure includes Trustee RTUs and the possible doubling of PTUs. Excluding Trustee RTUs there are 532,504 Units (assuming the satisfaction of all performance conditions) to be issued upon vesting of outstanding employee RTUs, representing approximately 1.18% of Alaris' issued and outstanding Units as at April 21, 2021.
<b>Available for Issue</b>	As of April 21, 2021, 492,268 Units remain available for issuance (representing approximately 1.09% of Alaris' issued and outstanding Units; based on a maximum number of Units available for reservation under the RTU plan of 2.50% of the issued and outstanding Units).
<b>Restrictions on Vesting</b>	The Board has sole discretion to permit all unvested RTUs to vest immediately.
<b>Other Limits</b>	The Maximum number of Units reserved for issuance in any one-year period under the RTU Plan to any one participant cannot exceed 2.5% of the Units then issued and outstanding. The maximum number of Units issuable to insiders at any time pursuant to all security-based compensation arrangements of Alaris cannot exceed 9.75% of all Units then issued and outstanding. The maximum number of Units issued to insiders from treasury within any one-year period under all security-based compensation arrangements of Alaris cannot exceed 9.75% of all Units then issued and outstanding. Provided that, with the cancellation of the Option Plan, the foregoing limits on the number of Units that can be issued to insiders from treasury pursuant to all security based compensation arrangements will effectively be decreased as existing Options are surrendered, forfeited, exercised or expire and shall eventually match the treasury limit under the RTU Plan.
<b>RTU Terms</b>	<ul style="list-style-type: none"> <li>• Valued at the Market Price at date of vesting.</li> <li>• Unless otherwise determined by the Board, non-vested RTUs are forfeited on retirement, resignation or termination with cause.</li> <li>• RTUs continue to vest upon termination without cause in accordance with specific termination provisions outlined under the heading "Termination and Change of Control Benefits", subject to applicable non-solicit and non-compete provisions.</li> <li>• all RTUs vest immediately upon death of a participant.</li> <li>• the Board has discretion to determine whether vested RTUs are to be settled with cash or Units or a combination thereof, and whether the Units to be issued</li> </ul>

	upon vesting (if at all) are to be purchased on the open market, issued from treasury, or a combination. The Board has determined that all Units to be issued pursuant to the RTUs currently outstanding will be issued from treasury.
<b>Surrender Option</b>	A participant is entitled to make a surrender offer to Alaris at any time to dispose of and surrender his/hers RTUs to the Trust, for an amount (not to exceed fair market value) specified by the participant. Subject to any required regulatory approval, Alaris may accept such offer but is not obligated to do so. RTUs surrendered under a surrender offer that is accepted are deemed to be terminated and cancelled and upon payment of the surrender amount to the participant, all further rights to the participant under the RTUs cease.
<b>Anti-Dilution Provisions</b>	The Board has authority to make appropriate adjustments in the number of Units under any granted RTUs to give effect to adjustments in the number of Units resulting from subdivisions, consolidations, exchanges or reclassifications of the Units, the payment of stock distributions by Alaris, or other relevant changes in the capital of Alaris.
<b>Transfer</b>	RTUs cannot be assigned or transferred by any participant.
<b>Change of Control</b>	Upon a change of control, the vesting of an executive's RTU may be accelerated at the discretion of the Board.
<b>Plan Changes</b>	<p>The Board may amend, modify or terminate the RTU Plan or make an award thereunder at any time provided that any changes are consented to by any applicable regulatory bodies, including the TSX and, where required, by Unitholders. Changes are subject to unitholder approval where such change:</p> <ol style="list-style-type: none"> <li>1. increases the number of Units reserved for issuance under the RTU Plan;</li> <li>2. extends the term of an RTU under the treasury component of the RTU Plan held by an insider;</li> <li>3. increases the maximum number of securities that may be issued to insiders;</li> <li>4. permit a participant to transfer or assign their RTUs;</li> <li>5. amend the amendment provisions of the RTU Plan;</li> <li>6. do anything else which requires unitholder approval.</li> </ol> <p>From 2015 through the date hereof, the following amendments were made to the RTU Plan:</p> <p><b>1) April, 2017 Amendments:</b></p> <p>a) The aggregate number of Units that may be reserved for issuance under the RSU Plan was reduced to 1.25% of the total outstanding Units (down from 2.0%), along with certain consequential changes necessary to give effect to the foregoing reduction in the reserve maximum.</p> <p><b>(2) November 2018 Amendments:</b></p> <p>(a) The RSU plan was amended to clarify that any Dividend Entitlements are only paid out upon the vesting of the underlying RSUs.</p> <p><b>(3) March 2019 Amendments:</b></p> <p>(a) The RSU Plan was amended to reduce the automatic extension of the vesting date applied to any RSU that was originally set to vest during a blackout period from 10 business days to 5 business days following the lifting of such blackout period; and</p> <p>(b) The Board (as approved by the Shareholders at the meeting of Shareholders held on May 7, 2019) approved the increase in the limit on the number of Units that can be reserved for issuance from treasury under the RSU Plan from 1.25% of the then issued and outstanding Shares to 2.5% of the then issued and outstanding Shares. In conjunction with such proposed amendment, the Board approved certain other</p>



consequential amendments to reflect a new treasury limit as well as the terminated Option Plan.

**(4) September 2020 Amendments (Adoption of the RTU Plan):**

Amendments to the terms of the RSU Plan reflected in the RTU Plan that were not related to the conversion of Alaris Royalty Corp. into an income trust on September 1, 2020 or which were not solely housekeeping or clarifying changes, are set out below:

(a) The definition of "Change of Control" was amended to reflect changes in the Canadian takeover bid regime and establishment of Trust under the Declaration of Trust.

(b) References to the "Securities Act" were amended to refer to the Securities Act (Alberta).

(c) Amendments were made to reflect Participants in the RTU Plan may be "Service Providers" of the Trust, the Corporation or another affiliate of the Trust.

(d) The definition of "Outstanding Securities" was amended to reflect the ability of the Trust to, subject to TSX approval, issue Exchangeable Securities (as defined in the Declaration of Trust).

(e) Amendments were made to allow for the issuance of direct registration system advices in lieu of certificates representing Units.

(f) Amendments were made to clarify the effects on outstanding RTUs on the retirement of a Trustee.

**(5) April 2021 Amendments:**

(a) The RTU Plan was amended to set the vesting date for RTUs as being no later than the expiry of the corresponding RTU; and

(b) The RTU Plan was amended to provide the Board with complete discretion to settle RTUs via the payment in cash or units or a combination thereof.

None of the foregoing amendments to the RSU Plan or RTU Plan triggered the requirements of the TSX or the RSU/RTU Plan to seek securityholder approval.

**Alaris Unit Option Plan**

*As mentioned above, the Option Plan has been terminated for future grants. A summary of the Option Plan has been included for referencing the terms of the currently issued and outstanding Options.*

<b>Date of Implementation</b>	July 31, 2008
<b>Termination</b>	On March 5, 2019 the Board terminated the Option Plan. The Option Plan will continue to govern the terms of all previously issued and outstanding Options, but no further Options may be granted under the Option Plan and upon the exercise, forfeiture or expiry of the last outstanding Option, the Option Plan will become null and void.
<b>Persons to whom Options have been granted</b>	Options have only been granted to officers and employees.
<b>Maximum Number of Units Issuable &amp; that May be Reserved for Issuance</b>	Since the Option Plan has been terminated, the maximum number of Units that may be reserved for issuance under the Option Plan is 1,433,866, being the number of currently issued and outstanding Options. Such maximum number will be reduced as existing Options are exercised, forfeited or expire.
<b>Currently Issued (dilution)</b>	As at April 21, 2021, there are 1,433,866 Units reserved for issuance upon exercise of outstanding Options (representing 3.2% of Alaris' issued and outstanding Units) of which 984,019 Options are currently outstanding (representing 2.19% of Alaris' issued and outstanding Units).

	issued and outstanding units). As of the Record Date, none of the outstanding Options are in the money.
<b>Available for Issue</b>	No further Options may be issued under the Option Plan.
<b>Maximum option term</b>	<ul style="list-style-type: none"> <li>• 5-year expiry date from date of grant</li> <li>• Unless not permitted by the TSX, if the expiry falls during an Alaris trading black-out period the term is extended by 10 business days after the end of the black-out period.</li> </ul>
<b>Exercise price</b>	Equal to VWAP on the TSX for the 5 trading days immediately preceding the date of grant.
<b>Vesting and exercise of Options</b>	<ul style="list-style-type: none"> <li>• Before Options can be exercised, they must have vested. The currently issued and outstanding Options vest at 25% per year over four years.</li> <li>• As at December 31, 2020, 617,738 of the current issued Options (1.4% of the issued and outstanding Units) have vested and all of those Options were out of the money. As of the date of this circular, all Options are out of the money.</li> </ul>
<b>Transfer</b>	Options cannot be assigned or transferred by the participant.
<b>Change of Control</b>	Upon a change of control, the vesting of an executive's Options may be accelerated at the discretion of the Board.
<b>Surrender Option</b>	A participant is entitled to make a surrender offer to Alaris at any time to dispose of and surrender his Options to the Corporation, for an amount (not to exceed fair market value) specified by the participant. Subject to any required regulatory approval, Alaris may accept such offer but is not obligated to do so. Options surrendered under a surrender offer that is accepted are deemed to be terminated and cancelled and upon payment of the surrender amount to the participant, all further rights to the participant under the Options cease.
<b>Cashless Exercise</b>	Optionees have the right (the "Cashless Exercise Right") to exercise, for all or any part of the Options held by a Participant, on a cashless basis. Upon the exercise of the Cashless Exercise Right, for each Option held for which a cashless exercise notice is delivered, Alaris will issue such number of Units to the Participant as is equal to the number determined as follows: (i) dividing the difference between the Market Price and the Exercise Price of such Options by the Market Price and multiplying it by (ii) the number of Options specified in the cashless exercise notice. Alaris may accept such offer but is not obligated to do so. Options surrendered under the Cashless Exercise Right are deemed to be terminated on the issuance of Units thereunder, and all further rights to the participant under the Options cease.
<b>Anti-Dilution Provisions</b>	The Board has authority to make appropriate adjustments in the number of Units optioned and in the exercise price under any granted Options to give effect to adjustments in the number of Units resulting from subdivisions, consolidations or reclassifications of the Units, the payment of stock distributions by Alaris, or other relevant changes in the capital of Alaris.
<b>Assignment of Options</b>	Options are not assignable or otherwise transferable.
<b>Plan changes</b>	<p>The Board may amend, modify or terminate the Option Plan or make an award thereunder at any time provided that any changes are consented to by any applicable regulatory bodies, including the TSX and, where required, by Unitholders. Changes are subject to unitholder approval where such change:</p> <ol style="list-style-type: none"> <li>1) increases the percentage of Units reserved for issuance under the Option Plan;</li> <li>2) reduces the exercise price of an Option;</li> </ol>



- 3) extends the term of an Option beyond the expiry date (except where an expiry date would have fallen within a blackout period of Alaris);
- 4) increase the maximum number of Units that may be issued to insiders;
- 5) increase the number of Units issuable on exercise of Options granted to trustees who are not officers or employees of Alaris;
- 6) permit a participant to assign or transfer their Options (other than the death of a participant);
- 7) amend the amendment provisions of the Option Plan; and
- 8) do anything else where the TSX requires Unitholder approval.

From 2015 through the date hereof, the following amendments were made to the Option Plan:

- 1) **April, 2017 Amendments:** The aggregate number of Units that may be reserved for issuance under the Option Plan was reduced to 8.5% from 10.0% of the total outstanding Units, along with certain consequential changes necessary to give effect to the foregoing reduction in the reserve maximum.
- 2) **September 2020 Amendments (Adoption of the Option Plan of the Trust):** Amendments to the terms of the Option Plan of the Corporation reflected in the Option Plan of the Trust that were not related to the conversion of Alaris Royalty Corp. into an income trust on September 1, 2020 or which were not solely housekeeping or clarifying changes, are set forth below:
  - (a) Amendments were made to reflect Participants in the Option Plan of the Trust may be "Service Providers" of the Trust, the Corporation or another affiliate of the Trust.
  - (b) The definition of "Outstanding Securities" was amended to reflect the ability of the Trust to, subject to TSX approval, issue Exchangeable Securities (as defined in the Declaration of Trust).

Neither of the foregoing amendments to the Option Plan of the Corporation reflected in the Option Plan of the Trust triggered the requirements the requirements of the TSX or the RSU Plan to seek securityholder approval.

**Date of Implementation**

July 31, 2008

**Eligibility**

No future Options will be issued as the Option plan has been terminated. Options were previously provided to officers, trustees, employees, consultants and other eligible service providers of Alaris and its subsidiaries who provide services to Alaris.

# EXECUTIVE COMPENSATION TABLES

## SUMMARY COMPENSATION TABLE

The table below shows the compensation earned in the last three fiscal years by our NEOs.

NEO	Year	Salary <sup>1</sup> (\$)	Unit based award (RTUs or RSUs) (\$)	Option based awards <sup>2</sup> (\$)	Annual Incentive Plans (Bonus) (\$)		Pension value (\$)	All other Compensation <sup>5</sup> (\$)	Total Compensation <sup>6</sup> (\$)
					Bonus <sup>3</sup> (\$)	Long-term incentive plans (\$) <sup>4</sup>			
Steve King	2020	300,000	195,552	0	300,000	61,118	-	2,400	859,070
	2019	355,707	353,360	0	397,500	-	-	2,400	1,108,967
	2018	363,081	1,071,435	0	611,000	-	-	2,400	2,047,916
Darren Driscoll	2020	250,000	130,159	0	175,000	25,277	-	2,400	582,836
	2019	299,951	227,160	0	265,000	-	-	2,400	794,511
	2018	290,452	502,020	0	315,000	-	-	2,400	1,109,872
Mike Ervin	2020	210,000	83,455	0	150,000	17,787	-	2,400	463,642
	2019	242,222	151,440	0	190,000	-	-	2,400	586,062
	2018	231,567	356,983	0	275,000	-	-	2,400	865,950
Gregg Delcourt	2020	210,000	83,455	0	126,000	13,664	-	2,400	435,519
	2019	229,102	151,440	0	175,000	-	-	2,400	557,942
	2018	214,723	347,633	0	210,000	-	-	2,400	774,756
Curtis Krawetz	2020	180,000	86,454	0	115,000	15,193	-	2,400	399,047
	2019	201,274	164,060	0	160,000	-	-	2,400	527,734
	2018	210,448	209,141	0	178,000	-	-	2,400	599,989

### Notes:

1. The salaries set forth in this column represent the actual salaries paid for the fiscal year, including any increases in salary for the given year.
2. In 2018, the Compensation Committee decided not to issue further Options and the Option Plan has been terminated.
3. Alaris paid an aggregate amount of \$1.5 million in bonuses to all employees for 2020 (refer to page 33 and the calculation provided under the "Bonuses" section for more information on how the 2020 were derived). Such bonus amounts were paid in March 2021, for the Compensation Period beginning January 1, 2020 and ending December 31, 2020. After considering the Individual Bonus Targets, the Total Cash Available for Distributions calculation, individual contributions to the Trust's performance, an individual's level of responsibility and overall Trust performance over the applicable Compensation Period, the CEO makes a recommendation to the Compensation Committee for the allocation of the bonus pool for all non-executive employees, NEOs, non-NEO executives, other than the CEO. The Compensation Committee evaluates the CEO's performance based on the same criteria and determines the allocation of the bonus pool for the CEO and ratifies or adjusts the CEO's recommendations for the NEOs and other employees.
4. Includes the value of dividend/distribution entitlements paid out upon the vesting of RTUs (prior to 2020 employees were paid higher salary in lieu of dividend/distribution entitlements).
5. The value of perquisites received by each of the NEOs, including property or other personal benefits provided to the NEOs that are not generally available to all employees, were not in the aggregate greater than \$50,000 or 10% of the NEO's total salary for the financial year.
6. No compensation paid to Mr. King reflected in this column was paid to him in his capacity as a Trustee of the Trust.

## OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The table below shows the value of all option-based and share-based awards outstanding as at December 31, 2020 for each of the NEOs.

NEO	Grant Date	Option-based awards				Stock-based awards	
		Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of all unexercised in the money Options <sup>1</sup> (\$)	Number of units that have not vested (#)	Market or payout value of unit based awards that have not vested <sup>2</sup> (\$)
Steve King <sup>3</sup>	October 13, 2017	101,841	20.60	October 13, 2022	0	63,689	1,396,700
	January 25, 2017	133,615	22.47	January 25, 2022	0		
Darren Driscoll	October 13, 2017	76,381	20.60	October 13, 2022	0	28,033	614,756
	January 25, 2017	101,548	22.47	January 25, 2022	0		
Mike Ervin	October 13, 2017	76,381	20.60	October 13, 2022	0	21,235	465,684
	January 25, 2017	53,446	22.47	January 25, 2022	0		
Gregg Delcourt	October 13, 2017	56,013	20.60	October 13, 2022	0	19,539	428,498
	March 15, 2017	30,000	22.33	March 17, 2022	0		
	January 25, 2017	10,000	22.47	January 25, 2022	0		
Curtis Krawetz	October 13, 2017	35,644	20.60	October 13, 2022	0	13,422	294,344
	January 25, 2017	48,101	22.47	January 25, 2022	\$0		

Notes:

1. Calculated based on the difference between the market price of the securities underlying the Options, which was \$15.11 at December 31, 2020 and the exercise price of the Options and includes total vested and unvested Options. As of the date hereof there are no Options outstanding that are in the money based on the closing price of \$15.85 on April 13, 2021.
2. Calculated based on the market price of the Shares on the TSX as of December 31, 2020, which was \$15.11. The payout value of RTUs that have not vested assumes that the performance targets have been met. The value of an RTU to be recognized by the executive officer for income tax purposes on the date the RTU vests will be the Market Price of the Shares on such date and therefore can fluctuate from the price used to calculate the value disclosed in the table above.
3. The total value of Mr. King's aggregate RTUs and Units is \$14,005,211 based on the market value of the Units on April 13, 2021, which was \$15.85.

The following table displays the burn rate of unit-based awards granted in the last three fiscal years. Total Options granted to all employees resulted in a burn rate of 0% for 2018 to 2020 respectively while Options granted to NEOs resulted in a burn rate of 0% over the same time periods. On March 5, 2019 the Board terminated the Option Plan.

Burn Rate of Unit Based Awards	2018	2019	2020
Total Options Granted	0	0	0
Burn rate	0%	0%	0%
Total RTUs Granted	191,368	134,600	56,542
Burn rate	0.52%	0.36%	0.16%
Options Granted to NEOs	0	0	0
Burn rate	0%	0%	0%
RTUs Granted to NEOs	133,006	83,000	35,138
Burn rate	0.36%	0.22%	0.10%
Weighted units (millions)	36.5	36.9	36.1

Total RTUs granted to all employees resulted in a burn rate of 0.52%, 0.36% and 0.16% from 2018 to 2020 respectively while RTUs granted to NEOs resulted in a burn rate of 0.36%, 0.22% and 0.10% over the same time periods. In each case, the burn rate % was calculated by taking the number of share-based awards granted for the period divided by the weighted average shares outstanding for that same time period.

## INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The table below shows the value of option-based and unit-based awards and non-equity incentive plan compensation for each NEO that vested or were earned during the fiscal year ended December 31, 2020.

NEO	Option-based awards – Value vested during the year <sup>1</sup>	Unit-based awards – Value vested during the year <sup>2</sup>	Non-equity incentive plan compensation – Value earned during the year <sup>3</sup>
Steve King	\$0	\$239,869	\$300,000
Darren Driscoll	\$0	\$84,738	\$175,000
Mike Ervin	\$0	\$63,860	\$150,000
Gregg Delcourt	\$0	\$50,393	\$126,000
Curtis Krawetz	\$0	\$56,258	\$115,000

Notes:

1. Calculated based on the difference between the volume weighted average price of the Units underlying the Options 5 days preceding the vesting date and the exercise price of the Options on the vesting date. A value of \$0 is recorded for all Options that were out of the money.
2. Other than the RTU Plan, the Trust does not have any unit-based awards. No Options that could have vested in 2020 were in the money. For the initial tranche of PTUs granted in March 2019 and the second tranche of the PTUs issued in July 2018, the board utilized a normalized calculation of Annual Return Generated to address certain COVID-19 adjustments. As a result, the PTUs vested at the 2x multiple threshold.
3. The Trust does not have non-equity incentive plans in place for NEOs, other than a discretionary annual bonus structure. This column in the table above describes the bonuses that were paid to the NEOs for 2020 performance. The bonuses were paid in March 2021 but were reflective of 2020 performance.

## PENSION PLAN BENEFITS

The Trust does not have a pension plan or similar benefit program.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

The table below explains how the components of Alaris' executive compensation program are treated under four termination scenarios and in accordance with the employment agreements in place for each of the NEOs.

Compensation Element	Retirement or Resignation <sup>1</sup>	Termination With Cause	Termination Without Cause	Change in Control <sup>2</sup>
Base Pay (Salary)	Pro rata base salary, vacation pay and expenses earned or due, but not yet paid, up to and including the Termination Date (as such term is defined in the employee's employment agreement) are paid as a lump sum.	Pro rata base salary, vacation pay and expenses earned or due, but not yet paid, up to and including the Termination Date are paid as a lump sum.	Pro rata base salary, vacation pay and expenses earned or due, but not yet paid, up to and including the Termination Date are paid as a lump sum.	No incremental payment
Bonus	Forfeited	Forfeited	Forfeited	No incremental payment
RTUs	Forfeited (subject to discretion of the Board to vest)	Forfeited	Vesting provisions depend upon when the executive is terminated after grant of RTUs <sup>3</sup>	Board may accelerate vesting of all or a portion of RTUs

Stock Options	Options expire in 90 days.	All Options are cancelled	Vesting of Options which would vest within 18 months of Termination Date vest, and expire in 90 days following termination <sup>4</sup>	Board may accelerate vesting of all or a portion of Options.
Retiring Allowance	No incremental payment	No incremental payment	Severance payment equal to 1.5 (i) times the annual salary plus (ii) 1.5 times the most recent annual bonus paid and (iii) 15% of the sum of (i) and (ii) <sup>5</sup>	The payment is the same as Termination Without Cause.
Benefits	None	None	None	None
Perquisites	Cease	Cease	Cease	No incremental payment

**Notes to Termination and Change of Control Benefits:**

1. NEOs may resign upon 90 days' notice (30 days for Mr. Ervin, Mr. Delcourt and Mr. Krawetz).
2. Within 90 days after a change of control, Messrs. King and Driscoll may resign upon 7 days written notice and will be entitled to receive the payments set forth above. Mr. Ervin, Mr. Delcourt and Mr. Krawetz are not entitled to a payment upon a resignation following a change of control.
3. The terms set forth in the tables below apply with respect to the RTUs granted to the NEOs in 2020, 2019 and 2018, as applicable, in the event of a termination of employment as at December 31, 2020.
4. Applies to Messrs. King, and Driscoll. For Mr. Ervin, Mr. Delcourt and Mr. Krawetz vesting of Options which would vest within 12 months of Termination Date vest, and expire in 90 days following termination.
5. This is the retiring allowance for Messrs. King, and Driscoll. For Mr. Ervin, Mr. Delcourt and Mr. Krawetz the payment is equal to (i) one (1) times the annual salary; plus (ii) one (1) times the most recent annual bonus paid (annualized for any stub year period), and (iii) 15% of the sum of (i) and (ii).

**2020 Grants (continuation of note 3 above – Termination and Change of Control Benefits)**

Vesting Upon Termination in First Year of Grant	Vesting Upon Termination in Second Year of Grant	Vesting Upon Termination in Third Year of Grant
<p>1/3 of all unvested TTUs will vest on the Termination Date.</p> <p>PTUs shall vest in accordance with the following:</p> <ol style="list-style-type: none"> <li>1) 1/3 of the PTUs will vest at a rate of 0.5 of Unit per PTU if the Annual Return Generated for the then current vesting period is at least 5% and less than 7% on an annualized basis for such vesting period;</li> <li>2) 1/3 of the PTUs will vest at a rate of one (1) Unit per PTU if the Annual Return Generated for the then current vesting at least 7% and less than 10% on an annualized basis for such vesting period; and</li> <li>3) 1/3 of the PTUs will vest at a rate of one (1) Unit per PTU if the Annual Return Generated for the then current vesting at least 7%</li> </ol>	<p>2/3 of all unvested TTUs will vest on the Termination Date.</p> <p>PTUs shall vest in accordance with the following:</p> <ol style="list-style-type: none"> <li>1) 1/3 of the PTUs will vest at a rate of 0.5 of Unit per PTU if the Annual Return Generated for the then current vesting period is at least 5% and less than 7% on an annualized basis for such vesting period;</li> <li>2) 1/3 of the PTUs will vest at a rate of one (1) Unit per PTU if the Annual Return Generated for the then current vesting at least 7% and less than 10% on an annualized basis for such vesting period; and</li> <li>3) 1/3 of the PTUs will vest at a rate of one (1) Unit per PTU if the Annual Return Generated for the then current vesting at least 7%</li> </ol>	<p>All of these TTUs vest on the Termination Date</p> <p>PTUs shall vest in accordance with the following:</p> <ol style="list-style-type: none"> <li>1) 1/3 of the PTUs will vest at a rate of 0.5 of Unit per PTU if the Annual Return Generated for the then current vesting period is at least 5% and less than 7% on an annualized basis for such vesting period;</li> <li>2) 1/3 of the PTUs will vest at a rate of one (1) Unit per PTU if the Annual Return Generated for the then current vesting at least 7% and less than 10% on an annualized basis for such vesting period; and</li> <li>3) 1/3 of the PTUs will vest at a rate of one (1) Unit per PTU if the Annual Return Generated for the then current vesting at least 7%</li> </ol>

and less than 10% on an annualized basis for such vesting period.	and less than 10% on an annualized basis for such vesting period.	and less than 10% on an annualized basis for such vesting period.
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### 2019 Grants (continuation of note 3 above – Termination and Change of Control Benefits)

Vesting Upon Termination in First Year of Grant	Vesting Upon Termination in Second Year of Grant	Vesting Upon Termination in Third Year of Grant
<p>1/3 of all unvested TSUs will vest on the Termination Date.</p> <p>PSUs shall vest in accordance with the following:</p> <ol style="list-style-type: none"> <li>1/3 of the PSUs will vest at a rate of 0.5 of Share per PSU if the Annual Return Generated for the then current vesting period is at least 5% and less than 7% on an annualized basis for such vesting period;</li> <li>1/3 of the PSUs will vest at a rate of one (1) Share per PSU if the Annual Return Generated for the then current vesting at least 7% and less than 10% on an annualized basis for such vesting period; and</li> <li>1/3 of the PSUs will vest at a rate of one (1) Share per PSU if the Annual Return Generated for the then current vesting at least 7% and less than 10% on an annualized basis for such vesting period.</li> </ol>	<p>2/3 of all unvested TSUs will vest on the Termination Date.</p> <p>PSUs shall vest in accordance with the following:</p> <ol style="list-style-type: none"> <li>1/3 of the PSUs will vest at a rate of 0.5 of Share per PSU if the Annual Return Generated for the then current vesting period is at least 5% and less than 7% on an annualized basis for such vesting period;</li> <li>1/3 of the PSUs will vest at a rate of one (1) Share per PSU if the Annual Return Generated for the then current vesting at least 7% and less than 10% on an annualized basis for such vesting period; and</li> <li>1/3 of the PSUs will vest at a rate of one (1) Share per PSU if the Annual Return Generated for the then current vesting at least 7% and less than 10% on an annualized basis for such vesting period.</li> </ol>	<p>All of these TSUs vest on the Termination Date</p> <p>PSUs shall vest in accordance with the following:</p> <ol style="list-style-type: none"> <li>1/3 of the PSUs will vest at a rate of 0.5 of Share per PSU if the Annual Return Generated for the then current vesting period is at least 5% and less than 7% on an annualized basis for such vesting period;</li> <li>1/3 of the PSUs will vest at a rate of one (1) Share per PSU if the Annual Return Generated for the then current vesting at least 7% and less than 10% on an annualized basis for such vesting period; and</li> <li>1/3 of the PSUs will vest at a rate of one (1) Share per PSU if the Annual Return Generated for the then current vesting at least 7% and less than 10% on an annualized basis for such vesting period.</li> </ol>

### 2018 Grants (continuation of note 3 above – Termination and Change of Control Benefits)

Vesting Upon Termination in First Year of Grant	Vesting Upon Termination in Second Year of Grant	Vesting Upon Termination in Third Year of Grant
<p>1/3 of all unvested TSUs will vest on the Termination Date.</p> <p>PSUs shall vest in accordance with the following:</p> <ol style="list-style-type: none"> <li>1/3 of the PSUs will vest at a rate of 0.5 of Share per PSU if the Annual Return Generated for the then current vesting period is at least 5% and less than 7% on an annualized basis for such vesting period;</li> <li>1/3 of the PSUs will vest at a rate of one (1) Share per PSU if the Annual Return Generated for the then current vesting at least 7% and less than 10% on an</li> </ol>	<p>2/3 of all unvested TSUs will vest on the Termination Date.</p> <p>PSUs shall vest in accordance with the following:</p> <ol style="list-style-type: none"> <li>1/3 of the PSUs will vest at a rate of 0.5 of Share per PSU if the Annual Return Generated for the then current vesting period is at least 5% and less than 7% on an annualized basis for such vesting period;</li> <li>1/3 of the PSUs will vest at a rate of one (1) Share per PSU if the Annual Return Generated for the then current vesting at least 7% and less than 10% on an</li> </ol>	<p>All of these TSUs vest on the Termination Date</p> <p>PSUs shall vest in accordance with the following:</p> <ol style="list-style-type: none"> <li>1/3 of the PSUs will vest at a rate of 0.5 of Share per PSU if the Annual Return Generated for the then current vesting period is at least 5% and less than 7% on an annualized basis for such vesting period;</li> <li>1/3 of the PSUs will vest at a rate of one (1) Share per PSU if the Annual Return Generated for the then current vesting at least 7% and less than 10% on an</li> </ol>

<p>annualized basis for such vesting period; and</p> <p>3) 1/3 of the PSUs will vest at a rate of one (1) Share per PSU if the Annual Return Generated for the then current vesting at least 7% and less than 10% on an annualized basis for such vesting period.</p>	<p>annualized basis for such vesting period; and</p> <p>3) 1/3 of the PSUs will vest at a rate of one (1) Share per PSU if the Annual Return Generated for the then current vesting at least 7% and less than 10% on an annualized basis for such vesting period.</p>	<p>annualized basis for such vesting period; and</p> <p>3) 1/3 of the PSUs will vest at a rate of one (1) Share per PSU if the Annual Return Generated for the then current vesting at least 7% and less than 10% on an annualized basis for such vesting period.</p>
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Note:

1. PTUs vest over three (3) years with one-third (1/3) vesting on each of the first, second and third anniversaries of the approval of such grants by the Board. As such, as of December 31, 2020 the first two tranches of the 2018 PSU grants and the first tranche of 2019 PTU grants have vested.
2. For all RTUs that vest in accordance with the foregoing, the Trust Units corresponding thereto shall be delivered to the Executive within twenty (20) business days of the Termination Date. All other RTUs which do not vest in accordance with this paragraph shall terminate and become null and void. Should the Board grant additional RTUs to the NEOs in the future, the Board has the discretion to determine the terms that will apply to such RTUs upon a termination of an NEO without cause.



## Termination Payments as of December 31, 2020

The table below shows the incremental payments that would be made to each NEO at, following, or in connection with one of the termination scenarios below as at December 31, 2020.

NEO	Benefits and Payments	Retirement or Resignation (\$) <sup>7</sup>	Termination Without Cause (\$)	Termination With Cause (\$)	Change of Control (\$) <sup>6</sup>
Steve King	Salary (including expenses) <sup>1</sup>	0	0	0	0
	Annual Bonus <sup>2</sup>	0	0	0	0
	Retiring Allowance <sup>3</sup>	0	1,035,000	0	1,035,000
	Accelerated Vesting of Options <sup>4,5</sup>	0	0	0	0
	Accelerated Vesting of RTUs <sup>4</sup>	0	913,596	0	0
	<b>Total</b>	<b>0</b>	<b>1,948,596</b>	<b>0</b>	<b>1,035,000</b>
Darren Driscoll	Salary (including expenses) <sup>1</sup>	0	0	0	0
	Annual Bonus <sup>2</sup>	0	0	0	0
	Retiring Allowance <sup>3</sup>	0	733,125	0	733,125
	Accelerated Vesting of Options <sup>4,5</sup>	0	0	0	0
	Accelerated Vesting of RTUs <sup>4</sup>	0	489,232	0	0
	<b>Total</b>	<b>0</b>	<b>1,222,357</b>	<b>0</b>	<b>733,125</b>
Mike Ervin	Salary (including expenses) <sup>1</sup>	0	0	0	0
	Annual Bonus <sup>2</sup>	0	0	0	0
	Retiring Allowance <sup>3</sup>	0	414,000	0	414,000
	Accelerated Vesting of Options <sup>4,5</sup>	0	0	0	0
	Accelerated Vesting of RTUs <sup>4</sup>	0	336,318	0	0
	<b>Total</b>	<b>0</b>	<b>750,318</b>	<b>0</b>	<b>414,000</b>
Gregg Delcourt	Salary (including expenses) <sup>1</sup>	0	0	0	0
	Annual Bonus <sup>2</sup>	0	0	0	0
	Retiring Allowance <sup>3</sup>	0	386,400	0	386,400
	Accelerated Vesting of Options <sup>4,5</sup>	0	0	0	0
	Accelerated Vesting of RTUs <sup>4</sup>	0	331,287	0	0
	<b>Total</b>	<b>0</b>	<b>717,687</b>	<b>0</b>	<b>386,400</b>
Curtis Krawetz	Salary (including expenses) <sup>1</sup>	0	0	0	0
	Annual Bonus <sup>2</sup>	0	0	0	0
	Retiring Allowance <sup>3</sup>	0	339,250	0	339,250
	Accelerated Vesting of Options <sup>4,5</sup>	0	0	0	0
	Accelerated Vesting of RTUs <sup>4</sup>	0	266,843	0	0
	<b>Total</b>	<b>0</b>	<b>606,093</b>	<b>0</b>	<b>339,250</b>

### Notes to termination payments as of December 31, 2020 table:

1. Assumes all payments have been made up to and including December 31, 2020.
2. Bonuses paid in 2020 are as more particularly detailed above in the table entitled "Summary Compensation Table". This assumes all bonus payments have been made up to and including December 31, 2020.
3. A retiring allowance is only payable on a termination without cause or on a change of control.
4. Options and RTUs only accelerate at the discretion of the Board.
5. As at December 31, 2020: (i) 75% of the Options granted to NEOs in 2017 vested. No Options vested in the money in 2020.
6. Please see note (3) under the table entitled "Termination and Change of Control Benefits" for further information. For the purposes of this table we have assumed all performance targets relating to the RTUs have been satisfied.
7. The NEOs have the right to exercise vested in the money options under the terms of the Option Plan upon a termination of employment, for any reason, for a period of up to 90 days following the Termination Date (or the expiration date if earlier than 90 days following the Termination Date). Unless otherwise determined by the Board, no NEO is entitled to receive a payment upon a resignation or retirement.

## NON-SOLICITATION AND NON-COMPETE PROVISIONS

The employment agreements with each NEO provide that for a period of one year following the Termination Date the executive will not, regardless of the reason for cessation of employment, either alone or jointly with or as a manager, advisor, partner, investor, agent, consultant or employee of any person, firm or company, directly or indirectly, carry on or be engaged in the business of providing alternative financing for private businesses in exchange for royalties or distributions from such private businesses, or any activity in pursuit of engaging in such business anywhere within North America. In addition, the employment agreements provide that for a period of two years following the Termination Date each NEO will not, regardless of the reason for cessation of employment, on its own behalf or on behalf of any other person, firm or company, directly or indirectly, endeavor to entice or induce away from Alaris or any of its affiliates, any person who is an employee, consultant or Unitholder of Alaris and its affiliates.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The table below provides additional information relating to our equity compensation plans at December 31, 2020.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding Options, RTUs and rights	(b) Weighted-average exercise price of outstanding Options, RTUs and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	1,345,537 <sup>1</sup> (3.45% of outstanding)	\$21.55 <sup>2</sup>	509,705 <sup>3</sup> (1.31% of outstanding)
Equity compensation plans not approved by security holders	NIL	NIL	NIL
<b>Total</b>	<b>1,345,537<sup>1</sup></b> <b>(3.45% of outstanding)</b>	<b>\$21.55<sup>2</sup></b>	<b>509,705<sup>3</sup></b> <b>(1.31% of outstanding)</b>

Notes:

- Column (a) reflects the total Units available to be issued based on the total number of Options and RTUs currently outstanding. As of March 5, 2019, the Option Plan was terminated and no further Options may be issued under.
- Calculated in reference only to outstanding Options, as there is no exercise price for outstanding RTUs.
- Based on the total number of Units currently reserved for issuance under the Option Plan and RTU Plan less current issued Options and RTUs in column (a).

## INDEBTEDNESS OF TRUSTEES, EXECUTIVE OFFICER AND SENIOR OFFICERS

No Trustee, executive officer or other senior officer of Alaris, or any associate of any such Trustee or officer is, or has been at any time since the beginning of the most recently completed financial year of the Trust, indebted to Alaris or any of its subsidiaries nor is, or at any time since the beginning of the most recently completed financial year of Alaris has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Alaris or any of its subsidiaries.

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

Management is not aware of any material interest of any Trustee or Trustee nominee or executive officer or anyone who has held office as such since the beginning of Alaris' last financial year or any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of Trustees.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of:

1. the Trustees and senior officers of Alaris;
2. Trustee nominees, any Unitholder who beneficially owns directly or indirectly, or exercises control or direction over more than 10% of the outstanding Units;
3. any other Informed Person (as defined in National Instrument 51-102 - Continuous Disclosure Obligations);
4. or any known associate or affiliate of such persons;

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

## TRUSTEES AND OFFICERS INSURANCE

Alaris has purchased, at its expense, a trustees' and officers' liability insurance policy that provides protection for individual trustees and officers of Alaris Equity Partners Income Trust and its subsidiaries solely while acting in their capacity as such. The insurance policy provides for a limit of \$30 million per claim and in the aggregate. The policy is in effect until November 5, 2021.

Premiums paid by Alaris for this policy are approximately \$118,000 per annum.

## MANAGEMENT CONTRACTS

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

## OTHER MATTERS

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

## ADDITIONAL INFORMATION

Financial Information about Alaris is contained in its comparative financial statements and Management's Discussion and Analysis for the fiscal year ended December 31, 2020. Additional information about Alaris is available at [www.alarisequitypartners.com](http://www.alarisequitypartners.com) and on Alaris' corporate profile on SEDAR.

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

- a) the AIF dated March 30, 2021, together with any document, or the pertinent pages of any document, incorporated by reference therein;
- b) Financial Statements and any interim financial statements of Alaris for periods subsequent to December 31, 2020 and Management's Discussion and Analysis with respect thereto; and
- c) this Information Circular,

Please send your request to:

**Alaris Equity Partners Income Trust**  
**Attn: Corporate Secretary**  
**Suite 250, 333-24th Avenue SW**  
**Calgary, Alberta T2S 3E6**  
**Fax: (403) 228-0906**  
**Telephone: (403) 228-0873**  
**Email: [mervin@alarisequity.com](mailto:mervin@alarisequity.com)**

## CONTACTING THE BOARD OF TRUSTEES

Unitholders, employees and other interested parties may communicate directly with the Board of Trustees through the Chairperson of the Board by writing to:

**Chairperson of the Board of Trustees**  
**Alaris Equity Partners Income Trust**  
**Suite 250, 333-24th Avenue SW**  
**Calgary, Alberta T2S 3E6**

### *Effective Date*

The effective date of this Information Circular is April 21, 2021.

## TRUSTEES APPROVAL

The Board of Trustees has approved the contents and the dissemination of this Information Circular to the Unitholders.

## **SCHEDULE 1 - STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

**At Alaris Equity Partners Income Trust, we aspire to uphold high standards of corporate governance which reflect not only applicable legal and regulatory requirements but also emerging best practices. As a Canadian reporting issuer with securities listed on the TSX, our corporate governance practices meet applicable rules adopted by the Canadian Securities Administrators (“CSA”) and the TSX.**

We continue to monitor regulatory changes and best practices in corporate governance and will consider amendments to our governance practices as appropriate. Throughout this Schedule, references to documents and information available can be found at <https://www.alarisequitypartners.com>. In addition, any information located on the website is also available in print to any Unitholder upon request to the Corporate Secretary at the address set out on page 48 of this Information Circular.

### **BOARD OF TRUSTEES (THE “BOARD”)**

#### **Trustee Independence**

**All trustees, with the exception of Stephen King, standing for election to the Board on June 1, 2021 are independent within the meaning of the relevant CSA rules.**

The Board has adopted categorical standards for determining whether a trustee is “independent” within the meaning of the CSA rules, and whether each member of the Audit Committee meets the applicable Canadian independence criteria for membership on public company audit committees. In summary, a trustee is “independent” under Alaris’ standards if the Board determines that the trustee has no material relationship with Alaris or any of its affiliates or its Auditor, either directly or indirectly, or as a partner, unitholder or officer of an entity that has a material relationship with Alaris. For these purposes, a material relationship is one which could, in the view of the Board, be reasonably expected to interfere with the exercise of trustee’s independent judgment. In addition, certain individuals are deemed to have a material relationship with an issuer (including certain key employees or executive officers, or family members thereof) for Audit Committee purposes.

On an annual basis, the Governance Committee and the Board participate in the determination of trustee independence. The determinations are based on information concerning the personal, business and other relationships and dealings between the trustees and Alaris, its affiliates, Unitholders and Auditors. The determinations take into account information derived from Alaris’ records and reports, and information about entities with which the trustees are involved. The Board examines the materiality of these relationships not only from Alaris’ standpoint, but also from that of the persons or organizations with which the trustee has a relationship.

The Board had determined that all trustees standing for election to the Board on June 1, 2021 are “independent” within the meaning of the relevant CSA rules and standards, with the exception of Stephen King who is considered to have a material relationship with Alaris and its subsidiaries by virtue of his position as the President and CEO of Alaris since 2008. The Board has also determined that all members of the Audit Committee meet the additional Canadian independence requirements for membership on public company audit committees (as set out in *National Instrument 52-110-Audit Committees*).

Additional information relating to each trustee standing for nomination, including other public company boards on which they serve, the value of their equity holdings in Alaris, and their attendance record for all Board and Committee meetings during fiscal 2020 can be found beginning on page 17 of this Information Circular.

#### **Independent Chair**

The roles of Chairperson of the Board and CEO are separate at Alaris. Mr. Ripley was appointed as the Chairperson of the Board on May 6, 2020.

The Chairperson of the Board ensures that the Board operates in partnership with but independently of management and that trustees have an independent leadership contact. The Chairperson manages the affairs of the Board, with a view to ensuring that the Board functions effectively and meets its obligations and responsibilities to facilitate the achievement of the goals of Alaris, and leads the Board in the execution of its responsibilities to Unitholders. The Chairperson further sets Board agendas, oversees the quality and process of information sent to trustees concerning Alaris’ activities, and reviews any comments or requests made by an independent trustee. In addition, the Chairperson is charged with the responsibility of assisting the independent trustees with fulfilling their governance responsibilities and overseeing the governance obligations of the Board and each Board Committee generally.

At each regularly scheduled quarterly Board meeting and every other Board Meeting, the Chairperson of the Board presides over a session of the “independent” trustees at which “non-independent” trustees and members of management are not present. At each regularly scheduled Board Committee meeting, each Board Committee also has a session without

management present during the course of each of its meetings. Information to be conveyed and actions undertaken as a result of the sessions are communicated by the Chairperson to relevant parties, as appropriate.

### **Board Size**

**The current membership and size of the Board provides the necessary breadth and diversity of experience, is generally of a size to provide for effective decision-making and staffing of Board committees, and addresses succession planning requirements.**

The matter of Board size is considered formally on an annual basis by the Board and on an ongoing basis by its Governance Committee. The Board is of the view that its current membership has the necessary breadth and diversity of experience and is generally of a size to: (i) provide for effective decision-making, (ii) enable the staffing of Board committees, and (iii) address succession planning requirements. At the Meeting, six (6) trustees will stand for election. The Board is mindful of the benefits of diversity and will be considering appropriately qualified candidates from Designated Groups as part of its process in selecting new board members.

### **Board Mandate**

**The Board mandate sets out the responsibilities to be discharged by the Board as well as the personal and professional attributes and the duties of responsibilities required of each trustee.**

The Board, either directly or through its Committees, is responsible for the supervision of management of the business and affairs of Alaris with the objective of enhancing unitholder value.

The Board Mandate is set out in Schedule 3 of this Information Circular and outlines the responsibilities to be discharged by the Board as well as the personal and professional attributes and the duties and responsibilities required of each trustee. The Board reviews the Board Mandate at least annually. The Board has determined that the Board Mandate continues to sufficiently outline the Board's responsibilities and expectations, and as such, no material amendments were made to the Board Mandate during 2020.

### **Meetings of Independent Trustees**

**The Board and Board Committees regularly hold meetings of independent trustees.**

After each Board meeting held to consider interim and annual financial statements, the Board is scheduled to meet without management and non-independent trustees. In addition, the Board has the opportunity to hold additional meetings independently of management and non-independent trustees at the request of any independent trustee, or may excuse members of management and non-independent trustees from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate. In 2020, the Board met without management and non-independent trustees at each of the four regularly scheduled quarterly meetings and at all of the additional meetings held.

After each Audit Committee meeting held to consider interim and annual financial statements, the Audit Committee is scheduled to meet without management or non-independent trustees and without auditors. In addition, the Audit Committee members have the opportunity to hold additional meetings independent of management, non-independent trustees and auditors at their entire discretion, whenever they deem necessary. In 2020, the Audit Committee met without management and non-independent trustees, and without auditors at each of the four meetings.

At each regularly scheduled Governance Committee meeting, the Governance Committee is scheduled to meet without management and non-independent trustees during the compensation portion of such meeting. In addition, the Governance Committee members have the opportunity to hold additional meetings independent of management and non-independent trustees at their entire discretion, whenever they deem necessary. In 2020, the Governance Committee met without management and non-independent trustees at each of the two meetings.

At each regularly scheduled Compensation Committee meeting, the Compensation Committee is scheduled to meet without management and non-independent trustees during the compensation portion of such meeting. In addition, the Compensation Committee members have the opportunity to hold additional meetings independent of management and non-independent trustees at their entire discretion, whenever they deem necessary. In 2020, the Compensation Committee met without management and non-independent trustees during at each of the two meetings.

### **Position Descriptions**

**The Board has adopted Chairperson of the Board, Committee Chairs and Trustee and CEO position descriptions.**

As described above, the Board Mandate defined the roles and responsibilities of the Board and management. In addition, the Board has adopted position descriptions for the Chairperson of the Board and the Committee Chairs. These descriptions set out the responsibilities and duties of the Board and Committee Chairs in guiding the Board and the Committees, respectively,

in the fulfillment of their duties. The Board has also adopted a Trustee position description and a position description for our CEO. The Board reviews these positions at least annually. The Board has determined that these position descriptions continue to sufficiently outline the responsibilities and expectations of each position, and as such, no material amendments were made to these position descriptions during 2020.

In addition, the Governance Committee, with the assistance of the Chairperson of the Board, reviews and approves corporate goals and objectives that the President and CEO is responsible for meeting each year. The Committee, with the assistance of the Chairperson of the Board, also conducts an annual assessment of the President and CEO's performance in relation to those objectives and reports the results of the assessment to the Board.

## **Orientation and Continuing Education**

### **Trustees are provided with orientation and ongoing education regarding Alaris, as required.**

The Governance Committee is primarily responsible for the orientation and education of trustees. All new trustees receive a comprehensive orientation upon their election or appointment to the Board. The orientation includes:

- a detailed briefing with the Chairperson of the Board;
- a detailed briefing with the chair of the Governance Committee, regarding governance matters;
- a detailed briefing on the role and expectations of the trustee in Alaris and other matters by Alaris' Chief Legal Officer;
- a detailed briefing on the legal duties and obligations required of a trustee of a publicly-traded company, as well as Alaris' governance model, principles and practices;
- a detailed briefing on Alaris and its business; and
- a tour of Alaris' head office.

New trustees are also provided with a Trustees' Manual containing:

- details of Alaris' organizational structure and business;
- historical information about Alaris;
- information on Alaris' strategic plan and key agreements;
- the structure of the Board and its committees;
- relevant position descriptions; and
- corporate policies.

This Trustee's Manual is updated from time to time as information relating to Alaris and its business changes.

Prior to agreeing to join the Board, new trustees are given a clear indication of the workload and time commitment required. The orientation program is reviewed regularly by either the Board or the Governance Committee in connection with new appointments.

Trustees are expected to attend all Board and Committee meetings in person, although attendance by telephone is permissible in appropriate circumstances. Trustees are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions.

Alaris has a continuing education program for our trustees, for which the Governance Committee is responsible. The program was developed to help our trustees maintain or enhance their skills and abilities, and update their knowledge and understanding of Alaris and its industry. The key components of the program include:

**A. Regular briefings.** Trustees are briefed regularly (and at least on a quarterly basis) on strategic issues affecting Alaris, and these briefings include reviews on the competitive environment and performance for Alaris and the Private Company Partners as well as any other developments that could materially affect the business of Alaris or its Private Company Partners. The briefings are conducted by the CEO, CFO and other members of Management.

**B. Internal educational seminars and materials.** On an ongoing basis, as part of regular Board meetings, trustees receive presentations on various aspects of Alaris' operations. In particular, during fiscal 2020, the Board and its Committees also received educational information and/or materials on a variety of matters and topics, such as:

- Private Company Partner updates; developments; and key performance indicators;
- new and pending changes in accounting standards;
- corporate governance trends and current issues;
- executive compensation, trends, issues and disclosure;
- tax, corporate and securities laws in The Netherlands, the United States and Canada as they relate to the business activities and structure of Alaris and its subsidiaries;
- new and pending changes in tax, securities and corporate legislation;



- economic outlook for Canada and the United States.

Educational materials on economic matters and other topics relevant to the private equity industry are also included from time to time in the materials provided to trustees in advance of meetings.

**C. Annual Alaris Conference.** Alaris typically hosts an annual conference for the purpose of bringing together its trustees and Management with the senior management teams of the Private Company Partners. The conference generally provides Alaris' trustees the opportunity to obtain a more in-depth working knowledge of the business and affairs of each of the Private Company Partners, as well as the impact thereof on Alaris. The conference was unable to be held in 2020 due to Covid-19; Alaris hopes the conference will resume in 2021.

**D. Annual Strategy Session.** The Board meets annually with management for a strategy session, where the board and management will review and consider, among other things: Alaris' annual performance, medium and long-term goals, strategic directives and any other material developments that may impact our performance.

**E. ICD Board membership.** Alaris has a "board" membership with the Institute of Corporate Directors, that provides access to the entire Board as well as a number of executive officers to a variety of ongoing educational tools designed to improve the capabilities of Boards across Canada through idea exchanges, governance resources (including seminars, courses and published materials) and networking opportunities.

Trustees identify their additional continuing education needs through a variety of means, including informal discussions with Management and at Board and Committee meetings.

The Board believes that these procedures are practical and effective in light of Alaris' particular circumstances, including the size of Alaris, limited turnover of the trustees and the experience and expertise of the members of the Board.

## **Ethical Business Conduct**

**The Board believes that providing a forum for employees and officers to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct.**

The Board has adopted a Comprehensive Code of Business Conduct (the "**Code**"), which provides a framework for trustees, officers and employees on the conduct and ethical decision-making integral to their work. The Board, through its Audit Committee, reviews the operation of the Code and any waivers thereof. Since inception, no waiver from the Code has been granted. The Code is available on our website. At least annually, the Code is reviewed by Alaris' Chief Legal Officer to ensure that it complies with all legal requirements and is in alignment with best practices. In the event that amendments are needed, recommendations are made to the Governance Committee and the Board for approval. Each year, every trustee, officer and employee must sign an acknowledgement that they have read, understood and complied with the Code.

The full text of the Code can be found at: <https://www.alarisequitypartners.com> under the "**Investors**" section, subsection "**Corporate Governance - Policies.**"

The Board has also adopted whistle-blower procedures which allow officers and employees who feel that a violation of the Code has occurred to report this violation on a confidential and anonymous basis. The procedures allow concerns regarding accounting, internal accounting controls or auditing matters to be reported on a confidential and anonymous basis, as well. Concerns may be raised by email or telephone directly to the Chair of the Audit Committee or alternatively, to the Chair of the Governance Committee. Once received, concerns are forwarded to the Chief Legal Officer or to the CFO in the case of issues involving the CEO or the Chief Legal Officer. Accounting, internal control or auditing concerns are dealt with by both Chief Legal Officer and the CFO. The Chief Legal Officer or CFO makes a determination as to the most appropriate forum for the concern in accordance with an established framework.

The Chief Legal Officer reports to the Audit Committee quarterly regarding concerns received through the whistleblower procedures. The Chair of the Audit Committee is notified of concerns relating to accounting, legal, internal accounting controls or auditing matters, and the Chairperson of the Board is notified if such concern involves the CEO, and that individual determines the appropriate investigation to be carried out and any action to be taken at the conclusion of the investigation. In the case of concerns not relating to accounting, internal accounting controls or auditing matters, the Chief Legal Officer determines the appropriate review and actions to be taken.

The Board believes that providing a forum for employees and officers to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct with Alaris.

The Board believes that its effectiveness is furthered when trustees exercise independent judgment in considering transactions and agreements. As such, if at any Board meeting a trustee or executive officer has a material interest in a matter being considered, such trustee or officer must disclose the nature and extent of their interest and would not participate in

any vote on the matter. In certain cases, an independent committee may be formed to deliberate on such matters in the absence of the interested third party.

### **Nomination of Trustees**

**When candidates for trustee positions are considered, the competencies and skills that the Board, as a whole, should possess as well as the skill sets of current Board members and any additional skill sets deemed to be beneficial are considered, assessed and identified in light of the opportunities and risks facing Alaris when candidates for trustee positions are considered.**

The Governance Committee has responsibility for recruiting and recommending new candidates for appointment or election to the Board. At present, the Governance Committee does not have a process by which it identifies new candidates for Board nomination but rather the identification of new candidates is done on an informal and ad hoc basis.

The Governance Committee is also responsible for reviewing on a periodic basis the appropriate size of the Board and its composition, including the number of trustees who are independent and analyze the needs of the Board and recommend nominees who meet such needs.

In March, 2013, the Board adopted By-Law No. 2, relating to advance notice of nominations of directors in circumstances where the nomination is made by Shareholders other than (i) pursuant to a requisition of a meeting made pursuant to the provisions of the CBCA and (ii) a Shareholder proposal made pursuant to the provisions of the CBCA (the "Advance Notice By-Law"). Shareholders subsequently approved the Advance Notice By-Law in April 2013. The purpose of the Advance Notice By-Law is to: (i) ensure all Shareholders are treated fairly by receiving proper notice of meetings and ensuring they are able to properly evaluate director nominees; and (ii) facilitate an orderly and efficient meeting process. A full copy of the Advance Notice By-Law is available as a security holder document under Alaris' profile on [www.sedar.com](http://www.sedar.com), and Shareholders are encouraged to read the by-law in its entirety.

### **Trustee Term Limits and other Mechanisms of Board Renewal**

At this time, the Board does not believe that fixed term limits or mandatory retirement ages are in the best interest of Alaris and has not adopted a retirement policy. However, such matters continue to be under review by the Board. Therefore, it has not specifically adopted such limits or mechanisms for board renewal. When considering nominees for the Board, the Governance Committee reviews: (i) the skills and experience of the current trustees of Alaris to assess whether the Board's skills and experience need to be strengthened in any area; and (ii) assess the knowledge and character of all nominees to the Board and other factors such as independence of the trustees to ensure that the Board is operating effectively and independently of management.

### **Environmental, Social and Governance**

Alaris has recently adopted a formal ESG policy, a copy of which is available on Alaris' profile on [www.sedar.com](http://www.sedar.com) as well as our website. Alaris expects to begin publishing an ESG report, which will provide its investors with more information on how our ESG policy is being implemented. Alaris expects to release its first ESG report within the next twelve to 18 months, with an annual report following thereafter. Alaris believes that an awareness of ESG issues is an important part of being a responsible investor and that integrating ESG considerations into its investment decisions can help Alaris mitigate risks and identify strong investment opportunities. Alaris is also committed to periodically reviewing the ESG policies and procedures of its existing Private Company Partners to ensure they adequately address emerging market trends and any areas of concern for Alaris, the investment industry in general or the specific industries in which the partners operate.

### **Diversity and Representation of Women on the Board and in Executive Officer Positions**

Although Alaris has not set quotas or targets for Designated Groups in appointing executive officers and considering Board nominees, Alaris strongly believes in the benefits of diversity in bringing different and broader perspectives to our business including, among other things, in how we identify opportunities and risks, make decisions and solve problems. Furthermore, the Board appreciates that certain imbalances in respect of the representation of Designated Groups on corporate boards and in executive positions are due to a lack of opportunity, rather than qualifications, and as such the Governance Committee and the Board will encourage the consideration of members of Designated Groups who have the necessary, skills, knowledge, experience and character when considering new candidates for the Board or officer appointments.

Alaris' belief in the benefits of diversity is reflected in the fact that of its sixteen (16) employees, six (6) are female (representing approximately 38% of its total work force), including three (3) of the eleven (11) officers of the Trust (approximately 27% of its executive officers) and one (1) of which is a visible minority (representing approximately 6% of its employees). In addition, there are currently two women serving on the Board and standing for election at the Meeting (representing approximately 33% of the board members to be elected at the Meeting). Given Alaris' current diversity

accomplishments and its continued commitments to the benefit of such diversity, the Trust has determined a formal diversity policy is not required at this time, but will continue to review that decision on an annual basis.

## **Trustee Compensation**

**A non-employee trustee is compensated by the grant of Restricted Trust Units.**

The Compensation Committee has the responsibility, among other things, for formulating and making recommendations to the Board in respect of compensation relating to trustees. In arriving at its recommendations, the Compensation Committee conducts a periodic review of trustee's compensation having regard to recommendations from an independent compensation consultant and various governance reports on current trends in trustees' compensation and compensation data for trustees of reporting issuers of comparative size to Alaris.

Non-employee trustees are primarily compensated through grants of RTUs. However, such trustees also receive a cash retainer fee. The Board has determined that trustee compensation is sufficient and continues to appropriately align trustee and Unitholder interests.

The compensation of Alaris' trustees is described in this Information Circular under the heading "Trustees Compensation" above.

## **Board Committees**

**Board Committees The roles and responsibilities of each Committee are set out in formal written mandates, the full texts of which can be found at [www.alarisroyalty.com](http://www.alarisroyalty.com) under the "Investors" section, subsection "Corporate Governance".**

The Board has three Committees: Audit Committee, the Compensation Committee and the Governance Committee. All of the Committees are composed entirely of "independent" trustees. The roles and responsibilities of each Committee are set out in formal written mandates, the full texts of which can be found on our website. These mandates are reviewed annually to reflect best practices as well as applicable regulatory requirements.

The Board previously utilized a "Transaction Committee" to assist with the Board's in discharging its duties with respect to the review of potential new investments and, where deemed necessary by the Board, follow on investments into existing partners. However, in March 2021 the Board determined to eliminate that committee and subsume its responsibilities at the full board level. The Board feels that using the full board in this role will be more effective in discharging its duties.

## **Governance Committee**

**The Governance Committee is responsible for developing and maintaining governance principles, an orientation program for new trustees, a trustee assessment process and identifying and recommending candidates for nomination to the Board.**

The Governance Committee is responsible for developing and maintaining governance principles consistent with high standards of corporate governance. The Committee does the following in carrying out its mandate:

1. review on an ongoing basis the effectiveness of the Board and its Committees in fulfilling the mandate of the Board;
2. periodically review and assess Alaris' approach to corporate governance matters and recommend any changes to the Board;
3. acts as a forum for concerns of individual trustees in respect of matters that are not readily or easily discussed in a full Board meeting, including the performance of management or individual members of management or the performance of the Board or individual members of the Board;
4. review and recommend to the Board for consideration the Code and take all reasonable steps to oversee the implementation of the Code, including reviewing with management the Code and the implementation and effectiveness of compliance programs under the Code;
5. as determined appropriate, develop and recommend to the Board for approval, and periodically review, structures and procedures designed to ensure that the Board can function independently of management;
6. recruit and recommend new members to the Board;
7. determine the appropriate size of the Board and its composition, including the number of trustees who are independent, and the annual nomination of trustees for election;
8. undertake a periodic performance review of each trustee and in the process ensure each Board member is aware of the contribution they are expected to make including the amount of time, energy and resources expected of each trustee;
9. review and recommend to the Board as to the acceptance of any offer to resign of any trustee;
10. develop for approval by the Board and periodically review, orientation and education programs for new trustees;
11. annually review and recommend to the Board the appointments to each committee of the Board and any changes to the terms of reference of the committees;

12. periodically review and monitor Alaris' communication policy with a view to determining whether Alaris is communicating effectively with unitholders, other stakeholders, the investment community and the public generally; and
13. review and consider the engagement at the expense of the Trust of professional and other advisors by any individual trustee when so requested by any such trustee.

The Governance Committee meets at least twice per year and at such other times the committee determines appropriate. All members of the Governance Committee are expected to have, or acquire within a reasonable period of time following their appointment, a thorough understanding of applicable governance issues.

## Compensation Committee

**The Compensation Committee is responsible for reviewing matters relating to the compensation policies and programs of the trustees, officers and employees of Alaris and its subsidiaries in the context of Alaris' budget and business plan.**

To achieve its objectives, the Compensation Committee does the following:

1. review Alaris' compensation program and recommend any significant changes to the Board;
2. review and recommend to the Board the level and form of compensation to be paid to members of the Board;
3. review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate the CEO's performance in light of those corporate goals and objectives, and make recommendations to the Board with respect to the CEO's compensation level based on such evaluation;
4. review all incentive compensation plans and make recommendations to the Board;
5. make recommendations to the Board with respect to the compensation of trustees and other officers of Alaris, including to review management's recommendations for proposed stock option, unit purchase plans and other incentive-compensation plans and equity-based plans for officer and trustee compensation;
  - i. review the annual disclosure in respect of compensation matters required by applicable securities laws to be made by Alaris;
  - ii. considering the implications of the risks associated with Alaris' compensation program and whether such program encourages excessive risk taking.

The Compensation committee meets at least twice per year and at such other times as the committee determines appropriate. All member of the Compensation Committee are expected to have, or acquire within a reasonable period of time following their appointment, a thorough understanding of applicable compensation issues.

## Audit Committee

**The Audit Committee oversees the integrity of Alaris' financial reporting, its internal controls, disclosure controls and procedures and internal audit function, and oversees compliance with legal and regulatory requirements, reviews and assesses the Auditor and sets standards of business conduct and ethics. The Audit Committee also considers risk issues in the context of Alaris' enterprise-wide strategic risk management framework.**

The Audit Committee oversees the integrity of Alaris' financial reporting, its internal controls (including internal control over financial reporting), disclosure controls and procedures and internal audit function, and its compliance with legal and regulatory requirements. The Audit Committee also reviews and assesses the qualifications, independence and performance of the Auditor. The Audit Committee also functions as Alaris' conduct review committee and as such its responsibilities include setting standards of business conduct and ethics for trustees, senior management and employees. In addition to being "independent", each member of the Audit Committee has been determined to be "financially literate", as such term is defined under National Instrument 52-110-Audit Committees and under CSA standards. The definition of "financially literate" adopted by the Board pursuant to these rules and standards are set forth in the Audit Committee's Mandate, which may be found on our website and in our AIF.

At meetings of the Audit Committee, members of the Committee meet separately (without other management present) with the Auditor to review specific issues.

The Audit Committee requires management to implement and maintain appropriate internal controls. The Committee approves and oversees the internal control policy and audit mandate. The Committee meets quarterly with Auditor and management on matters of internal control. The Committee also pre-approves all audit and non-audit work performed by the Auditor.

The Audit Committee also oversees the framework to identify and manage risk, including adherence to risk management corporate policies, and compliance with risk-related regulatory requirements. The Audit Committee approves corporate policies and risk limits that address the management of the risk and return associated with credit, market, liquidity,

operational and business risk, and such other risk management controls as are considered by the Committee to be appropriate for prudent business practice. Strategic decisions may be reviewed at the request of the Board to advise on the risk impact. The Audit Committee also reviews the methods and procedures established by management for control of key risks.

Additional information relating to the composition of the Audit Committee, the Committee Mandate, and the relevant education and experience of its members is set out under the heading “Audit Committee Information” in our AIF dated March 30, 2021. The fees paid to the Auditor in the last two fiscal years are described in such AIF.

## ASSESSMENT OF TRUSTEES AND BOARD COMMITTEE EFFECTIVENESS

Alaris has instituted a variety of methods for assessing the effectiveness of the Board, its Committees, the Chairperson of the Board, the Committee Chairs and the individual trustees. The results of the assessments form the basis of recommendations to the Board on the appropriateness of the current mix of trustees, improvements that can be made to Board processes and the continuing education needs of the Board.

### Annual Assessment of Individual Trustees

#### Individual Trustees evaluate each other

The Governance Committee annually conducts a peer evaluation process to provide feedback to individual trustees on their effectiveness. Assessment forms are annually approved by the Board, and then provided to each trustee and the results are compiled by the Chairperson of the Governance Committee and discussed with the Board. The survey requires that every trustee assess the contribution of each of his or her peers in relation to the standards of performance established in the Board Mandate, which sets out the personal and professional attributes and duties and responsibilities required of each trustee. The Chairperson of the Board receives a copy of the scores for each individual trustee’s peer assessment and then meets with each trustee to discuss his or her peer assessment.

### Annual Assessment of the Board

#### Individual Trustees evaluate the Board as a whole

The Governance Committee also conducts an annual evaluation of the effectiveness of the Board and its Committees through surveys completed by each trustee. This evaluation is conducted through assessment forms annually approved by the Board and provided to trustees, which cover the operation of the Board and its Committees, the adequacy and timeliness of information provided to trustees, Board and Committee structure, agenda planning for Board and Committee meetings, contributions of Board and Committee members, strategic direction and process, and takes into account the duties and responsibilities enumerated in the Board and Committee Mandates. The results of the forms are compiled by the Chairperson of the Governance Committee and discussed with the Board, who considers whether any changes to the Board processes, composition or committee structure are appropriate. Additionally, Management is advised of any suggestions made by trustees for enhancement of processes to support the work of the Board.

### Annual Assessment of the Audit Committee and other Committees

#### Individual Members of the Trust evaluate each Committee as a whole

The Governance Committee also conducts an annual evaluation of the effectiveness of the Audit Committee and all other Committees. This evaluation is conducted through assessment forms which are annually approved by the Board and provided to and completed by members of each Committee. The assessment forms cover the purpose of each Committee, its operation, composition, and process, and takes into account the duties and responsibilities enumerated in each Committee Mandate. The results of the forms are compiled by the Chairperson of the Governance Committee, and discussed with the Audit Committee and the Board.

## COMMUNICATION POLICY

**A disclosure committee comprised of the CEO, CFO and Chief Legal Officer/Corporate Secretary (and such other members of management as is deemed appropriate by the foregoing executives) is responsible for reviewing all annual and interim filings and ensuring the timely public release of material information relating to Alaris.**

The Board has approved an External Communication Policy covering the timely dissemination of all material nonpublic information. This policy, which is reviewed annually, establishes consistent guidance for determining what information is material and how it should be disclosed to avoid selective disclosure and to ensure that material information is widely

disseminated. The guidelines and procedures outlined in this policy form the basis for how Alaris employees carryout Alaris' disclosure practices.

Pursuant to the terms of the External Communication Policy, Alaris has formed a Disclosure Committee comprised of the CEO, the CFO, and the Chief Legal Officer and Corporate Secretary and such other members of Management as determined appropriately by the foregoing Officers. This Disclosure Committee is responsible for reviewing all annual and interim filings, corporate presentations and marketing materials, and ensuring the timely public release of material information relating to Alaris. The CEO, together with the CFO, makes the final determination as to what information is material and must be publicly disclosed.

Alaris seeks to communicate with its unitholders and other stakeholders through a variety of channels, including the annual report, information circular, quarterly reports, annual information form, news releases, and website. Unitholder feedback is received through meetings with institutional unitholders. Feedback from retail unitholders is generally received by e-mail or telephone. Unitholder concerns are addressed promptly by Alaris Management. Wherever possible, appropriate changes are made in response to these concerns. Page 49 of the Information Circular contains the contact details for unitholders who wish to communicate directly with the Board. The Board believes these practices reflect best practices in unitholder engagement.

## SCHEDULE 2 - DESCRIPTION OF CAPITAL STRUCTURE

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 this Information Circular, the Trust has a total of 44,962,316 Trust Units outstanding and no Special Voting Units outstanding. In addition, as of the date hereof, there were stock Options outstanding to acquire 984,019 Trust Units pursuant to the Option Plan, and there were RTUs outstanding entitling the holders thereof to receive an aggregate of 472,700 Trust Units pursuant to the RSU RTU Plan upon the satisfaction of certain vesting criteria.

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.

The disclosure set forth below in this Schedule 2 includes a detailed description of the Trust Units and Special Voting Units.

### **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 (as defined below in this Schedule 2) of a Trust Unit and (ii) 100% of the closing market price (as defined below in this Schedule 2).
- 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 "*Schedule 4 – Ownership and Transfer Restrictions*". A full copy of the terms of the Trust Units is available in the Declaration of Trust, a copy of which is available on the Trust's SEDAR profile at [www.sedar.com](http://www.sedar.com).

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**

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;

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. 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.

## SCHEDULE 3 - BOARD OF TRUSTEES MANDATE

The board of trustees (“**Board**”) of Alaris Equity Partners Income Trust (“**Company**”) is responsible for managing, or supervising the management of, the business and affairs of the Company. The executive officers (“**Executive Officers**”) of the Company are responsible for the management of the business and affairs of the Company within the strategic direction approved by the Board.

The Board has the oversight responsibility and specific duties described below. In addition, individual trustees (“**Trustees**”) have the responsibility and specific duties set out in the Individual Trustee Mandate and any other Mandate or Position Description that applies to them.

### COMPOSITION

- The Board will be comprised of between one (1) and eleven (11) Trustees, as determined by the unitholders.
- A majority of the Company’s Trustees will be independent, pursuant to applicable law.
- All Board members will have the skills and abilities appropriate to their appointment as Trustees.
- It is recognized that the right mix of experiences and competencies will ensure that the Board will carry out its duties and responsibilities in the most effective manner.
- Except as set out in the Declaration of Trust, Board members will be elected at the annual meeting of the Company’s unitholders each year and will serve until their successors are duly elected.

### RESPONSIBILITY

The Board is responsible for the stewardship of the Company and the Company’s strategy, providing independent, effective leadership to supervise the management of the Company’s business and affairs.

### SPECIFIC DUTIES

The Board will:

#### Leadership

1. Provide leadership and vision to supervise the management of the Company in managing the Company and its subsidiaries in the best interests of the Company’s unitholders.
2. Provide leadership in the development of the mission, vision, principles, values of the Company, in conjunction with the Chief Executive Officer (CEO).

#### Strategy & Operations

3. Approve the development of strategic direction & operational requirements for the Company, which takes into account, among other things, the opportunities and risks of the Company’s business.

#### CEO

4. Select, appoint, evaluate and, if necessary, terminate the CEO.
5. Receive and approve recommendations on appropriate or required CEO competencies and skills from the Governance Committee (CG Committee).
6. Approve or develop the corporate objectives that the CEO is responsible for meeting and assess the CEO against those objectives.

#### Succession and Compensation

7. Succession plan, including appointing, training and monitoring the performance of senior management (Management) of the Company.
8. With the advice of the Compensation Committee, approve the compensation of senior Management and approve appropriate compensation programs for the Company’s employees.

#### Corporate Social Responsibility, Ethics and Integrity

9. Provide leadership to the Company in support of its commitment to corporate social responsibility.
10. Foster ethical and responsible decision-making by Management.
11. Set the ethical tone for the Company and its Management.

12. Take all reasonable steps to satisfy itself of the integrity of the CEO and Management and satisfy itself that the CEO and Management create a culture of integrity throughout the organization.
13. At the recommendation of the Governance Committee, approve the Company's Code of Business Conduct.
14. Monitor compliance with the Company's Code of Business Conduct and grant and disclose, or decline, any waivers of the Code of Business Conduct for officers and Trustees.
15. With the Governance Committee and/or the Audit Committee and the Board Chair, respond to potential conflict of interest situations.

## **Governance**

16. With the Governance Committee, develop the Company's approach to corporate governance, including adopting a Corporate Governance Policy that sets out the principles and guidelines applicable to the Company.
17. Once or more annually, as the Governance Committee decides, receive for consideration that Committee's evaluation and any recommended changes, together with the evaluation and any further recommended changes of another Board Committee, if relevant, to each of the following:
  - a. Corporate Governance Policy;
  - b. Board Mandate;
  - c. Individual Trustee Mandate;
  - d. Chair of the Board Position Description;
  - e. Audit Committee Mandate;
  - f. Audit Committee Chair Position Description;
  - g. Compensation Committee Mandate;
  - h. Compensation and Governance Committee Chair Position Description
  - i. Governance Committee Mandate;
  - j. Governance Committee Chair Position Description;
  - k. CEO Position Description;
  - l. CFO Position Description; and
  - m. Secretary Position Description
18. With the Governance Committee, ensure that the Company's governance practices and policies are appropriately disclosed.
19. At the recommendation of the Governance Committee, annually determine those individual Trustees to be designated as independent and ensure appropriate disclosures are made.
20. At the recommendation of the Governance Committee, annually determine those individual Trustees on the Audit Committee possessing "financial literacy" under applicable law and ensure appropriate disclosures are made.

## **Communications, Disclosure and Compliance**

21. Adopt an External Communications Policy for the Company that addresses disclosure matters.
22. At least annually, review the External Communications Policy and consider any recommended changes.
23. Ensure policies and procedures are in place to ensure the Company's compliance with applicable law, including timely disclosure of relevant corporate information and regulatory reporting.
24. Establish and disclose a process to permit stakeholders to directly contact the independent Trustees as a group.

## **Board Chair**

25. Annually appoint the Chair of the Board.

## **Committees**

26. Appoint an Audit Committee comprised of at least three members, all of whom are independent Trustees, with the responsibility to assist the Board in fulfilling its audit oversight responsibilities with respect to: (i) the integrity of annual and quarterly financial statements to be provided to unitholders and regulatory bodies; (ii) compliance with accounting and finance based legal and regulatory requirements; (iii) the external auditor's qualifications, independence and compensation, and communicating with the external auditor; (iv) the system of internal accounting and financial reporting controls that Management has established; and, (v) performance of the external audit process and of the external auditor. The Committee will also have the responsibility to assist the Board in fulfilling its financial oversight responsibilities with respect to: (i) financial policies and strategies including capital structure; (ii) financial risk management practices; and (iii) transactions or circumstances which could materially affect the financial profile of the Company.
27. Appoint a Compensation Committee and a Governance Committee comprised of a majority of independent Trustees with the responsibility to assist the Board in fulfilling its governance oversight responsibilities with respect

to: (i) the development and implementation of principles and systems for the management of corporate governance; (ii) identifying qualified candidates and recommending nominees for Trustee and Board Committee appointments; (iii) evaluations of the Board, Board Committees, all individual Trustees, the Board Chair and Committee Chairs; and, (iv) implementation and effectiveness of the Code of Business Conduct and the compliance programs under the Code of Business Conduct. The Committee will also have the responsibility to assist the Board in fulfilling its compensation oversight responsibilities with respect to: (i) key compensation and human resources policies; (ii) CEO objectives, performance reviews and compensation; (iii) executive Management compensation; (iv) executive Management succession and development; and (v) reviewing executive compensation disclosure before its release.

28. In the Board's discretion, appoint any other Board Committees that the Board decides are needed and delegate to those Board Committees any appropriate powers of the Board.
29. In the Board's discretion, annually appoint the Chair of each Board Committee.

### **Delegations and Approval Authorities**

30. Annually delegate approval authorities to the CEO and review and revise them as appropriate.
31. Consider and, in the Board's discretion, approve financial commitments in excess of delegated approval authorities.
32. Require the Audit Committee to recommend to the Board for consideration the quarterly results, financial statements, MD&A and earnings related 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.
33. Require the Audit Committee to recommend to the Board for consideration and, in the Board's discretion, approve the monthly distributions for the quarter.
34. Consider and, in the Board's discretion, approve any matters recommended by the Board Committees.
35. Consider and, in the Board's discretion, approve any matters proposed by Management.
36. Approve all alternative financing structures entered into by the Company with various private businesses.

### **Risk Management**

37. Ensure policies and procedures are in place to: identify the principal business risks and opportunities of the Company; address what risks are acceptable to the Company; and ensure that appropriate systems are in place to manage the risks.
38. Ensure policies and procedures designed to maintain the integrity of the Company's disclosure controls and procedures are in place.
39. As required by applicable law, ensure policies and procedures designed to maintain the integrity of the Company's internal controls over financial reporting and management information systems are in place.
40. Ensure policies and procedures designed to maintain appropriate auditing and accounting principles and practices are in place.
41. Ensure policies and procedures designed to maintain appropriate safety, environment and social responsibility principles and practices are in place.

### **Orientation / Education**

42. With the Governance Committee, oversee the development and implementation of a Trustee orientation program covering the role of the Board and its Committees, the contribution individual Trustees are expected to make and the nature and operation of the Company's business.
43. With the Governance Committee, oversee the development and implementation of an ongoing Trustee education program designed to maintain and enhance skills and abilities of the Trustees and to ensure their knowledge and understanding of the Company's business remains current.

### **Board Performance**

44. Oversee the process of the Governance Committee's annual evaluation of the performance and effectiveness of the Board, Board Committees, all individual Trustees, the Board Chair and Committee Chairs, in light of the applicable Mandates and Position Descriptions.
45. Participate in an annual evaluation of Board performance by the Governance Committee.
46. Receive and consider a report and recommendations from the Governance Committee on the results of the annual evaluation of the performance and effectiveness of the Board, Board Committees, all individual Trustees, the Board Chair and Committee Chairs.



### **Board Meetings**

47. Meet at least four times annually and as many additional times as needed to carry out its duties effectively. The Board may in appropriate circumstances hold meetings by telephone conference call.
48. Meet in separate non-management and independent Trustee only in camera sessions at each regularly scheduled meeting.
49. Meet in separate, non-management and/or independent Trustee only closed sessions with any internal personnel or outside advisors, as needed or appropriate.

### **Advisors/Resources**

50. Retain, oversee, compensate and terminate independent advisors to assist the Board in its activities.
51. Receive adequate funding for independent advisors and ordinary administrative expenses that are needed or appropriate for the Board to carry out its duties.

### **Other**

52. To honor 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 Governance Committee at its next meeting.
53. Once or more annually, as the Governance Committee decides, this Mandate will be fully evaluated and updates recommended to the Board for consideration.

Approved: March 5, 2021

## SCHEDULE 4 - OWNERSHIP AND TRANSFER RESTRICTIONS

### U.S. Investment Company Act Considerations and Restrictions

Based on its current assets, and absent an exemption under the U.S. Investment Company Act, Alaris may be deemed to be an “investment company” as defined in the U.S. Investment Company Act. The U.S. 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 U.S. 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 U.S. 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 Regulation 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, and that are (b) Qualified Purchasers (as defined in Section 2(a)(51)(A) of the U.S. Investment Company Act), and (c) it does not make, or propose to make, a public offering of its securities in the United States. Consequently, for so long as Alaris may be deemed to be an “investment company” under the U.S. 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 in reliance 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 (which are required to be 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 to persons acquiring securities 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 set forth 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 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 U.S. 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 determined under 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, (i) the application of the prudence and other fiduciary responsibility standards of ERISA to investments made by Alaris, and (ii) 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 U.S. 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 they are located in the United States or a US Person, will either make or be deemed to have made the acknowledgements, representations, warranties and agreements set forth in "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 evidences of entitlement) issued in exchange therefore 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 evidences of entitlement) for purchasers outside the United States, as well as on certificates (or other evidences of entitlement) for purchasers that are (a) located in the United States, (b) are U.S. Persons or (c) are persons acting for the account or benefit of persons located in the United States or a U.S. Person. 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 REGULATION S 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.**

# **SCHEDULE 5 – TRUST OPTION AND RESTRICTED TRUST UNIT (RTU) PLANS**

## **TRUST OPTION PLAN**

### **1. Purpose of Plan**

The purpose of this plan (the "Plan") is to develop the interest of officers, trustees, directors and employees of, and consultants to the Alaris Entities in the growth and development of the Alaris Entities by providing them with the opportunity through unit purchase options to acquire an increased proprietary interest in the Trust.

### **2. Administration**

The Plan shall be administered by the Board of Trustees, or if appointed, by a special committee of trustees appointed from time to time by the Board of Trustees (such committee, or if no such committee is appointed, the Board of Trustees, is hereinafter referred to as the "Committee") pursuant to rules of procedure fixed by the Board of Trustees.

### **3. Granting of Options**

The Committee may from time to time designate bona fide trustees, directors, officers, employees and consultants of the Alaris Entities (or in each case their personal holding companies) (collectively, the "Optionees"), to whom options ("Options") to purchase units ("Units") of the Trust (which, for greater certainty, excludes the special voting units of the Trust) may be granted, and the number of Units to be optioned to each, provided that:

- a. the total number of Units issuable pursuant to Options outstanding at any time under the Plan shall not exceed 8.5% of the aggregate number of Outstanding Securities, subject to adjustment as set forth herein, and further subject to the applicable rules and regulations of all regulatory authorities to which the Trust is subject, including the Toronto Stock Exchange (the "TSX") or such other stock exchange as the Units may be listed for trading;
- b. the maximum number of securities of the Trust issuable at any time pursuant to all Security Based Compensation Arrangements shall not exceed 9.75% of the number of Outstanding Securities;
- c. the number of Units reserved for issuance on exercise of Options, within a one-year period, to any one Optionee shall not exceed 5% of the Outstanding Securities;
- d. the maximum number of securities of the Trust issuable to Insiders at any time pursuant to all Security Based Compensation Arrangements shall not exceed 9.75% of the number of Outstanding Securities;
- e. the maximum number of securities of the Trust issued to Insiders, within any one year period, under all Security Based Compensation Arrangements, shall not exceed 9.75% of the number of Outstanding Securities;
- f. the maximum number of Units issuable at any time pursuant to outstanding Options granted to trustees of the Trust who are not officers or employees of an Alaris Entity shall be limited to 0.5% of the issued and Outstanding Securities; and
- g. the maximum participation for trustees of the Trust who are not officers or employees of an Alaris Entity under the Plan is limited to an annual equity award value of \$100,000 per non-employee trustee, provided that this limit shall not apply in respect of an initial grant of Options to a newly appointed or elected non-employee trustee.

Notwithstanding anything else in this Plan, including Section 14, the Board of Trustees may not, without the approval of unitholders, amend this section or any other provision of this Plan to increase the limit set forth in Section 3(f) above.

The Units that are reserved for issuance on exercise of Options granted pursuant to this Plan that are cancelled, terminated or expired in accordance with terms of the Plan prior to the exercise of all or a portion thereof shall be available for a subsequent grant of Options pursuant to this Plan to the extent of any Units issuable thereunder that are not issued under such cancelled, terminated or expired Options.

#### **4. Vesting**

The Committee may, in its sole discretion, determine the time during which Options shall vest and the method of vesting. In the absence of any determination by the Committee as to vesting, vesting shall be as to one quarter (1/4) on each of the first, second, third and fourth anniversaries of the date of grant. For greater certainty, the Committee may, in its sole discretion, accelerate the vesting of Options following their initial grant in the event of death, the occurrence of any other event giving rise to a Termination Date (as defined in Section 6(a)) or in connection with a change of control (as such term may be determined by the Committee and which shall include a business combination or other transaction where a person or persons acting jointly or in concert acquire greater than 50% of the Outstanding Securities).

#### **5. Exercise Price**

The exercise price (the "Exercise Price") of any Option shall be fixed by the Committee when such Option is granted, provided that such price shall not be less than the Market Price at the time the Option is granted, and further provided that if the Units are not then listed and posted for trading on the TSX or any other stock exchange, the Exercise Price shall be determined by the Committee in its sole discretion acting reasonably and in good faith.

In the event that the Trust proposes to reduce the Exercise Price of Options granted to an Optionee who is an Insider of the Trust at the time of the proposed amendment, said amendment shall not be effective until disinterested unitholder approval has been obtained in respect of said Exercise Price reduction.

#### **6. Option Terms**

The period during which an Option is exercisable shall, subject to the provisions of the Plan requiring acceleration of rights of exercise, not be in excess of five years. Each Option shall, among other things, contain provisions to the effect that the Option shall be personal to the Optionee and shall not be assignable or transferable. In addition, each Option shall provide that:

- a. unless otherwise determined by the Committee or unless otherwise provided in a written option agreement pertaining to a particular Option or any written employment, consulting or other agreement governing an Optionee's role as a director, officer, employee of or consultant to, an Alaris Entity, upon the death of the Optionee, the Option shall terminate on the date of death, unless the Optionee was a director, officer, employee of or consultant to, an Alaris Entity for at least one year following the date of grant of the Options in question, in which case the Options shall terminate on the date that is six months following the date of death of the Optionee (the "Termination Date"); and
- b. unless otherwise determined by the Committee or unless otherwise provided in a written option agreement pertaining to a particular Option or any written employment, consulting or other agreement governing an Optionee's role as a director, officer, employee of or consultant to, an Alaris Entity, if the Optionee shall no longer be a director or officer of, be in the employ of, or be providing ongoing management or consulting services to, an Alaris Entity, the Option shall terminate on the earlier of the expiry date of the Option and the expiry of a period of 90 days (the "Termination Date"), following the date that the Optionee ceases to be a director, officer, or employee of an Alaris Entity, or ceases to provide ongoing management or consulting services to, an Alaris Entity, as the case may be.

provided that the number of Units that the Optionee (or his heirs or successors) shall be entitled to purchase until the Termination Date shall be the number of Units which the Optionee was entitled to purchase on the date of death or the

date the Optionee ceased to be an officer, director or employee of, or ceased providing ongoing management or consulting services to, an Alaris Entity, as the case may be.

If the normal expiry date of any Option falls within any Blackout Period or within 10 business days (being a day other than a Saturday, Sunday or other than a day when banks in Calgary, Alberta are not generally open for business) following the end of any Blackout Period (the "Restricted Options"), then the Expiry Date of such Restricted Options shall, without any further action, be extended to the date that is 10 business days following the end of such Blackout Period. The foregoing extension applies to all Options whatever the date of grant and shall not be considered an extension of the term of the Options as referred to in Section 14 hereof.

## 7. Exercise of Options

Subject to the provisions of the Plan, an Optionee may:

- a. exercise, from time to time, Options granted to the Optionee by delivery to the Trust, at its head office or such other place as may be specified by the Trust, of a written notice of exercise (the "Exercise Notice") specifying the number of Units with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the Units then being purchased and payment in full of any amount required to be paid pursuant to Section 8 herein;
- b. make an offer (the "Surrender Offer") to the Trust, at any time, for the disposition and surrender by the Optionee to the Trust (and the termination thereof) of any Options granted hereunder for an amount specified therein (the "Surrender Price") and the Trust may, but is not obligated to, accept the Surrender Offer, subject to any regulatory approval that may be required. If the Surrender Offer, either as made or as re-negotiated, is accepted:
  - i. the Trust will cause to be delivered to the Optionee a cheque representing the Surrender Price (less the amount of the withholding tax and any other amount required to be paid pursuant to Section 8 herein in connection with the exercise of the Surrender Offer) within three (3) business days of the date of receipt of the Surrender Offer; and
  - ii. upon the surrender and termination of the Options pursuant to the Surrender Offer, the Units issuable pursuant to such Options shall, for purposes of the number of Units reserved for issuance with the TSX, be available for further grants.
- c. exercise the right (the "Cashless Exercise Right") from time to time to request the Trust to issue Units in exchange for all or any part of the Options of the Optionee by surrendering such Options and delivery to the Trust, at its head office or such other place as may be specified by the Trust, (1) a written notice of exercise ("Cashless Exercise Notice") specifying the number of Options with respect to which the Cashless Exercise is being exercised; and (2) any payment required to be paid pursuant to Section 8 herein. Upon exercise of the Cashless Exercise Right, for each Option held for which a Cashless Exercise Notice is delivered, the Trust will issue such number of Units to the Optionee as is equal to the number determined as follows:
  - i. dividing the difference between the Market Price and the Exercise Price of such Options by the Market Price;  
multiplied by
  - ii. the number of Options specified in the Cashless Exercise Notice (the date of receipt of the Cashless Exercise Notice being the "Cashless Exercise Right Notice Date").

Subject to any procedure as authorized by the Board of Trustee and the approval of the TSX, if applicable, the Trust will use its reasonable efforts to deliver to the Optionee the number of Units as determined in accordance with this Section 7(c) within five (5) business days of the Cashless Exercise Right Notice Date. Notwithstanding the foregoing, the Trust may, at its

sole discretion, decline to accept and, accordingly, have no obligations with respect to the exercise of a Cashless Exercise Right at any time and from time to time.

## **8. Tax Withholding & No Guarantees Regarding Tax Treatment**

- a. The Trust shall have the power and the right to deduct or withhold, or require (as a condition of exercise) an Optionee to remit to the Trust, the required amount to satisfy, in whole or in part, federal, provincial, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan, including the grant or exercise of Options granted under the Plan. With respect to required withholding, the Trust shall have the irrevocable right to (and the Optionee consents to) the Trust setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Trust to such Optionee (whether arising pursuant to the Optionee's relationship as a director, officer or employee of an Alaris Entity or as a result of the Optionee providing services on an ongoing basis to an Alaris Entity or otherwise), or may make such other arrangements satisfactory to the Optionee and the Trust. In addition, the Trust may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding such number of Units as it determines are required to be sold by the Trust, as trustee, to satisfy the withholding obligation net of selling costs (which costs shall be the responsibility of the Optionee and which shall be and are authorized to be deducted from the proceeds of sale). The Optionee consents to such sale and grants to the Trust an irrevocable power of attorney to effect the sale of such Units and acknowledges and agrees that the Trust does not accept responsibility for the price obtained on the sale of such Units. Any reference in this Plan to the issuance of Units or a payment of cash in connection with an Option is expressly subject to this Section 8.
- b. With respect to all Surrender Offers that are accepted by the Trust pursuant to Section 7 hereof, the Trust agrees to elect under subsection 110(1.1) of the Income Tax Act (Canada) so as to permit the Optionee to claim a deduction under paragraph 110(1)(d) of the said Act with respect to the Surrender Price.
- c. Optionees (or their beneficiaries) shall be responsible for all taxes with respect to any Option under the Plan, whether arising as a result of the grant or exercise of Options or otherwise. The Trust and the Committee make no guarantees to any person regarding the tax treatment of an Option or payments made under the Plan and none of the Trust or any of its trustees, employees or representatives shall have any liability to an Optionee with respect thereto.

## **9. Mergers, Amalgamation and Sale**

If the Trust shall become merged (whether by plan of arrangement or otherwise) or amalgamated within or with another person or shall sell the whole or substantially the whole of its assets and undertakings for shares or securities of another person, the Trust shall, subject to this Section 9, make provision that, upon exercise of an Option during its unexpired period after the effective date of such merger, amalgamation or sale, the Optionee shall receive such number of securities of the continuing successor person in such merger or amalgamation or the securities or shares of the purchasing person as the Optionee would have received as a result of such merger, amalgamation or sale if the Optionee had purchased Units immediately prior thereto for the same consideration paid on the exercise of the Option and had held such Units on the effective date of such merger, amalgamation or sale and, upon such provision being made, the obligation of the Trust to the Optionee in respect of the Units subject to the Option shall terminate and be at an end and the Optionee shall cease to have any further rights in respect thereof.

## **10. Termination of Option in the Event of Take-Over Bid**

In the event a take-over bid (as defined in the Securities Act (Alberta)), which is not exempt from the take-over bid requirements of Part 14 of the Securities Act (Alberta) (or its replacement or successor provisions) shall be made for the Outstanding Securities, the Trust may in the agreement providing for the grant of Options herein provide that the Trust may require the disposition of the Optionee and the termination of any obligations of the Trust to the Optionee in respect of any Options granted by paying to the Optionee in cash the difference between the exercise price of unexercised Options and the fair market value of the securities to which the Optionee would have been entitled upon exercise of the unexercised Options on such date, which determination of fair market value shall be conclusively made by the Committee, subject to



approval by the TSX or such stock exchanges upon which the Units are then listed, if required by such exchanges. Upon payment as aforesaid, the Options shall terminate and be at an end and the Optionee shall cease to have any further rights in respect thereof. The Trust may, at its sole discretion, elect to allow an Optionee to claim such deductions in computing taxable income of such Optionee, if any, that may be available to the Optionee in respect of any amount received by the Optionee pursuant to this Section 10, however, the Trust is under no obligation, express or implied, to make such election.

## **11. Alterations in Units**

Appropriate adjustments in the number of Units optioned and in the Exercise Price, as regards Options granted or to be granted, may be made by the Committee in its discretion to give effect to adjustments in the number of Units resulting subsequent to the approval of the Plan by the Committee from subdivisions, consolidations or reclassifications of the Units, the payment of distributions by the Trust, or other relevant changes in the capital of the Trust.

## **12. Option Agreements**

A written agreement will be entered into between the Trust and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Units subject to Option, the Exercise Price, provisions as to vesting (if applicable) and expiry, and any other terms approved by the Committee, all in accordance with the provisions of this Plan. The agreement will be in such form as the Committee may from time to time approve, or authorize the officers of the Trust to enter into, and may contain such terms as may be considered necessary in order that the Option will comply with this Plan, any provisions respecting Options in the income tax or other laws in force in any country or jurisdiction of which the person to whom the Option is granted may from time to time be a resident or citizen, and the rules of any regulatory body having jurisdiction over the Trust.

## **13. Regulatory Authorities Approvals**

The Plan shall be subject to the approval, if required, of the TSX or any stock exchange on which the Units are listed for trading. Any Options granted prior to such approval shall be conditional upon such approval being given, and no such Options may be exercised unless such approval, if required, is given.

## **14. Amendment or Discontinuance of the Plan**

The Committee may not, without the prior approval of the unitholders: (i) make any amendment to the Plan to increase the percentage of Units issuable on exercise of outstanding Options at any time pursuant to Section 3(a) hereof; (ii) reduce the exercise price of any outstanding Options; (iii) extend the term of any outstanding Option beyond the original expiry date of such Option; (iv) make any amendment to increase the maximum limit on the number of securities that may be issued to Insiders pursuant to Sections 3(d) or(e) hereof; (v) make any amendment to Section 3(f) to increase the maximum number of Units issuable on exercise of Options granted to trustees who are not officers or employees of an Alaris Entity; (vi) make any amendment to the Plan that would permit an Optionee to transfer or assign Options to a new beneficial Optionee other than in the case of death of the Optionee; or (vii) amend this Section 14.

Except as restricted by the foregoing, the Committee may amend or discontinue the Plan or Options granted thereunder at any time without unitholder approval provided that any amendment to the Plan that requires approval of the TSX or any stock exchange on which the Units are listed for trading may not be made without approval of such stock exchange. In addition, no amendment to the Plan or Options granted pursuant to the Plan may be made without the consent of the Optionee, if it adversely alters or impairs any Option previously granted to such Optionee under the Plan.

## **15. Hold Period**

In addition to any resale restrictions imposed under applicable securities laws, if required by the TSX, any stock exchange on which the units are listed for trading or any other regulatory authority, Options granted under the Plan and Units issued on exercise of such Options may be required to be legended evidencing that the Options and the Units issued upon exercise of the Options are subject to a hold period or restricted period as required by the TSX or other applicable regulatory authority and the Optionee by accepting the Option agrees to comply therewith.

## 16. Units Duly Issued

Units issued upon the exercise of an Option granted hereunder will be validly issued and allotted as fully paid and non-assessable upon (i) receipt by the Trust of the Exercise Price therefor, (ii) receipt by the Optionee of the Surrender Price therefor, or (iii) the delivery of such Units pursuant to a Cashless Exercise Right, as applicable, in accordance with the terms of the Option, and the issuance of Units thereunder will not require a resolution or approval of the Board of Trustees.

## 17. Prior Plans

Pursuant to the terms of the Plan of Arrangement, this Plan shall become effective on the Effective Time as set forth in the Plan of Arrangement and each stock option granted under the Corporation's stock option plan (as the same had been amended and restated) and outstanding immediately prior to the Effective Time has been exchanged for an Option granted under the Plan in accordance with, and at such time set forth in, the Plan of Arrangement and shall be governed by and subject to this provisions of this Plan.

## 18. Definitions

- (a) **"Alaris Entities"** means collectively, the Trust and any of its subsidiaries, partnerships or other controlled entities but does not, for greater certainty, include the Private Company Partners.
- (b) **"Blackout Period"** means the period of time when, pursuant to any policies of the Trust, any securities of the Trust may not be traded by certain persons as designated by the Trust, including any holder of an Option.
- (c) **"Board of Trustees"** means the board of trustees of the Trust, as it may be comprised from time to time.
- (d) **"Corporation"** means Alaris Royalty Corp. and includes any successor corporation thereof.
- (e) **"Effective Time"** has the meaning ascribed to it in the Plan of Arrangement.
- (f) **"Exchangeable Securities"** has the meaning ascribed thereto in the Declaration of Trust of the Trust made as of May 31, 2020, as amended from time to time.
- (g) **"insider", "associate", "affiliate"** have the meanings ascribed thereto in the Securities Act (Alberta).
- (h) **"Insider"** means an insider of the Trust and any person who is an associate or an affiliate of an insider of the Trust.
- (i) **"Market Price"** means the VWAP on the TSX or another stock exchange where the majority of the trading volume and value of the Units occurs, for the five (5) trading days immediately preceding the relevant date; provided that if the five (5) day VWAP does not accurately reflect the current market price for the Units, the TSX may adjust the VWAP based on relevant factors as determined by the TSX, in which case the Market Price shall be the price so determined.
- (j) **"Outstanding Securities"** at the time of any securities issuance or grant of Options means the aggregate number of Units (including any Exchangeable Securities, on an exchanged basis) that are outstanding immediately prior to the securities issuance or grant of Options in question on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Trust is subject, including the TSX or such other stock exchange as the Units may be listed for trading.
- (k) **"Plan of Arrangement"** means the plan of arrangement made under section 192 of the Canada Business Corporations Act, involving (among others) the Corporation, the Trust and 12184231 Canada Inc.
- (l) **"Private Company Partners"** means the corporations, partnerships or other entities with which the Trust or another Alaris Entity has directly or indirectly entered into a financing structure in exchange for an annual distribution or other return.

- (m) **"Security Based Compensation Arrangements"** has the meaning ascribed thereto in Part VI of the Company Manual of the TSX, as amended from time to time.
- (n) **"Service Provider"** means a Trustee, director, officer, or employee of an Alaris Entity or a person or company engaged by an Alaris Entity to provide services for an initial, renewable or extended period of twelve months or more.
- (o) **"Trust"** means Alaris Equity Partners Income Trust.
- (p) **"unitholders"** means the holders of Units (and where the context requires, the holders of Exchangeable Securities).
- (q) **"VWAP"** means the volume weighted average trading price of the Units, calculated by dividing the total value by the total volume of Units traded for the relevant period; provided that the TSX may require the exclusion of certain internal crosses and certain other special terms trades from the calculation.

## 19. Effective Date

This Plan is effective on the Effective Time on September 1, 2020, the effective date of the Plan of Arrangement.

ALARIS EQUITY PARTNERS INCOME TRUST

**(signed) "John Ripley"**

Per: John ("Jay") F. Ripley  
Chair of the Board of Trustees

# RTU PLAN

## RESTRICTED TRUST UNIT PLAN EFFECTIVE APRIL 21, 2021

### ARTICLE 1 DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

For purposes of the Plans:

- (a) "**Account**" means an account maintained by the Plan Administrator for each Participant and which will be credited with RTUs in accordance with the terms of the Plans;
- (b) "**Alaris Entities**" means collectively, the Trust and any of its subsidiaries, partnerships, trusts or other controlled entities and "**Alaris Entity**" means any one of them, however and for greater certainty, "**Alaris Entities**" shall not include the Private Company Partners;
- (c) "**ASA**" means the *Securities Act* (Alberta), as amended from time to time;
- (d) "**Award Date**" means the date or dates on which an award of RTUs is made to a Participant in accordance with section 4.2 or 5.2;
- (e) "**Basic Administration Expenses**", as determined in the Board's sole discretion, may include, but shall not be limited to, expenses incurred in connection with the establishment and tracking of Accounts and the preparation and distribution of Account statements, ancillary administration costs, fees and expenses payable pursuant to the terms of any agreement or agreements executed from time to time between the Trust and either the Plan Trustee or the Plan Administrator, any brokerage fees or commissions applicable to the purchase of Units to be delivered to Participants following the vesting of RTUs granted under the Market Plan, and any fees of the Trust's transfer agent incurred in connection with the issuance or transfer of Units under the Plans;
- (f) "**Blackout Period**" means the period of time when, pursuant to any policies of the Trust, any securities of the Trust may not be traded by certain persons as designated by the Trust, including any holder of an RTU;
- (g) "**Board**" means the board of trustees of the Trust as constituted from time to time;
- (h) "**Change of Control**" means:
  - (i) a successful takeover bid; or
  - (ii) (A) any change in the beneficial ownership or control of the outstanding securities or other interests of the Trust which results in:
    - (I) a person or group of persons "acting jointly or in concert" (as defined in the ASA); or
    - (II) an affiliate or associate of such person or group of persons;  
  
holding, owning or controlling, directly or indirectly, more than 50% of the outstanding voting securities or interests of the Trust; and

- (B) members of the Board who are members of the Board immediately prior to the earlier of such change and the first public announcement of such change cease to constitute a majority of the Board at any time within one hundred twenty days of such change;
- (iii) Incumbent Trustees no longer constituting a majority of the Board; or
- (iv) the winding up or termination of the Trust or the sale, lease or transfer of all or substantially all of the directly or indirectly held assets of the Trust to any other person or persons (other than pursuant to an internal reorganization or in circumstances where the business of the Trust is continued and where the unitholdings or other securityholdings, as the case may be, in the continuing entity and the constitution of the board of directors or similar body of the continuing entity is such that the transaction would not be considered a "Change of Control" if paragraph (ii) above was applicable to the transaction); or
- (v) any determination by a majority of the Board that a change of control has occurred or is about to occur and any such determination shall be binding and conclusive for all purposes of the Plans;
- (i) "**Committee**" has the meaning ascribed thereto in section 2.4;
- (j) "**Corporation**" means Alaris Royalty Corp., and includes any successor entity thereto;
- (k) "**Distribution Equivalent**" means a bookkeeping entry whereby each RTU is credited with the equivalent amount of the distribution paid on a Unit in accordance with section 4.3 or 5.3, as applicable;
- (l) "**Distribution Market Value**" means the Fair Market Value per Unit on the distribution record date;
- (m) "**Effective Time**" has the meaning ascribed to it in the Plan of Arrangement;
- (n) "**Employee**" means an employee of an Alaris Entity, other than seasonal and contract employees and independent contractors, and who is not a Trustee;
- (o) "**Exchange**" means the TSX or any other stock exchange on which Units are listed and posted for trading, as applicable;
- (p) "**Exchangeable Securities**" has the meaning ascribed thereto in the Declaration of Trust of the Trust made as of May 31, 2020, as amended from time to time;
- (q) "**Expiry Date**" means, with respect to any RTU, December 15th of the third year following the year in which the RTU was granted.
- (r) "**Fair Market Value**" with respect to a Unit, as at any date, means the higher of: (i) the weighted average of the prices at which the Units traded on the TSX (or, if the Units are not then listed and posted for trading on the TSX or are then listed and posted for trading on more than one stock exchange, on such stock exchange on which the majority of the trading volume and value of the Units occurs) for the five (5) trading days on which the Units traded on the said exchange immediately preceding such date; and (ii) the last offering price per Unit for an offering of Units approved by the Board. In the event that the Units are not listed and posted for trading on any stock exchange, the Fair Market Value shall be the fair market value of the Units as determined by the Board in its sole discretion, acting reasonably and in good faith;
- (s) "**Forfeited RTU**" means a RTU that relates to an award of RTUs that does not vest and is forfeited by a Participant pursuant to section 6.5 or 6.7, as applicable;
- (t) "**Forfeiture Date**" means the date, as determined by the Board, on which a Participant:
  - (i) resigns from employment with the Alaris Entities as contemplated in section 6.5 and "**Forfeiture Date**" in such circumstances specifically does not mean the date on which any period of reasonable notice that the Trust may be required at law to provide to the Participant, would expire; or

- (ii) is terminated as contemplated in section 6.7 and, except as specifically provided in section 6.7, "**Forfeiture Date**" specifically does not mean the date on which any statutory or common law severance period or any period of reasonable notice that the Trust may be required at law to provide to the Participant, would expire;
- (u) "**Incumbent Trustees**" means any member of the Board who was a member of the Board at the effective date of the Plans and any successor to an Incumbent Trustee who was recommended or elected or appointed to succeed any Incumbent Trustees by the affirmative vote of the Board, including a majority of the Incumbent Trustees then on the Board, prior to the occurrence of the transaction, transactions, elections or appointments giving rise to a Change of Control;
- (v) "**Insider**", "**associate**" and "**affiliate**" each have the meaning ascribed thereto in Part VI of the Company Manual of the TSX, as amended from time to time;
- (w) "**Market Plan**" means the Restricted Trust Unit Plan established by the Trust under Article 4 and pursuant to which Units are purchased by the Plan Trustee through the facilities of an Exchange and held by the Plan Trustee in the Market Plan Trust Fund pending delivery to Participants following the vesting of corresponding RTUs;
- (x) "**Market Plan Trust Fund**" means the assets held by the Plan Trustee pursuant to the Market Plan, as more fully set out in section 4.7;
- (y) "**Options**" means options to purchase Units granted under the Trust's Unit Option Plan;
- (z) "**Outstanding Securities**" at the time of any securities issuance or grant of RTUs, means the aggregate number of Units (including any Exchangeable Securities on an exchanged basis) that are outstanding immediately prior to the securities issuance or grant of RTUs in question on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Trust is subject, including the Exchange;
- (aa) "**Participant**" means a Service Provider determined to be eligible to participate in the Plans in accordance with section 3.1 and, where applicable, a former Service Provider deemed eligible to continue to participate in the Plans in accordance with section 6.6 or 6.7;
- (bb) "**Plan Administrator**" means the Trust acting in its capacity as administrator of the Plans or any third party service provider, if any, retained from time to time by the Trust to perform certain of the administrative functions of the Plans as delegated by the Board in accordance with section 2.4;
- (cc) "**Plan of Arrangement**" means the plan of arrangement made under section 192 of the *Canada Business Corporations Act*, involving (among others) the Corporation, the Trust and 12184231 Canada Inc.;
- (dd) "**Plans**" means together the Market Plan and the Treasury Plan;
- (ee) "**Plan Trustee**" means such Plan Trustee or Plan Trustees from time to time appointed for purposes of the Market Plan pursuant to section 4.11;
- (ff) "**Private Company Partners**" means the corporations, partnerships or other entities with which the Trust or another Alaris Entity has directly or indirectly entered into a financing structure in exchange for an annual distribution or other return;
- (gg) "**Retirement**" means the retirement of a Participant at normal retirement age or earlier in accordance with the then policies and practices of the Trust or as otherwise approved by the Board, and "**Retire**" has a corresponding meaning;
- (hh) "**RTU**" means a unit equivalent in value to a Unit credited by means of a bookkeeping entry in the Participants' Accounts;
- (ii) "**RTU Agreement**" has the meaning set forth in section 3.2;

- (jj) "**Security Based Compensation Arrangements**" has the meaning ascribed thereto in Part VI of the Company Manual of the TSX, as amended from time to time;
- (kk) "**Service Provider**" means a Trustee, director, officer, or employee (including an Employee) of an Alaris Entity and a person or company engaged by an Alaris Entity to provide services for an initial, renewable or extended period of twelve months or more;
- (ll) "**takeover bid**" means a "take-over bid" as defined in the ASA pursuant to which the "offeror" would as a result of such takeover bid, if successful, beneficially own, directly or indirectly, in excess of 50% of the Outstanding Securities;
- (mm) "**Treasury Plan**" means the Restricted Unit Plan established by the Trust under Article 5 and pursuant to which Units are issued to Participants by the Trust from treasury following the vesting of corresponding RTUs;
- (nn) "**Trust Contributions**" means the cash contributions made to the Plan Trustee from time to time by the Trust for purposes of allowing the Plan Trustee to purchase Units through the facilities of an Exchange, as contemplated in section 4.5;
- (oo) "**Trust**" means Alaris Equity Partners Income Trust, and includes any successor entity thereto;
- (pp) "**Trustee**" means a person who is a trustee of the Trust;
- (qq) "**TSX**" means the Toronto Stock Exchange;
- (rr) "**Unit**" means a unit of the Trust (other than a special voting unit of the Trust);
- (ss) "**Unitholders**" means the holders of Units (and where the context requires, shall include the holders of Exchangeable Securities); and
- (tt) "**Unit Option Plan**" means the plan pursuant to which the Trust grants Options to Service Providers, as amended from time to time.

## 1.2 Interpretation

Words in the singular include the plural and words in the plural include the singular. Words importing male persons include female persons, corporations, trusts, partnerships or other entities, as applicable. The headings in this document are for convenience and reference only and shall not be deemed to alter or affect any provision hereof. The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to this document as a whole and not to any particular article, section, paragraph or other part hereof.

## ARTICLE 2 PURPOSE AND ADMINISTRATION OF THE PLANS

### 2.1 Purpose

The Plans have been established to retain and motivate eligible Service Providers and to promote a greater alignment of interests between Service Providers and the Unitholders.

### 2.2 Administration of the Plans

Subject to section 2.4, the Plans shall be administered by the Board.

### 2.3 Authority of the Board

The Board shall have the full power to administer the Plans, including, but not limited to, the authority to:

- (a) interpret and construe any provision hereof and decide all questions of fact arising in their interpretation;

- (b) adopt, amend, suspend and rescind such rules and regulations for administration of the Plans as the Board may deem necessary in order to comply with the requirements of the Plans, or in order to conform to any law or regulation or to any change in any laws or regulations applicable thereto;
- (c) determine the individuals to whom RTUs may be awarded;
- (d) award such RTUs on such terms and conditions as it determines including, without limitation: the time or times at which RTUs may be awarded; the time or times when each RTU becomes exercisable and the term of the RTU; whether restrictions or limitations are to be imposed on the Units issued pursuant to an RTU and the nature of such restrictions or limitations, if any; any acceleration or waiver of termination or forfeiture regarding any RTU, based on such factors as the Board may determine;
- (e) take any and all actions permitted by the Plans; and
- (f) make any other determinations and take such other action in connection with the administration of the Plans that it deems necessary or advisable.

#### **2.4 Delegation of Authority**

To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee (the "**Committee**") of the Board all or any of the powers conferred on the Board under the Plans. In such event, the Committee will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decision made or action taken by the Committee arising out of or in connection with the administration or interpretation of the Plans in this context is final and conclusive.

The Board or the Committee may delegate or sub-delegate to a Plan Administrator or any Trustee or any officer of an Alaris Entity the whole or any part of the administration of the Plans and shall determine the scope of such delegation or sub-delegation in its sole discretion.

#### **2.5 Discretionary Relief**

Notwithstanding any other provision hereof, the Board may, in its sole discretion, waive any condition set out herein if it determines that specific individual circumstances warrant such waiver.

#### **2.6 Amendment, Suspension, or Termination of Plans**

- (a) The Board may, from time to time, amend the terms set out herein or suspend the Plans in whole or in part and may at any time terminate the Plans without prior notice. However, except as expressly set forth herein, no such amendment, suspension, or termination may adversely affect RTUs credited to the Participants' Accounts at the time of such amendment, suspension, or termination without the consent of the affected Participant(s). In addition, the Board may, by resolution, amend the Plans and any RTU, without Unitholder approval, provided however, that the Board will not be entitled to amend the Treasury Plan without Exchange and Unitholder approval: (i) to increase the maximum number of Units issuable pursuant to the Treasury Plan; (ii) to extend the term of an RTU under the Treasury Plan held by an Insider; or (iii) to increase the maximum limit on the number of securities that may be issued to Insiders pursuant to sections 5.6(b) or 5.6(c) hereof. Further provided, that the Board will not be entitled to amend either of the Plans without Exchange and Unitholder approval to: (i) make any amendment to permit a Participant to transfer or assign any RTU to a new beneficial holder, other than as permitted by law; (ii) amend this section 2.6; or (iii) in any other circumstances where Exchange and Unitholder approval is required by the Exchange.
- (b) Without limitation of section 2.6(a), the Board may correct any defect or supply any omission or reconcile any inconsistency in the Plans in the manner and to the extent deemed necessary or desirable, may establish, amend, and rescind any rules and regulations relating to the Plans, and may make such determinations as it deems necessary or desirable for the administration of the Plans.
- (c) No amendment, change or modification shall be made to the Market Plan that will alter the duties of the Plan Trustee without the Plan Trustee's written consent.



- (d) On termination of a Plan, any outstanding awards of RTUs under such Plan shall immediately vest and the number of Units corresponding to the RTUs that have been awarded shall be delivered to the Participants in accordance with sections 4.9 and 5.7, as applicable. The Plans will finally cease to operate for all purposes when the last remaining Participant receives delivery of all Units corresponding to RTUs credited to the Participant's Account (or the payment for such RTUs pursuant to a Surrender Offer) and any Units held in the Market Plan Trust Fund corresponding to any Forfeited RTUs are sold by the Plan Trustee in accordance with section 6.9.

## **2.7 Final Determination**

Any determination or decision by, or opinion of, the Board, the Committee or a Trustee or any officer of an Alaris Entity made or held pursuant to the terms set out herein shall be made or held reasonably and shall be final, conclusive and binding on all parties concerned, including, but not limited to, the Trust, the Participants and their beneficiaries and legal representatives.

Subject to section 2.5, all rights, entitlements and obligations of Participants under the Plans are set forth in the terms hereof and cannot be modified by any other documents, statements or communications, except by amendment to the terms set out in section 2.6.

## **2.8 Taxes**

- (a) A Participant shall be solely responsible for reporting and paying all taxes payable in respect of the Units received by the Participant under the Plans. The Trust makes no guarantees to any person regarding the tax treatment of an RTU, the Units received by a Participant under the Plans or payments made under the Plans and none of the Trust or any of its employees or representatives shall have any liability to a Participant with respect thereto. The applicable Alaris Entity will provide each Participant with (or cause each Participant to be provided with) a T4 slip or such requisite statement as may be required by applicable law to report income for income tax purposes.
- (b) The Trust shall have the power and the right to deduct or withhold, or require a Participant to remit to the Trust, the required amount to satisfy, in whole or in part, federal, provincial, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plans, including, but not limited to, the vesting of RTUs granted under the Plans. With respect to required withholding, the Trust shall have the irrevocable right to (and the Participant consents to) the Trust setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Trust to such Participant (whether arising pursuant to the Participant's relationship as a Trustee, director, officer or employee of any of the Alaris Entities or as a result of the Participant providing services on an ongoing basis to any of the Alaris Entities or otherwise), or may make such other arrangements satisfactory to the Participant and the Trust. In addition, the Trust may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding, or directing the Plan Trustee to withhold, such number of Units as it determines are required to be sold by the Trust, as Plan Trustee, or by the Plan Trustee on behalf of the Trust, to satisfy the withholding obligation net of selling costs (which costs shall be the responsibility of the Participant and which shall be and are authorized to be deducted from the proceeds of sale). The Participant consents to such sale and grants to the Trust, or the Plan Trustee, as the case may be, an irrevocable power of attorney to effect the sale of such Units and acknowledges and agrees that neither the Trust nor the Plan Trustee accepts responsibility for the price obtained on the sale of such Units. Any reference in the Plans to the issuance of Units or a payment of cash in connection with an RTU is expressly subject to this section 2.8.

## **2.9 Expenses**

Subject to section 6.8, the Trust shall pay all Basic Administration Expenses.

## **2.10 Information**

Each Participant shall provide the Trust with all of the information (including personal information) that it requires in order to administer the Plans. The Trust may from time to time transfer or provide access to such information to the Plan Trustee or the Plan Administrator for purposes of the administration of the Plans.

## 2.11 Account Information

Information pertaining to the RTUs in Participants' Accounts will be made available to the Participants at least annually in such manner as the Plan Administrator may determine and shall include such matters as the Board may determine from time to time or as otherwise may be required by law.

## 2.12 Indemnification

Each member of the Board or Committee is indemnified and held harmless by the Trust against any cost or expense (including any sum paid in settlement of a claim with the approval of the Trust) arising out of any act or omission to act in connection with the terms hereof to the extent permitted by applicable law. This indemnification is in addition to any rights of indemnification a Board or Committee member may have as Trustee or otherwise under the declaration of trust governing the Trust, any agreement, any vote of Unitholders, or disinterested Trustees, or otherwise.

### ARTICLE 3 ELIGIBILITY AND PARTICIPATION IN THE PLANS

#### 3.1 Participation

The Board, in its sole discretion, shall determine, or shall delegate to the Committee the determination of which Service Providers will participate in either of the Plans.

#### 3.2 RTU Agreement

A Participant shall confirm acknowledgement of an award of RTUs made to such Participant in such form as determined by the Board from time to time (the "**RTU Agreement**"), within such time period and in such manner as specified by the Board or the Plan Administrator. If acknowledgement of an award of RTUs is not confirmed by a Participant within the time specified, the Trust reserves the right to revoke the crediting of RTUs to the Participant's Account.

#### 3.3 Participant's Agreement to be Bound

Participation in either of the Plans by any Participant shall be construed as irrevocable acceptance by the Participant of the terms and conditions set out herein and all rules and procedures adopted hereunder and as amended from time to time.

### ARTICLE 4 THE MARKET PLAN

#### 4.1 The Market Plan

The Market Plan is hereby established for Participants who are Trustees or Employees. The Market Plan is intended to constitute an employee benefit plan as defined in subsection 248(1) of the *Income Tax Act* (Canada) or any successor provision under which Trust Contributions are made to the Plan Trustee and under which payments are made to or for the benefit of a Participant under the Market Plan in the form of Units purchased by the Plan Trustee through the facilities of the Exchange.

#### 4.2 Grant of RTUs

Subject to section 3.2, an award of RTUs will be made and the number of such RTUs awarded will be credited to each Participant's Account, effective as of the Award Date. The number of RTUs to be credited to each Participant's Account shall be determined by the Board, or the Committee if delegated by the Board to do so, each in its sole discretion. The RTUs credited to a Participant's Account pursuant to this section shall be noted as having been granted under the Market Plan.

#### 4.3 Distributions

In the event that a distribution is declared and paid on the Units, the Board shall have the discretion to award Participants (each of section 4.3(a), (b) and (c), referred to in this section as a "**Distribution Payment Method**");

- (a) a cash payment equivalent to the distribution that would have been paid on the Units underlying the RTUs credited to a Participant's Account had such Units been outstanding from the date of the grant of the RTUs;
- (b) Units in an amount computed by dividing (A) the amount obtained by multiplying the amount of the distribution declared and paid per Unit by the number of RTUs recorded in the Participant's Account on the record date for the payment of such distribution, by (B) the Distribution Market Value, with fractions computed to the nearest whole number;
- (c) a Distribution Equivalent in the form of additional RTUs as of the distribution payment date in respect of which distributions are paid on Units, such Distribution Equivalent shall be computed by dividing (X) the amount obtained by multiplying the amount of distribution declared and paid per Unit by the number of RTUs recorded in the Participant's Account on the record date for the payment of such distribution, by (Y) the Distribution Market Value, with fractions computed to three decimal places; or
- (d) any combination of (a), (b) or (c);

provided that if the Board determines to award a Distribution Payment Method to Participants, the Board shall have the sole discretion to determine which Distribution Payment Method, or combination thereof, a Participant shall receive. Any Distribution Payment Method awarded pursuant to this section 4.3 shall vest and be payable in accordance with the terms of RTUs associated therewith.

To the extent that a Participant receives any distributions in accordance with section 4.3 in the form of Units or additional RTUs, such Units or additional RTUs shall be excluded for the purposes of determining any adjustments in accordance with section 4.10.

#### **4.4 Vesting**

- (a) Subject to Article 6, an award of RTUs under the Market Plan shall vest in accordance with the terms specified in the Participant's RTU Agreement. The vesting provisions in any RTU Agreement will be determined either by the Board, or the Committee if delegated by the Board to do so, each in its sole discretion; provided that unless forfeited prior to such date, all awards of RTUs under the Market Plan shall vest no later than the Expiry Date of the corresponding RTU.
- (b) For greater certainty, the vesting of RTUs may be determined from time to time by the Board, or the Committee if so delegated by the Board, to include criteria such as, but not limited to:
  - (i) time vesting, in which a Unit is not delivered to a Participant until the Participant has held the corresponding RTU for a specified period of time; and
  - (ii) performance vesting, in which the number of Units to be delivered to a Participant for each RTU that vests may fluctuate based upon the Trust's performance and/or the market price of the Units, in such manner as determined by the Board or, if so delegated, the Committee, in their sole discretion.

#### **4.5 Restricted Unit Purchases by Plan Trustee**

At its discretion, the Trust shall remit one or more Trust Contributions to the Plan Trustee in the amount necessary to allow the Plan Trustee to arrange for the purchase of Units equal to the maximum number of Units that may be delivered to a Participant following the vesting of RTUs awarded to Participants under section 4.2 prior to the date that such RTUs vest in accordance with section 4.4.

The Plan Trustee shall arrange for the purchase of the requisite number of Units through an Exchange participating organization and the facilities of the Exchange as soon as practicable (but in any event within 30 calendar days) after receipt of any Trust Contributions. The Units shall be purchased at prevailing market prices and in accordance with any Exchange rules applicable thereto.

In the event that any Trust Contribution received by the Plan Trustee is insufficient to acquire the number of Units required at a particular time, the Plan Trustee will notify the Trust of the additional Trust Contribution required and the Trust shall forthwith provide such amount to the Plan Trustee.

The Trust will be responsible for, and Trust Contributions may be used by the Plan Trustee to pay, all brokerage commissions or similar fees in connection with such purchases.

#### **4.6 Limit on Purchases**

Notwithstanding the provisions of section 4.5, the Plan Trustee, in its discretion, may limit the daily volume of purchases of Units or cause such purchases to be made over several trading days to the extent that such action is deemed by it to be necessary to avoid disrupting the market price for Units or otherwise be in the best interests of the Trust.

#### **4.7 Assets of the Market Plan Trust Fund**

The Plan Trustee shall receive Trust Contributions from the Trust. Trust Contributions and the Units acquired therewith shall constitute the Market Plan Trust Fund and shall be held, administered and dealt with by the Plan Trustee pursuant to the terms of the Market Plan.

#### **4.8 Registration of Units and Rights of Ownership**

All Units purchased by the Plan Trustee pursuant to the Market Plan shall be registered in the name of the Plan Trustee or a nominee thereof and shall be held in the Market Plan Trust Fund in accordance with the terms hereof.

Each Participant shall have the right and shall be afforded the opportunity to instruct the Plan Trustee in writing how to vote, on any issue coming before the Unitholders, with respect to the Units held for the benefit of such Participant by the Plan Trustee in the Market Plan Trust Fund at the record date for any meeting of the Unitholders. Instructions by a Participant to the Plan Trustee shall be in such form and delivered pursuant to such regulations as the Board may prescribe, subject to the approval of the Plan Trustee, and any such instructions to the Plan Trustee shall remain in the strict confidence of the Plan Trustee. If the Plan Trustee does not receive timely and proper instructions from a Participant regarding the voting of Units held for the benefit of such Participant by the Plan Trustee in the Market Plan Trust Fund, such Units shall not be voted. Similar procedures shall apply to any consent solicitation of the Unitholders. Units corresponding to Forfeited RTUs shall not be voted.

#### **4.9 Delivery of Units by the Plan Trustee following Vesting**

Provided that the relevant vesting date of an award of RTUs under the Market Plan shall have occurred, unless the Trust and the Participant have agreed in the Participant's RTU Agreement to a different withdrawal and delivery schedule to follow vesting, the Plan Trustee shall, as soon as practicable after the earliest to occur of (i) the date on which the Units corresponding to a vested award of RTUs are required to be delivered in accordance with Article 6, (ii) the date of delivery specified in a written notice from the Participant to the Plan Trustee requesting the delivery of the Units corresponding to the vested award of RTUs, provided that such delivery date may not be earlier than January 1st nor later than December 31st of the third calendar year following the calendar year of the Award Date of the RTUs, and (iii) December 31st of the third calendar year following the calendar year of the Award Date of the RTUs, withdraw from the Market Plan Trust Fund the number of Units required to be delivered to a Participant pursuant to the vested RTUs in the Participant's Account and shall transfer title, register and deliver certificates or other confirmation of issuance including a direct registration statement for such Units to the Participant by first class insured mail, unless the Plan Trustee shall have received alternate instructions from the Participant (through the Plan Administrator) for the registration and/or delivery of the certificates or other confirmation of issuance including a direct registration statement. For greater certainty, unless forfeited prior to such date, all Units to be delivered to Participants following the vesting of RTUs shall be delivered to Participants no later than December 31st of the third calendar year following the Award Date of the RTUs awarded to the Participants, or such later date as may be permitted by applicable income tax laws.

#### 4.10 Changes in Units

In the event there is any change in Units through the declaration of distributions or subdivisions, consolidations, or exchanges of Units or otherwise, the number of Units available for issuance following the vesting of RTUs granted under the Market Plan shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Market Plan.

#### 4.11 Plan Trustee

The Committee will appoint one or more persons or a company to act as Plan Trustee and purchasing agent for the Market Plan upon the grant of any RTUs under the Market Plan.

### ARTICLE 5 THE TREASURY PLAN

#### 5.1 The Treasury Plan

The Treasury Plan is hereby established for Participants.

#### 5.2 Grant of RTUs

Subject to section 3.2, an award of RTUs pursuant to the Treasury Plan will be made and the number of such RTUs awarded will be credited to each Participant's Account, effective as of the Award Date. The number of RTUs to be credited to each Participant's Account shall be determined by the Board, or the Committee delegated by the Board to do so, each in its sole discretion. The RTUs credited to a Participant's Account pursuant to this section shall be noted as having been granted under the Treasury Plan.

#### 5.3 Distributions

In the event that a distribution is declared and paid on the Units, the Board shall have the discretion to award Participants (each of 5.3(a), (b) and (c) referred to in this section as a "**Distribution Payment Method**"):

- (a) a cash payment equivalent to the distribution that would have been paid on the Units underlying the RTUs credited to a Participant's Account had such Units been outstanding from the date of the grant of the RTUs;
- (b) Units in an amount computed by dividing (A) the amount obtained by multiplying the amount of the distribution declared and paid per Unit by the number of RTUs recorded in the Participant's Account on the record date for the payment of such distribution, by (B) the Distribution Market Value, with fractions computed to the nearest whole number;
- (c) a Distribution Equivalent in the form of additional RTUs as of the distribution payment date in respect of which distributions are paid on Units, such Distribution Equivalent shall be computed by dividing (X) the amount obtained by multiplying the amount of distribution declared and paid per Unit by the number of RTUs recorded in the Participant's Account on the record date for the payment of such distribution, by (Y) the Distribution Market Value, with fractions computed to three decimal places; or
- (d) any combination of (a), (b) or (c);

provided that if the Board determines to award a Distribution Payment Method to Participants, the Board shall have the sole discretion to determine which Distribution Payment Method, or combination thereof, a Participant shall receive. Any Distribution Payment Method awarded pursuant to this section 5.3 shall vest and be payable in accordance with the terms of RTUs associated therewith.

To the extent that a Participant receives any distributions in accordance with section 5.3 in the form of Units or additional RTUs, such Units or additional RTUs shall be excluded for the purposes of determining any adjustments in accordance with section 5.6.

#### **5.4 Vesting**

- (a) Subject to Article 6, an award of RTUs under the Treasury Plan shall vest in accordance with the terms specified in the Participant's RTU Agreement, except that no such RTU, or portion thereof, may vest after the Expiry Date in respect thereof. The vesting provisions in any RTU Agreement will be determined by the Board, or the Committee if delegated by the Board to do so, each in its sole discretion.
- (b) For greater certainty, the vesting of RTUs may be determined from time to time by the Board or the Committee if so delegated by the Board, to include criteria such as, but not limited to:
  - (i) time vesting, in which a Unit is not delivered to a Participant until the Participant has held the corresponding RTU for a specified period of time; and
  - (ii) performance vesting, in which the number of Units to be delivered to a Participant for each RTU that vests may fluctuate based upon the Trust's performance and/or the market price of the Units, in such manner as determined by the Board or, if so delegated, the Committee, in their sole discretion.

#### **5.5 Allotment of Units for Issuance by the Trust**

The Trust shall allot for issuance from treasury such number of Units corresponding to the maximum number of Units that may be deliverable to Participants following the vesting of RTUs awarded to Participants under the Treasury Plan.

#### **5.6 Limits on Issuances**

Subject to adjustments in accordance with section 5.3 of the Treasury Plan, the maximum number of Units available for issuance under the Treasury Plan at any time shall not exceed 2.5% of the aggregate number of Outstanding Securities from time to time and the maximum number of Units available for issuance under the Treasury Plan and the Unit Option Plan, if there is such a plan in place, shall not exceed 2.5% of Outstanding Securities from time to time plus the number of Units reserved for issuance under any outstanding Options. This prescribed maximum may be subsequently increased to any specified amount, provided the change is authorized by a vote of the Unitholders.

In addition, the number of Units reserved for issuance and which may be issued pursuant to the Treasury Plan and other Security Based Compensation Arrangements established by the Trust shall be limited as follows:

- (a) the number of Units reserved for issuance to any one individual shall not exceed 2.5% of the Outstanding Securities;
- (b) the number of Units reserved for issuance under all Security Based Compensation Arrangements granted to Insiders shall not exceed 2.5% of the Outstanding Securities plus the number of Units reserved for issuance under any outstanding options (which combined number can never exceed 9.75% in the aggregate);
- (c) the number of Units that may be issued to Insiders within any one-year period under all Security Based Compensation Arrangements shall not exceed 2.5% of the Outstanding Securities plus the number of Units reserved for issuance under any outstanding Options (which combined number can never exceed 9.75% in the aggregate);
- (d) the maximum number of Units issuable at any time pursuant to outstanding RTUs under the Treasury Plan granted to Trustees who are not officers or employees of an Alaris Entity shall be limited to 0.5% of the Outstanding Securities; and
- (e) the maximum participation for a Trustee who is not an officer or employee of an Alaris Entity under the Treasury Plan is limited an annual equity award value of \$150,000, provided that the maximum annual equity award value for such a Trustee under all Security Based Compensation Arrangements shall not exceed \$150,000 and further provided that these limits shall not apply in respect of an initial grant of RTUs to a newly appointed or elected Trustee.

Notwithstanding anything else in the Plans, including section 2.6, the Board may not, without the approval of Unitholders, amend this section or any other provision of the Treasury Plan to increase the limits set forth in paragraphs 5.6(d) and (e) above.

For the purposes of this section 5.6, any increase in the issued and outstanding Units (whether as a result of the issue of Units pursuant to RTUs or Options or otherwise) will result in an increase in the number of Units that may be issued pursuant to RTUs at any time and any increase in the number of RTUs granted will, upon issue of Units pursuant to such RTUs, make new RTUs available under the Plan.

RTUs that are forfeited or otherwise cancelled, terminated or expire shall result in the Units that were reserved for issuance thereunder being available for a subsequent grant of RTUs pursuant to the Treasury Plan to the extent of any Units issuable thereunder that are not issued under such forfeited or otherwise cancelled, terminated or expired RTUs.

### **5.7 Delivery of Payment by the Trust following Vesting**

Provided that the relevant vesting date of an award of RTUs under the Treasury Plan shall have occurred, unless the Trust and the Participant have agreed in the Participant's RTU Agreement to a different delivery schedule to follow vesting (which delivery shall in no case be later than the Expiry Date), the Trust shall, as soon as practicable after the earliest to occur of (i) the date on which the payment corresponding to a vested award of RTUs is required to be delivered in accordance with Article 6, and (ii) the date of delivery specified in a written notice from the Participant to the Trust requesting the delivery of the payment corresponding to the vested award of RTUs, settle the RTU by any of the following methods or by a combination of such methods:

- (a) payment in cash;
- (b) payment in Units acquired on an Exchange or otherwise in the open market or in a private transaction; or
- (c) issue from treasury to such Participant the number of Units;

in an amount equal to the value of such Participant's vested RTUs in the Participant's Account. The Trust shall not determine whether the payment method shall take the form of cash or Units until the vesting date, or some reasonable time prior thereto. A holder of a RTU shall not have any right to demand, be paid in, or receive Units in respect of an RTU, at any time. Notwithstanding any election by the Trust to settle a RTU, or portion thereof, in Units, the Trust reserves the right to change its election in respect thereof at any time up until payment is actually made, and the holder of such RTU shall not have the right, at any time to enforce settlement in the form of Units of the Trust.

The Trust shall register and deliver certificates or other confirmation of issuance including a direct registration statement for any Units to be delivered to the Participant by first class insured mail, unless the Trust shall have received alternative instructions from the Participant (through the Plan Administrator) for the registration and/or delivery of the certificates or other confirmation of issuance including a direct registration statement. For greater certainty, unless forfeited prior to such date, all payments to be delivered to Participants following the vesting of RTUs shall be delivered to Participants no later than Expiry Date in respect of such RTUs.

### **5.8 Surrender Offer**

At any time prior to the earliest of:

- (i) the date on which the Units corresponding to a vested award of RTUs are required to be delivered in accordance with Article 6; and
- (ii) the date of delivery specified in a written notice from the Participant to the Trust requesting the delivery of the payment corresponding to the vested award of RTUs,

a Participant may make an offer (the "**Surrender Offer**") to the Trust, at any time, for the disposition, surrender and termination of any of the RTUs granted under the Plans to such Participant for an amount (not to exceed fair market value) specified therein by the Participant and the Trust may, but is not obligated to, accept the Surrender Offer, subject to any regulatory approval required. If the Surrender Offer, either as made or as renegotiated, is accepted, the RTUs in respect of which the Surrender Offer relates shall be surrendered and deemed to be terminated and cancelled and shall cease to grant

the Participant any further rights thereunder upon payment of the amount of the agreed Surrender Offer by the Trust to the Participant.

## **5.9 Changes in Units**

In the event there is any change in the Units through the declaration of distributions or subdivisions, consolidations or exchanges of Units, or otherwise, the number of Units underlying the RTUs granted under the Treasury Plan shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Treasury Plan.

## **ARTICLE 6 ACCELERATED VESTING AND FORFEITURE**

### **6.1 Vesting During Blackout**

If the normal vesting date of any RTU falls within any Blackout Period or within 5 business days (being a day other than a Saturday, Sunday or other than a day when banks in Calgary, Alberta are not generally open for business) following the end of any Blackout Period (the "**Restricted RTUs**"), then the vesting date of such Restricted RTUs shall, without any further action, be extended to the date that is 5 business days following the end of such Blackout Period, provided that in no circumstance will the vesting date be extended beyond the Expiry Date. Notwithstanding any other provision of this Plan, including this Section 6.1, in the event that a vesting date in respect of a RTU would occur after the Expiry Date, the vesting date in respect of such Restricted RTU shall be on the Expiry Date of such RTU and such RTU shall be settled by any of the following methods or by a combination of such methods (the delivery of the following to occur no later than Expiry Date in respect of such RTUs):

- (a) payment in cash;
- (b) payment in Units acquired on an Exchange or otherwise in the open market or in a private transaction; or
- (c) issue from treasury to such Participant the number of Units.

The foregoing extension applies to all RTUs whatever the date of grant.

### **6.2 Accelerated Vesting**

The Board in its sole discretion may, by resolution, permit all unvested awards of RTUs to vest immediately and the Units corresponding to the RTUs in the Participants' Accounts to be delivered in accordance with section 4.9 or 5.7, as applicable.

### **6.3 Delivery on Forfeiture**

Unless otherwise determined by the Board or unless otherwise provided in an RTU Agreement pertaining to a particular RTU or any written employment, consulting or other agreement governing a Participant's role as a Service Provider, where a Participant ceases to be a Participant pursuant to sections 6.4 or 6.6, any payment corresponding to any remaining vested award of RTUs shall be delivered to the former Participant in accordance with section 4.9 or 5.7, as applicable, as soon as practicable after the Forfeiture Date and the former Participant shall not be entitled to any further distribution of Units or any payment from the Plans.

### **6.4 Retirement**

If a Participant Retires from employment with all applicable Alaris Entities or Retires as a trustee of the Trust (or in the case of a Participant who is both an employee and a trustee, who Retires from employment and as a trustee) before all awards respecting RTUs credited to the Participant's Account have vested or are forfeited pursuant to any other provision hereof, such RTUs shall vest on the effective date of Retirement, as determined by the Board.



## **6.5 Resignation**

Unless otherwise determined by the Board or unless otherwise provided in a RTU Agreement pertaining to a particular RTU or any written employment, consulting or other agreement governing a Participant's role as a Service Provider, if a Participant resigns from employment with the Trust resigns as a trustee of the Trust (or in the case of a Participant is both an employee and a trustee, resigns from employment and a trustee of the Trust), as determined by the Board in its sole discretion, before all of the awards respecting RTUs credited to the Participant's Account have vested or are forfeited pursuant to any other provision hereof, such Participant shall cease to be a Participant as of the Forfeiture Date, and the former Participant shall forfeit all unvested awards respecting RTUs in the Participant's Account effective as at the Forfeiture Date.

## **6.6 Disability and Leaves of Absence**

If a Participant becomes eligible for long-term disability benefits under the terms of a long-term disability plan of the applicable Alaris Entity or is eligible for short term disability or is on approved leave, as determined by the Board in its sole discretion, before all of the awards respecting RTUs credited to the Participant's Account have vested or are forfeited pursuant to any other provision hereof, such Participant shall be deemed to continue to be a Participant for purposes of the Plans. For greater certainty, so long as a Participant continues to be deemed a Participant for purposes of this paragraph, the vesting of such Participant's RTUs pursuant to section 4.4 or 5.4, as applicable, and this Article 6 shall continue to apply to such Participant.

## **6.7 Termination of Employment**

Unless otherwise determined by the Board or unless otherwise provided in an RTU Agreement pertaining to a particular RTU or any written employment, consulting or other agreement governing a Participant's role as a Service Provider, if a Participant is terminated from all applicable Alaris Entities for any reason (including involuntary termination without cause), as determined by the Board in its sole discretion, before all of the awards respecting RTUs credited to the Participant's Account have vested or are forfeited pursuant to any other provision hereof, such Participant shall cease to be a Participant as of the Forfeiture Date, and the former Participant shall forfeit all awards respecting unvested RTUs in his Account effective as at the Forfeiture Date. Notwithstanding the previous sentence, in the event of an involuntary termination without cause, the Board may, in its sole discretion, permit a Participant to continue to participate in the Plans during any statutory or common law severance period or any period of reasonable notice that the applicable Alaris Entities may be required at law or pursuant to any written employment, consulting or other agreement governing a Participant's role as a Service Provider, to provide to the Participant. In such circumstances, the Participant shall cease to be a Participant following the expiry of the severance period or period of reasonable notice, as applicable.

## **6.8 Death**

If a Participant dies before all of the awards respecting RTUs credited to the Participant's Account have vested or are forfeited pursuant to any other provision hereof, all unvested awards respecting RTUs will vest effective on the date of death. The Trust and/or Plan Administrator will notify the Plan Trustee as soon as practicable after receiving notice of such death. Upon receipt of satisfactory evidence of the Participant's death from the authorized legal representative of the deceased Participant, the Units corresponding to the number of RTUs in such Participant's Account shall be paid out to the legal representative of the deceased former Participant's estate in accordance with section 4.9 or 5.7, as applicable.

## **6.9 Forfeited Units**

The Plan Trustee shall sell a sufficient number of Units held in the Market Plan Trust Fund corresponding to Forfeited RTUs through an Exchange participating organization and the facilities of the Exchange and shall use the proceeds of such sale to pay Basic Administration Expenses of the Plan Trustee under the Market Plan and to return amounts in respect of Trust Contributions. The Plan Trustee, in its discretion, may limit the daily volume of such sale(s) or cause such sales to be made over several trading days to the extent that such action is deemed by it to be necessary to avoid disrupting the market price for Units or otherwise be in the best interests of the Trust. To the extent that the proceeds of such sale(s) of such Units exceed the Basic Administration Expenses of the Plan Trustee, the excess sale proceeds shall revert to the Trust as soon as practicable as a return of Trust Contributions. The Plan Trustee may also use Units corresponding to Forfeited RTUs to satisfy

any future awards of RTUs made pursuant to section 4.2. In no circumstances shall the Plan Trustee transfer and deliver Units (including any which correspond to Forfeited RTUs) to the Trust.

#### **6.10 Termination on Divestiture**

- (a) In the event that a divestiture of a business unit (including a divestiture by sale, closure or outsourcing) of the Trust results in the termination of a Participant's term as an officer, Trustee, director or employee of all applicable Alaris Entities and such Participant becomes a director, officer or employee of the person acquiring or operating such business unit, the Board may:
  - (i) accelerate the vesting of all or any portion of a Participant's RTUs; or
  - (ii) determine that such Participant shall continue to be a Participant for the purposes of the Plan, but subject to such terms and conditions (including vesting), if any, established by the Board in its sole discretion.
- (b) In the event that a divestiture of a business unit (including a divestiture by sale, closure or outsourcing) of the Trust results in the termination of employment of a Participant and such Participant is not offered another directorship, trusteeship, office or employment with an Alaris Entity or with the entity to whom the divestiture is made (or any affiliate thereof), then the provisions of section 6.7 shall apply.

#### **6.11 Change of Control**

- (a) Upon the Trust entering into an agreement relating to, or otherwise becoming aware of, a transaction which, if completed, would result in a Change of Control, the Trust shall give written notice of the proposed transaction to the Participants not less than ten days prior to the closing of the transaction resulting in the Change of Control.
- (b) Upon the occurrence of a Change of Control, the Board may, in its sole discretion, accelerate the vesting of all or a portion of all the RTUs of all Participants.

### **ARTICLE 7 GENERAL**

#### **7.1 Compliance with Laws**

The administration of the Plans, including without limitation all purchases of Units under the Market Plan or issuance of Units under the Treasury Plan, shall be subject to and made in conformity with all applicable laws and any applicable regulations of a duly constituted authority.

#### **7.2 Reorganization of the Trust**

The existence of any RTUs or Units corresponding to such RTUs shall not affect in any way the right or power of the Trust or its Unitholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Trust's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Trust or to create or issue any bonds, debentures, Units or other securities of the Trust or the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Trust or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

#### **7.3 General Restrictions and Assignment**

Except as required by law, the rights of a Participant hereunder are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

The rights and obligations hereunder may be assigned by the Trust to a successor in the business of the Trust.

#### **7.4 Market Fluctuations**

No amount will be paid to, or in respect of, a Participant under the Plans to compensate for a downward fluctuation in the price of Units, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

The Trust makes no representations or warranties to Participants with respect to the Plans or the RTUs whatsoever. Participants are expressly advised that Trust Contributions will be used to acquire Units under the Market Plan and that the value of any RTUs and Units under the Plans will fluctuate as the trading price of Units fluctuates. If the Board or Committee has attached performance vesting criteria to any RTUs under sections 4.4 or 5.4, the number of Units delivered to a Participant following the vesting of such RTU may fluctuate based upon the terms of such vesting criteria.

In seeking the benefits of participation in the Plans, a Participant agrees to exclusively accept all risks associated with a decline in the market price of Units and all other risks associated with the holding of RTUs.

#### **7.5 No Rights to Employment**

- (a) Nothing in this document or in the opportunity to participate in the Plans shall confer upon any Participant any right to continued employment with any Alaris Entity nor shall interfere in any way with the right of an Alaris Entity to terminate the Participant's employment at any time.
- (b) Nothing in this document or in the opportunity to participate in the Plans shall be construed to provide the Participant with any rights whatsoever to participate or to continue participation in the Plans, or to compensation or damages in lieu of participation or the right to participate in the Plans upon the termination of the Participant's employment for any reason whatsoever.
- (c) A Participant shall not be entitled to any right to participate or to continue to participate in the Plans or to compensation or damages in lieu of participation or the right to participate in the Plans in consequence of the termination of his employment the applicable Alaris Entities for any reason (including, without limitation, any breach of contract by any Alaris Entity or in consequence of any other circumstances whatsoever).

#### **7.6 No Trading on Undisclosed Information**

No Participant shall in any manner participate in the trading of Units based upon insider or undisclosed material corporate information. Any trading based on undisclosed material information by a Participant may be subject to prosecution and may result in discipline by the Trust up to and including termination of a Participant's employment with the applicable Alaris Entities. Participants should consult the Disclosure, Confidentiality & Trading Policy of the Trust available from the Trust.

#### **7.7 No Unitholder Rights**

Under no circumstances shall RTUs be considered an interest in any Units, convertible debentures or any other securities or interest of the Trust or other Alaris Entity as applicable, nor shall any Participant be considered to be the owner of any Units or have the right to receive Units, by virtue of an award of RTUs until such RTUs have vested and Units are delivered to the Participant in accordance with the terms of the Plans. RTUs shall not entitle any Participant to exercise voting rights with respect to Units (except as provided in section 4.8) nor any other rights attaching to the ownership of Units or other securities of the Trust. To the extent the assets that constitute the Market Plan Trust Fund are insufficient to satisfy the rights of Participants under the Market Plan, such rights shall be no greater than the rights of an unsecured creditor of the Trust.

#### **7.8 Governing Law**

The validity, construction and effect of the Plans and any actions taken or relating to the Plans shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein.

## **7.9 Currency**

All amounts paid or values to be determined under the Plans shall be in Canadian dollars.

## **7.10 Severability**

The invalidity or unenforceability of any provision of this document shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this document.

## **7.11 Effectiveness**

Pursuant to the terms of the Plan of Arrangement, this Plan shall become effective on the Effective Time as set forth in the Plan of Arrangement and each restricted share unit granted under the Corporation's restricted share unit plan (as the same had been amended and restated) and outstanding immediately prior to the Effective Time has been exchanged for an RTU granted under the Plan in accordance with, and at such time set forth in, the Plan of Arrangement and shall be governed by and subject to this provisions of this Plan.

### **ALARIS EQUITY PARTNERS INCOME TRUST**

**(signed) "John Ripley"**

Per: John ("Jay") F. Ripley  
Chair of the Board of Trustees

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