ALARIS
ROYALTY CORP.

ANNUAL INFORMATION FORM

(For the period ended December 31, 2019)

Dated: March 30, 2020

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ABOUT THIS ANNUAL INFORMATION FORM

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

CONVENTIONS

Alaris carries on its business directly and through its subsidiaries and in this AIF, all references to "**we**", "**us**", "**our**", "**Alaris Royalty Corp.**", "**Alaris**", and the "**Corporation**" refer collectively to Alaris Royalty Corp. and our subsidiaries on a consolidated basis, unless the context specifies or implies otherwise.

For reporting purposes, Alaris prepares its financial statements in Canadian dollars and in conformity with Canadian IFRS (as defined herein). Except as otherwise indicated, all dollar amounts in this AIF are expressed in Canadian dollars.

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

DATE OF INFORMATION

This AIF is dated as of March 30, 2020. Except as otherwise indicated, the information contained in this AIF is given as at or for the year ended December 31, 2019.

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

Alaris' public communications often include written or oral statements which contain forward-looking information. Statements of this type are included in this AIF and may be included in our other filings with Canadian securities regulators, or in our other communications. Statements other than historical facts are forward-looking and can often be identified by looking for words such as "believe", "plan", "expect", "could", "seek", "would", "will", "intend", "strategy", "project", "anticipate", "target", "estimate", "continue" or similar words and expressions, or the negative of such words and expressions. All such statements are made pursuant to the applicable provisions of, and are intended to be forward-looking statements or forward-looking information (collectively "forward-looking statements") under applicable Canadian securities legislation. Forward-looking statements contained herein include, without limitation, comments with respect to: our objectives and priorities for 2020 and beyond, our growth strategies or future actions and those of our Partners (as defined herein), the results of or outlook for our operations and those of our Partners (as defined herein) or for the Canadian and U.S. economies, the risks that may impact our business and that of our Partners, the timing and terms of any resolution to issues facing our Partners, timing of follow-on investments with Partners, restart of Distributions (as defined herein) from certain Partners, expected results of any CRA audit proceedings, estimates and adjustments of the annual Distribution to be received by Alaris from each of the Partners and the percentage change in the applicable performance metric for a Partner. See "*Description of the Business and Operations – Our Philosophy*", "*Description of the Business and Operations – Our Growth Strategy*", "*Our Financing Arrangements*", "*Our Current Partners – LMS – Business Overview, Operations and Customers*", "*Our Current Partners – SCR – Business Overview and Operations*", "*Our Current Partners – Stride – Business Overview and Operations*", "*Our Current Partners – Kimco – Business Overview and* Operations", "*Our Current Partners – PFGP – Business and Operations*", "*Our Current Partners – DNT – Business Overview and Operations*", "*Our Current Partners – Federal Resources – Business Overview and Operations*", "*Our Current Partners – Providence - Business Overview, Operations and Customers*", "*Our Current Partners – Unify - Business Overview, Operations and Customers*", "*Our Current Partners – ccComm-Business Overview, Operations and Customers*", "*Our Current Partners – Accscient – Business Overview and Operations*", "*Our Current Partners – Heritage – Business Overview and Operations*", "*Our Current Partners – Fleet – Business Overview and Operations*", "*Our Current Partners – GWM – Business Overview and Operations*", "*Our Current Partners – Body Contour Centers – Business Overview and Operations*", "*Our Current Partners – Amur – Business Overview and Operations*", "*General Development of the Business"* and "*Risk Factors*" for specific forward-looking statements relating to these comments. To the extent that any forward-looking statements herein constitute a financial outlook, including estimated annual Distributions to be received by us, the estimated change in performance metric and the outlook for our operations and those of our Partners, they were approved by Management as of the date hereof and have been included to assist readers in understanding Management's current expectations regarding Alaris' financial performance and are subject to the same risks and assumptions disclosed herein.

By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. Assumptions about the performance of the Canadian and U.S. economies over the next 24 months and how that will affect our business and our ability to identify and close new opportunities with new Partners are material factors we considered when setting our strategic priorities and objectives and our outlook for our business. Key assumptions include assumptions that: we will be able to adequately manage the impact that COVID-19 will have on our and our Partners' businesses; after a reasonably short period of market stabilization following the COVID-19 pandemic, the Canadian and U.S. economies will continue to grow at a moderate pace and not deteriorate materially over the next 12 to 24 months; that interest rates will not increase dramatically more than current market forecasts over the next 12 to 24 months; that upon the end of extreme government intervention to mitigate the COVID-19 pandemic, political leaders in Canada and the U.S. will cease existing and not implement additional policies which negatively impact Alaris' business and the businesses of its Partners; that, upon a general economic recovery from the COVID-19 pandemic, our Partners will continue to make distributions to Alaris as anticipated based on the current arrangements with the Partners; that the businesses of our Partners will not experience material negative results, other than as may already be disclosed or as may be related to the COVID-19 pandemic; that current issues including operational issues, industry issues and/or with our Partners will be resolved as currently anticipated; that, upon a general economic recovery from the COVID-19 pandemic, Alaris will experience organic growth via positive resets to our annual cumulative Distributions from our Partners based on the financial results of each Partner in their last fiscal year; that tax rates and tax laws will not change significantly in Canada, the U.S. or the Netherlands and any announced changes will not have a material adverse impact on the Corporation and its operations; that more private companies will require access to alternative sources of capital; Alaris and the applicable Partners will benefit from any temporary measures utilized by Alaris to assist a Partner's performance; and that we will have the ability to raise required equity and/or debt financing, if and when needed, on acceptable terms. We have also assumed that access to the capital markets will remain relatively stable, that the capital markets will perform with normal levels of volatility and that the Canadian dollar will not have a high amount of volatility relative to the U.S. dollar. In determining our expectations for economic growth, we primarily consider historical economic data provided by the Canadian and U.S. governments and their agencies.

There is a significant risk that our predictions, forecasts, conclusions or projections will prove to be inaccurate, that our assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections. Although we believe that the expectations and assumptions reflected in our forward-looking statements are reasonable, we caution readers of this AIF not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to those factors listed under the heading "*Risk Factors*". We caution that this list of risk factors is not exhaustive. Other factors could adversely affect our results. When relying on forward-looking statements to make decisions with respect to Alaris, investors and others should carefully consider these factors, and other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Alaris does not undertake to update any forward-looking statements, whether written or oral, that may be made, from time to time, by the organization or on its behalf, except as required by law. The forward-looking statements contained in this AIF are presented for the purpose of assisting our investors in understanding our operations, prospects, risks and other external factors that impact us specifically as at and for the periods ended on the dates presented, and may not be appropriate for other purposes.

NON-IFRS MEASURES

The terms "EBITDA", "normalized EBITDA" and "annual earnings coverage ratio" (collectively, the "**Non-IFRS Measures**") are financial measures used in this AIF that are not standard measures under International Financial Reporting Standards ("**IFRS**"). Alaris' method of calculating the Non-IFRS Measures may differ from the methods used by other issuers. Therefore, the Alaris' Non-IFRS Measures may not be comparable to similar measures presented by other issuers. These Non-IFRS Measures should be read in conjunction with the Corporation's financial statements and management discussion and analysis (or other financial information).

EBITDA refers to earnings determined in accordance with IFRS, before depreciation and amortization, net of gain or loss on disposal of capital assets, interest expense and income tax expense. EBITDA is used by management and many investors to determine the ability of an issuer to generate cash from operations. Management believes EBITDA is a useful supplemental measure from which to determine the Corporation's ability to generate cash available for debt service, working capital, capital expenditures, income taxes and dividends.

Normalized EBITDA refers to EBITDA excluding items that are non-recurring in nature and is calculated by adjusting for non-recurring expenses and gains to EBITDA. Management deems non-recurring charges to be unusual and/or infrequent charges that our Partners incur outside of its common day-to-day operations.

Annual earnings coverage ratio ("**ECR**") refers to the normalized EBITDA of each of our Partners for the 12 months ended in each of their fiscal years divided by the sum of each of their debt servicing (interest and principal), unfunded maintenance capital expenditures and distributions to Alaris over the same 12-month fiscal period.

These Non-IFRS measures should only be used in conjunction with our annual audited and quarterly reviewed financial statements, complete versions of which are available on SEDAR.

U.S. INVESTOR DISCLOSURE

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 Regulations S, to persons that are: (a)(i) located in the United States, (ii) are U.S. Persons or (iii) acquiring securities for the account or benefit of persons located in the United States or U.S. Persons, and that are (b) Qualified Purchasers (as defined in Section 2(a)(51)(A) of the 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, to comply with the Section 3(c)(7) exemption, Alaris will issue Common Shares 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 Common Shares to Qualified U.S. Purchasers (which are required to be Qualified Institutional Buyers). Additionally, generally, Qualified U.S. Purchasers that hold Common Shares may not resell their Common Shares 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 Common Shares, see "*Ownership and Transfer Restrictions*."

ERISA Restriction of No Ownership by Plans

Alaris will prohibit investment in Common Shares by "benefit plan investors" and other similar investors, and, therefore, transfers of Common Shares to such investors will also be prohibited. For these purposes, "benefit plan investors" are "employee benefit plans" (within the meeting 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*".

GLOSSARY OF TERMS

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

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

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

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

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

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

"**Alaris**", the "**Corporation**", "**we**", "**us**", or "**our**" means Alaris Royalty Corp.

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

"**Alaris USA**" means Alaris USA Inc., a corporation formed under the laws of the State of Delaware, USA.

"**Amalgamation**" has the meaning given to it under the heading "*Corporate Structure*".

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

"**Board**" means the board of directors of Alaris, as it is comprised from time to time.

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

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

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

"**CanadaCo**" means 6550568 Canada Inc., a corporation amalgamated under the CBCA.

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

"**CCAA**" the *Companies' Creditors Arrangement Act* (Canada), as amended from time to time.

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

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

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

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

"**Distribution**" means a distribution received by Alaris from a Partner as more particularly described under the heading "*Description of the Business and Operation- Our Structure*".

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

"**DNT LLC Agreement**" means the second amended and restated limited liability company agreement of DNT dated June 1, 2015.

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

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

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

"**ERISA Plan**" means an employee benefit plan (within the meaning of Section 3(3) of ERISA) that is subject to Part 4 of Subtitle B of Title I of ERISA, a plan, individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Tax Code, an entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement pursuant to the Plan Asset Rules, and any retirement or benefit plan that is not subject to the foregoing, but is subject to laws or regulations that are similar in effect to the fiduciary responsibility requirements of ERISA or the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the U.S. Tax Code.

"**Federal Resources**" means Federal Resources Supply Company.

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

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

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

"**FR Shares**" means the US$7 million of preferred shares in the capital of Federal Resources acquired by Alaris on June 25, 2015.

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

"**GWM**" means GWM Holdings, Inc.

"**GWM Loan**" means the 20-year subordinated loan in the principal amount of US$41.5 million bearing an interest rate of 13.45% pursuant to a subordinated loan agreement between Alaris and GWM, made as of November 19, 2018.

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

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

"**KMH**" means KMH Limited Partnership, a limited partnership established under the laws of the Province of Ontario.

"**LMS**" means collectively, LMS Management Limited Partnership, a limited partnership established under the laws of the Province of Alberta, and Johassee Rebar LP, a limited partnership established under the laws of the state of Delaware.

"**Management**" means the senior management of Alaris.

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

"**Partners**" means those corporations, partnerships or other entities with which Alaris has directly or indirectly entered into a financing structure in exchange for an annual distribution.

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

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

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

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

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

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

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

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

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

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

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

"**Redeemable DNT Units**" means the US$30 million of preferred units in DNT which are redeemable at par until December 31, 2020; following December 31, 2020 the Redeemable DNT Units shall only be repurchased at the same price and on the same terms as the Permanent DNT Units.

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

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

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

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

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

"**Senior Credit Facility**" means Alaris' senior syndicated term credit facility with a syndicate of Canadian lenders including HSBC Bank Canada (Co-Lead Arranger) and Bank of Montreal (Co-Lead Arranger), which it entered into in November 2015 and as subsequently amended.

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

"**Shareholders**" mean the holders of Common Shares and Non-Voting Shares from time to time.

"**Shares**" means the Common Shares and the Non-Voting Shares.

"**Stride**" means Stride Consulting LLC.

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

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

"**Unify**" means Unify Consulting LLC, formerly Matisia LLC

"**USD**" and "**US$**" means United States dollars, the lawful currency of the United States.

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

"**U.S. Tax Code**" means the United States Internal Revenue Code of 1986, as amended.

CORPORATE STRUCTURE

The Corporation was formed on May 23, 2006, under the CBCA, by amalgamation of CanadaCo and 653Co (the "**Amalgamation**"). CanadaCo was originally incorporated under the CBCA on April 7, 2006, and 653Co was originally incorporated under the CBCA on March 13, 2006. Following completion of the Amalgamation, the Corporation continued to use the name "6550568 Canada Inc." until July 31, 2008, when the Corporation changed its name to "Alaris Royalty Corp.".

Our Common Shares have been listed and posted for trading on the TSX since November 18, 2008, under the symbol "AD".

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

INTERCORPORATE RELATIONSHIPS

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

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

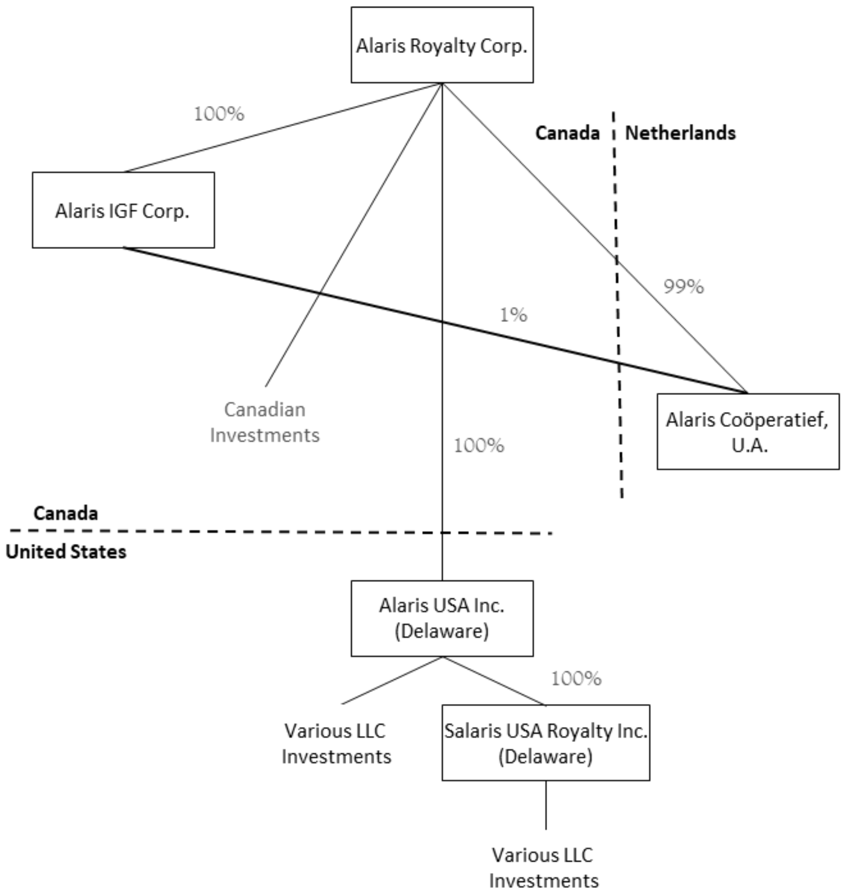
Notes:

(1) Alaris directly owns 100% of AIC's equity.
(2) Alaris directly owns 99%, while AIC owns 1%, of Alaris Coop's equity, together representing Alaris' 100% control of Alaris Coop's equity.
(3) Alaris USA Inc. owns 100% of Salaris' equity.

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

ORGANIZATIONAL CHART

This chart represents the corporate structure as of the date hereof.



GENERAL DEVELOPMENT OF THE BUSINESS

GENERAL

Alaris seeks to provide long-term equity capital to companies for whom traditional private equity capital or debt is not typically available or attractive, namely privately-held companies whose owners want to retain long-term control of their businesses. In pursuit of this strategy, our business planning considers the prevailing economic conditions, the evolving needs of our existing and potential Partners and our shareholders, and the opportunities available to us. Over the past three years, we have continued to focus on positioning our business for improved growth and performance. We continue to focus on: (a) providing long-term capital to a diversified group of profitable, well-managed private companies around the world (with a focus on North America) and; (b) generating predictable, increasing cash flows which will allow us to provide a stable and predictable dividend to our shareholders.

THREE YEAR HISTORY

2017

(1) On January 13, 2017, Alaris contributed US$4 million to ccComm in exchange for preferred equity providing for an initial annualized pre-tax Distribution of US$0.6 million.

(2) In March- 2017, Alaris provided an extension to the repurchase period in its notice of default to Agility through April 30, 2017, provided that Agility complied with certain conditions, including repaying a portion of the unpaid Distributions that were deferred in 2016 in March and April (US$0.2 million in total) and continuing regularly scheduled monthly distributions to Alaris.

(3) In March 2017, Alaris received an additional payment from KMH of approximately $0.5 million representing a further payment of the repurchase price of $28 million for Alaris' preferred equity in KMH.

(4) On March 30, 2017, Alaris provided a $5 million loan to Group SM. Alaris' proceeds along with proceeds from a new lender resulted in the repayment of all of Group SM's current senior debt, bearing interest at an annual rate of 12%. In May 2017 Alaris loaned an additional $5 million to Group SM. The two loans were secured first priority over all the accounts receivable of the business while the loan is outstanding.

(5) On June 28, 2017 Alaris contributed US$20 million to Accscient, in exchange for preferred equity providing for an initial annualized pre-tax Distribution of US$3 million.

(6) On June 28, 2017 Alaris announced the formalizing of exit terms with KMH including the receipt of an additional $9.8 million of cash proceeds and promissory notes in the amount of $25.7 million.

(7) On August 31, 2017 the Corporation contributed US$85 million to a new partner, SBI in exchange for US$11.1 million of pre-tax annualized Distributions in the first 12 months following closing of the SBI Contribution.

(8) On August 31, 2017 Alaris contributed an additional US$2.2 million to ccComm in exchange for a pre-tax annualized Distribution of US$0.3 million to support ccComm's acquisition initiatives.

(9) On September 1, 2017 Alaris announced it closed the redemption of all of its interest in Sequel and had received US$91.7 million from Sequel for all of Alaris' units in Sequel. In October 2017 Alaris received an additional US$4.3 million upon confirmation of the percentage change in same program sales (for the fiscal year ended June 30, 2017).

(10) On September 20, 2017 Alaris provided an update regarding the previously announced arbitration award to Group SM. The amount awarded to Group SM was materially less than expected. Therefore, alternative measures needed to be looked at in order to meet liabilities owed to Alaris.

(11) On September 21, 2017 Alaris contributed an additional US$6 million to Sandbox in exchange for a pre-tax annualized Distribution of US$0.9 million to support Sandbox' acquisition initiatives.

(12) On December 13, 2017, Alaris contributed an additional US$13.5 million to Federal Resources in exchange for a pre-tax annualized Distribution of US$1.8 million to support Federal Resources acquisition initiatives.

(13) On December 15, 2017 Alaris contributed an additional US$7 million to Sandbox in exchange for a pre-tax annualized Distribution of US$1 million to fund a performance earnout on a prior acquisition.

2018

(1) On January 19, 2018 Alaris closed the amended HSBC Credit Facility. A summary of changes were as follows: (a) an increase in capacity from $200 million to $280 million; (b) increasing the accordion feature from $50 million to $70 million; (c) the term of the Facility has been extended for another year to September 2021; and (d) an increase to the permanent leverage covenant from 1.75x EBITDA to 2.5x EBITDA, and the bridge covenant (for 90 days following certain approved transactions) from 2.25x EBITDA to 3.0x EBITDA. There continued to be no amortization payments required and pricing also remained the same.

(2) On January 23, 2018, Alaris contributed US$15 million to Heritage in exchange for a pre-tax annualized Distribution of US$2.3 million. The funds were used by Heritage to complete a management buyout of the founder of the company.

(3) On February 28, 2018, Agility was purchased by a third party; Alaris received $26.7 million, which represented our full unpaid Distributions, loans provided and unpaid interest, return of capital and a premium on our initial capital investment.

(4) In March 2018, the HSBC Credit Facility was amended to increase the borrowing capacity from $280 million to $300 million and decrease the accordion to $50 million from $70 million.

(5) On May 8, 2018 Mr. John (Jay) Ripley was nominated to the Alaris board of directors, replacing Mr. John Budreski who had not run for re-election.

(6) On May 11, 2018, Planet Fitness redeemed approximately 41% of the outstanding Alaris preferred units (representing a cost basis of US$19.1 million) in exchange for US$25 million.

(7) On May 31, 2018, Salaris contributed US$10 million to ccComm in exchange for a pre-tax annualized Distribution of US$1.4 million. The contributed funds were used to fund an acquisition of an additional 33 Sprint locations.

(8) In June 18, 2018, Alaris contributed US$3 million to Accscient in exchange for a pre-tax annualized Distribution of US$0.4 million. The funds were used by Accscient to make an acquisition complementary to its business.

(9) On June 15, 2018, Alaris contributed US$15 million to Fleet Advantage, LLC in exchange for a pre-tax annual Distribution of US$2.1 million. The Fleet contribution was used to fund continued growth and provide partial liquidity to existing shareholders.

(10) On June 25, 2018, Labstat International, LP, redeemed Alaris in full, with Alaris receiving gross proceeds of $69.5 million, which included $4.2 million of previously foregone distributions, $4 million of debt repayment and accrued interest, return of capital and a premium on our initial capital invested.

(11) On June 28, 2018, End of the Roll Carpet and Vinyl, a Corporate Partnership, repurchased its intellectual property from Alaris in exchange for a payment of $12.6 million.

(12) On July 27, 2018, Alaris loaned US$3.8 million to Kimco.

(13) On August 10, 2018, Alaris contributed US$7 million to Accscient in exchange for a pre-tax annualized Distribution of US$1 million. Proceeds were used by Accscient to acquire a business complementary to their current operations.

(14) On September 14, 2018, Alaris contributed US$46 million to Body Contour Centers, in exchange for a pre-tax annualized Distribution of US$6.4 million. The funds were used by BCC to provide partial liquidity for existing shareholders.

(15) On September 20, 2018, Alaris loaned US$5 million to LMS; with interest payable monthly.

(16) In October 2018 assumed certain credit facilities from Sandbox's senior lender. Sandbox was in breach of certain financial covenants under that senior credit facility and as per Alaris' subordination agreement with such senior lender, it had the right to assume the debt position for a total of US$12.5 million.

(17) On November 19, 2018, Alaris contributed a total of US$46 million to GWM and a subsidiary; of this amount, Alaris contributed US$44.5 million to GWM in exchange for preferred equity, and loaned US$41.5 million to its subsidiary, Global Wide Media, Inc. pursuant to a credit agreement. The contributed funds yield an annualized pre-tax return of US$5.6 million in the first calendar year after the investment. The funds were used by GWM to complete a management buyout of an existing equity sponsor.

(18) In late August 2018, Group SM filed for and received a protection order under the CCAA, and a restructuring officer and monitor were put in place. In November 2018, a court approved purchase agreement was entered into by Group SM, its affiliates and FNX, pursuant to which Group SM would sell all or substantially all of its operating assets to FNX and an aggregate of $28 million of Group SM's senior secured debt (including secured debt owing to the Corporation) would be assumed by FNX. In December 2018, Alaris received approximately $5.5 million of proceeds from the CCAA proceedings as a partial repayment of the $10 million in senior secured indebtedness owed to Alaris by Group SM with the balance of $4.5 million being assumed by FNX (with such amount to be reduced by any additional funds received by Alaris through the CCAA proceedings and any remaining assets of Group SM).

(19) On December 11, 2018, Unify redeemed all outstanding redeemable units for US$6 million (at par per our agreement with Unify). Alaris continued to have US$12 million in non-redeemable units held in Unify.

(20) On December 28, 2018, Alaris provided Sandbox with an additional US$1 million under the terms of Sandbox's senior credit facility to use for general working capital purposes.

2019

(1) On January 8, 2019, Alaris contributed US$8 million to Accscient in exchange for an annualized distribution of US$1.1 million. The funds were used by Accscient to make an acquisition.

(2) In January 2019, Alaris received an additional $0.9 million of proceeds from the Group SM CCAA proceedings, thus reducing the amount of debt owed to Alaris by FNX to approximately $3.6 million.

(3) On Feb 22, 2019 Alaris contributed US$5 million to Sandbox in exchange for preferred equity entitling it to a pre-tax annualized Distribution of US$0.8 million.

(4) In March 2019 Alaris received a notice from the senior lenders of Providence notifying Alaris that its distribution from Providence has been blocked for future payments due to Providence's loss of a material customer. Alaris, Providence and the senior lender came to an agreement to restart distributions immediately on a modified basis. The Lender agreed to forbear for a two-year period as a result of Providence's owners contributing a material amount of capital into the business, the proceeds were used as a partial repayment of the senior debt and to fund working capital. As part of the forbearance, annualized distributions to Alaris of US$2.7 million were permitted for the remainder of 2019 and for 2020, representing approximately 50% of the contracted distributions over that same time period. The new agreed on distributions were US$0.2 million per month through March 31, 2021.

(5) On May 10, 2019, SBI redeemed all outstanding redeemable units for US$10 million (at par per our agreement with SBI). Alaris continued to have US$75 million in non-redeemable units in SBI.

(6) On May 22, 2019, Alaris entered into an agreement with a syndicate of underwriters led by CIBC Capital Markets, National Bank Financial Inc., RBC Capital Markets and Scotiabank, pursuant to which Alaris would be issued on a "bought deal basis", subject to regulatory approval, $100 million aggregate principal amount of convertible unsecured subordinated debentures, at a price of $1,000 per debenture, with an interest rate of 5.50% per annum, payable semi-annually on the last business day of June and December which commenced on December 31, 2019. The debentures will mature on June 30, 2024.

(7) On May 31, 2019, Alaris received US$1.5 million from the third party which purchased a US loan that Alaris had outstanding with Phoenix, formerly KMH. The US$1.5 million was recorded as a recovery of a previously recorded bad debt expense.

(8) On June 11, 2019, Alaris closed its offering of $100 million aggregate principal amount of convertible unsecured subordinated debentures.

(9) On June 21, 2019, Alaris contributed $70 million to Amur. The proceeds from the Amur investment were used for partial liquidity to existing Amur shareholders. The investment included $48 million of debt, $2 million of preferred equity and an investment of $20 million in exchange for a minority interest in the common equity of Amur.

(10) On June 27, 2019, Alaris loaned an additional US$3 million to Sandbox.

(11) On July 2, 2019, Alaris contributed an additional US$2 million to ccComm to assist with working capital needs in exchange for additional preferred units.

(12) On July 11, 2019, Alaris invested an additional US$60.2 million into existing partner, PFGP. This follow-on contribution consisted of a new US$43.7 million preferred equity contribution and an investment of US$16.5 million in exchange for a minority ownership of the common equity in PFGP, in exchange for Alaris' existing preferred units valued at US$27.8 million, resulting in a total investment of US$88.0 million in PFGP. Alaris has also committed to a further US$8.0 million investment in PFGP, with proceeds used by PFGP to expand into new markets.

(13) On July 22, 2019, Fleet redeemed US$5 million of redeemable units at par (in accordance with our operating agreement with Fleet). Following the redemption Alaris still holds US$10 million of preferred units in Fleet, US$2.5 million of which are still redeemable at par.
(14) In Q3, 2019, Alaris loaned an additional US$3.75 million to Sandbox.
(15) On August 12, 2019 Mr. Peter Grosskopf was appointed to the Alaris board of directors.
(16) On August 26, 2019, Alaris contributed an additional US$1 million to ccComm to assist with working capital needs in exchange for additional preferred units.
(17) On August 28, 2019, Alaris received the full US$1.5 million of funds that had been placed into escrow for 18 months as part of the Agility redemption in February 2018. These funds repaid the long-term notes receivable that Alaris had been carrying due from Agility.
(18) On November 1, 2019, Alaris closed a second amendment to the HSBC Credit Facility agreement. The change in the second amendment was an increase in capacity from $300 million to $330 million. There were no changes to the accordion feature, maturity date of September 2021, the covenants or pricing.
(19) On November 7, 2019, Alaris contributed US$6 million to Stride Consulting LLC in exchange for preferred units. The annualized Distribution from Stride on the preferred units is US$0.8 million. Alaris has also committed to an additional contribution of US$4 million, timing is unknown and is subject to our approval and Stride achieving certain financial targets.
(20) On December 2, 2019, Alaris contributed an additional US$1 million to PFGP as part of our commitment of a total additional funding of US$8 million.
(21) On December 4, 2019, Alaris received an additional $1 million of proceeds from the Group SM CCAA proceedings. Along with monthly 2019 repayments of $0.2 million, the remaining loan amount owed by FNX at December 31, 2019 was approximately $1.6 million.
(22) On December 12, 2019, Alaris exercised its step-in rights and assumed voting control over Sandbox as a result of their failure to meet certain requirements in our operating agreements. The step-in rights were exercised primarily to control the timing of the sales process.
(23) On December 17, 2019, Alaris contributed an additional US$10.5 million to Unify in exchange for additional preferred units. Along with the contribution, Alaris exchanged our current preferred units which had a cost basis of US$12 million for new preferred units valued at US$14.5 million. The resulting total of preferred units following the investment was US$25 million.

Subsequent to year end:
(1) On January 7, 2020, SBI redeemed all of their outstanding US$75 million of preferred units. The gross proceeds on the redemption received by Alaris were US$91.3 million. This included US$84.3 million for the preferred units, inclusive of a US$9.3 million premium on redemption, and US$7 million for distributions on amounts that would have been received during 2020, up to their third anniversary date of August 31, 2020. There was a requirement to make-whole on distributions if a redemption occurred prior to the third anniversary of the original investment, for all distributions owed up to that anniversary date.
(2) On February 28, 2020, Alaris reached an agreement to sell Sandbox to a third party, which provided gross proceeds to Alaris of US$32.6 million. US$4.1 million of the US$32.6 million in proceeds are to be held in escrow for a period of 24 months pending resolution of certain outstanding matters in the purchase and sale agreement. The total cash consideration received by Alaris at close was US$28.5 million.
(3) On March 13, 2020 Alaris contributed an additional US$3.5 million to PFGP as part of Alaris' previous total commitment of US$8 million. Proceeds were used for PFGP's Australian expansion. Following these additional funds, US$3.5 million remains available on the original commitment of US$8 million.
(4) The onset of the COVID-19 pandemic caused certain economic impacts that have or will in the future impact the businesses of certain Partners and, therefore, Alaris. See *"Risks Relating to all of Our Partners, Generally - Public health crises, epidemics and pandemics may negatively impact our Partners' business continuity"*.

DESCRIPTION OF THE BUSINESS AND OPERATIONS

OUR BUSINESS

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

OUR STRUCTURE

We provide cash financing to private companies at an agreed upon valuation, in exchange for a pre-determined Distribution from such private companies. We receive our Distributions monthly but determine the amount 12 months in advance and adjust the Distributions each year based upon a mutually agreed "top-line" financial performance measure of a Partner (for example, the percentage change in gross revenues, gross profit, same store sales, same clinic sales or same customer net sales). In keeping with our business objective of generating predictable and stable cash flows, adjustments to our Distributions are based only on organic growth or organic decline of a particular Partner. As such, we do not factor any growth or decline in a Partner from acquisitions, greenfield (new) locations/divisions or closures of existing locations when our agreements are based on a "same location" basis, into such adjustment for a specified period of time (typically, 12-24 months), following which it is considered a normalized/organic part of the business.

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

In certain situations, the Corporation may look to supplement its standard preferred equity structure with common equity. Alaris believes that the use of common equity in certain transactions will enable the Corporation to access additional deal flow and provide the ability to participate in a larger share of a Partner's growth. Where Alaris acquires common equity, it will be a minority of Alaris' aggregate investment in a Partner; Alaris will continue to predominantly use preferred equity to ensure the investments are cash accretive and remain in-line with our strategic objectives.

Generally, the equity Alaris owns has very limited or no voting rights; accordingly, Alaris ability to exercise direct control and influence over the operations of a Partner is limited. However, we have numerous positive and negative contractual covenants in place with our Partners designed to protect our Distributions (see "*Summary of Partner Agreements – Alaris Consent Rights*" below for more information regarding such covenants). Alaris' prior consent is required for items outside of the ordinary course of business, including:

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

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

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

OUR PHILOSOPHY

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

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

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

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

OUR GROWTH STRATEGY

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

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

OUR CURRENT PARTNERS

As of the date of this AIF, we have 16 Partners (see below). While each of the companies are in divergent industries and serve different markets, generally they all share some similar characteristics that will also be prevalent in our future partnerships. Our current Partners are:

(1)	Accscient	(9)	Heritage
(2)	Amur	(10)	Kimco
(3)	BCC	(11)	LMS
(4)	ccComm	(12)	PFGP
(5)	DNT	(13)	Providence
(6)	Federal Resources	(14)	Stride
(7)	Fleet	(15)	SCR
(8)	GWM	(16)	Unify

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

Accscient

Business Overview	Founded in 2007, Accscient provides IT staffing, consulting, and outsourcing services and specializes in digital infrastructure management, enterprise resource planning, business intelligence and database administration.
Operations	Headquartered in Atlanta, GA, Accscient's operating businesses include Norwin Technologies, LLC; Premier IT Solutions, LLC; Appridat Solutions, LLC; PDS Inc. LLC; Applications2U, LLC; OvalEdge, LLC; BackInTheBlack, LLC; Asset Management Outsourcing Services, LLC; and Emergys, LLC.
Customers	Accscient provides its services to a diverse customer base including several Fortune 500 companies.
Contribution Summary	Alaris contributed US$20 million to Accscient in June 2017, US$3 million in June 2018, US$7 million in August 2018 and US$8 million in January 2019. US$6 million of the Accscient units are redeemable at par until June 2020.

Amur

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

BCC

Business Overview	Founded in 2008, BCC is a national leader in private plastic surgery practice in the United States with over 40 locations across the country.
Operations	With its head office in Kirkland, WA, BCC operates in nearly 30 states and employs over 450 people. BCC combines a consistent patient experience with the art of treating each patient as an individual with unique plastic surgery needs. BCC has a focused service offering that primarily focuses on less-invasive procedures such as laser assisted body contouring (liposuction), mini tummy tucks and minor face procedures. These procedures are conducted by over 100 board-certified plastic surgeons and every surgical center is certified by AAAHC, the highest-level certification for plastic surgery.
Customers	BCC targets the "everyday woman and man" with its service offerings and price points.
Contribution Summary	Alaris contributed US$46 million to BCC in September 2018 in exchange for preferred units. BCC has the option to pay a portion of the distribution, subject to a maximum of 2% of the aggregate contributed capital to BCC in any given year as a PIK, provided that any amounts subject to the PIK must be paid every three years. If utilized, any amounts subject to a PIK will compound monthly. Alaris has also committed to future additional contributions consisting of US$20 million ("**BCC Tranche 2**") and US$25 million ("**BCC Tranche 3**"). The BCC Tranche 2 and BCC Tranche 3 contributions may be funded upon BCC satisfying certain financial targets. US$11.5 million of the Alaris preferred units in BCC are redeemable at par on the earlier of (a) the closing of BCC Tranche 2, or (b) September 14, 2021.

ccComm

Business Overview	ccComm is a Sprint Preferred Retailer offering mobile solutions and accessories across the Sprint platform.
Operations	ccComm is headquartered in Federal Way, Washington, with over 95 locations throughout Washington, Oregon, Oklahoma, Texas, California, Idaho and Utah and employs over 500 people.
Customers	ccComm customers are individuals purchasing mobile devices and data/voice plans through the Sprint network and customers purchasing accessories for mobile devices.
Contribution Summary	Alaris contributed US$4.0 million to ccComm in January 2017 through its subsidiary, Salaris, a further US$2.2 million on August 31, 2017, US$10 million in May 2018, US$2 million in July 2019 and US$1 million in August 2019.

DNT

Business Overview	DNT was founded in 2009 and specializes in turnkey civil construction services to residential, commercial and municipal end markets.
Operations	Services include, excavation, the installation of wet and dry utilities such as electrical, gas, sewage and water and paving and the building of retaining walls. DNT has strong functional capabilities and believes it is the only company in its core markets capable of providing these turnkey infrastructure solutions to its customers. With its head office in Austin, Texas, DNT is one of the largest service providers of its kind in the Austin market while also holding significant market share in San Antonio.
Customers	DNT's customers include large publicly traded commercial and residential real estate developers, regional commercial and residential real estate developers and municipal governments.
Contribution Summary	Alaris contributed US$70 million to DNT on June 1, 2015, which contribution consisted of (a) US$40 million in exchange for Permanent DNT Units, and (b) US$30 million in exchange for Redeemable DNT Units. DNT redeemed US$2 million of the Redeemable DNT Units in 2017 and a further US$200 thousand in 2018.

Federal Resources

Business Overview	Founded in 1986 and employing over 200 people, Federal Resources is a Maryland based leading value-added provider of mission critical products and solutions to defense, first responder, homeland security and maritime end users.
Operations & Services	Federal Resources is a leading provider of detection and protection equipment to first line responders dealing with chemical, biological, radiological, nuclear and explosive ("**CBRNE**") threats, and supplying tactical gear, tools and maritime products. Federal Resources management believes that the CBRNE product category is one of the highest growth product categories in the defense procurement budget with potential CBRNE threats (including those presented by the COVID-19 pandemic) representing the most widely anticipated global threat for the next 10 years.
Customers	Customers of Federal Resources include all branches of the US military, various municipal agencies, first responders, airports and various other private and governmental agencies.
Contribution Summary	Alaris invested US$47 million in Federal Resources on June 25, 2015, consisting of the US$40 million FR Loan and US$7.0 million of FR Shares. Alaris also contributed US$6.5 million in April 2016 to Federal Resources used for an acquisition and an additional US$13.5 million in December 2017 for another acquisition.

Fleet

Business Overview	Founded in 2008, Fleet serves America's top truck fleets and guarantees the absolute lowest cost of operation by providing truck leasing and matching proprietary data driven IT processes with fleet analytics using the latest eco-efficient clean diesel technology to achieve optimum vehicle productivity, while reducing operating costs.
Operations	Employing over 35 people located in Ft. Lauderdale, FL, the company provides private fleet operators with an end-to-end solution that leverages data analytics, asset management and flexible financing to continuously improve productivity and achieve the lowest total cost of ownership for Class 8 tractors. Services include flexible leasing, finance structure and management, turn-key administration, truck lifecycle performance monitoring, data analytics and remarketing.
Customers	Fleet targets large companies in the US who operate their own private fleets but for whom fleet management is not a core focus. Customers include fortune 500 companies and large multi-national businesses.
Contribution Summary	Alaris contributed US$15 million to Fleet in June 2018. Fleet has the option to pay a portion of the distribution, subject to a maximum of 2% of the contributed capital in any given year as payment-in-kind provided that any amounts subject to the PIK must be paid every three years. Fleet did not use the PIK option in 2019. In July 2019, Fleet redeemed US$5 million of the redeemable units. Following the partial redemption there is a total of US$10 million of preferred units in the capital of Fleet remaining, with US$2.5 million of which being redeemable at par at any time.

GWM

Business Overview	Founded in 2006, GWM Holdings, Inc. provides data-driven digital marketing solutions for advertisers globally.
Operations	With a global presence and a head office in California, GWM employs over 120 people in offices located in North America, Asia and Europe. The company manages performance and branding campaigns for advertisers across all forms of digital media including display, video, connected TV, social and email on devices including computers, mobile, tablets and Connected TV. GWM provides both programmatic media and performance media services.
Customers	GWM has blue chip customers across various industries including financial services, hospitality, technology, consumer and travel to name a few.
Contribution Summary	Alaris contributed US$46 million to GWM in November 2018 consisting of the US$41.5 million GWM Loan and US$4.5 million of equity in GWM Holdings, Inc.

Heritage

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

Kimco

Business Overview	Kimco and its predecessor companies have been providing route based commercial janitorial services throughout the United States since the 1970's.
Operations	Kimco is a significant sized service provider in a highly fragmented industry, which is estimated by Kimco management to generate over $50 billion in annual sales in the United States. Kimco operates on a national scale with the majority of Kimco's revenue generated under long-term contracts (generally 1 to 3 years).
Customers	Kimco services customers, which range in size from multi-location national customers to regional single site customers.
Contribution Summary	Alaris contributed US$29.2 million to Kimco in June of 2014 and US$3 million on Dec 23, 2015, an additional US$1 million in November 2016 and US$1 million in December 2016. Alaris loaned Kimco US$2 million in April 2017 and a further US$2 million on July 31, 2017, both in the form of subordinated debt, bearing interest of 8%. In March 2018, Alaris loaned US$6.0 million to Kimco by way of a loan bearing interest of 12% (current pay interest) and a 5-year term. The use of the proceeds from that transaction were used to replace existing subordinated debt that Kimco has been servicing since inception of the loan. In July 2018, Alaris loaned US$3.8 million to Kimco by way of a loan bearing interest of 8% (payable monthly) and a 4.5-year term.

LMS

Business Overview	LMS is a concrete reinforcing steel (rebar) fabricator and installer also providing post tensioning, trucking and crane services. As an installer and supplier, LMS has the advantage of having low fixed costs and fixed assets, which allows the company to be profitable during various negative economic scenarios as it can adjust its labour force to match the activity level.
Operations	LMS fabricates and installs concrete reinforcing rebar and post tensioning services for construction projects primarily in British Columbia, Alberta, Saskatchewan and Manitoba and California. Project types include: (a) Infrastructure Projects - light rail transit, water treatment plants, tunnels, hydro facilities and bridge decks; (b) Commercial projects - high rise office space, aquatic centers or airport terminals; (c) Residential - high rise developments; and (d) Institutional – university residences, hospitals and community centers. LMS has up to 600 employees during peak season.
Customers	LMS' customers are typically large general contractors and/or developers.
Contribution Summary	Alaris provided $51 million to LMS in 2 tranches during 2007 and converted a $3 million short-term note for additional preferred units in LMS in 2013, provided an additional US$4.35 million contribution in March 2016 to help fund a strategic acquisition in California bringing the total contributions to approximately $60 million. Alaris loaned LMS $5 million in September 2018 to fund an opportunistic rebar purchase ahead of tariffs being enforced. This loan bears interest of 10% and Alaris will work with LMS to determine the appropriate repayment schedule.

PFGP

Business Overview	PFGP is a franchisee of Planet Fitness® and was founded in 2008 by Victor and Lynne Brick. The Bricks and their management team are well-respected operators in the fitness industry and have over 30 years of experience as owner/operators of fitness clubs on an individual basis.
Operations	Through its affiliates, PFGP operates over 60 fitness clubs in Maryland, Tennessee, Florida, Washington DC, Washington State and California and has area development agreements ("**ADAs**") to open over 50 additional Planet Fitness® clubs in those same States. PFGP has grown to become one of the top 3 largest non-corporate affiliated franchisees in the Planet Fitness® system. PFGP has its head office in Timonium, MD, located just outside of Baltimore, MD where it employs over 20 people.
Customers	Individuals who want to exercise in the Judgment Free Zone® that Planet Fitness provides.
Contribution Summary	Alaris contributed US$35 million to PFGP in November of 2014 and US$5 million on July 1, 2015. In May 2018 PFGP redeemed 41% of the preferred units owned by Alaris in exchange for a payment of US$25 million. In July 2019, Alaris contributed an additional US$60.2 million in exchange for US$43.7 million of additional preferred units and US$16.5 million in exchange for a minority interest in the common equity of PFGP. In conjunction with the incremental investment, Alaris exchanged their current preferred units at the time that carried a cost basis of US$20.8 million for US$27.8 million of new preferred units, crystallizing a US$7.0 million realized gain in the process. Following this transaction, the total investment in PFGP amounted to US$88 million, US$71.5 million of preferred units and US$16.5 million of common equity. In December 2019, Alaris contributed an additional US$1.0 million which included US$0.8 million of preferred units and US$0.2 million of additional interest in the common equity. In March 2020, Alaris contributed an additional US$3.5 million, which included US$2.8 million of preferred units and US$0.7 million of additional common equity. The contributions made in December 2019 and March 2020 are part of a commitment by Alaris to fund a total of US$8 million to assist PFGP with expansion into Australia. The remaining commitment for this expansion from Alaris is US$3.5 million.

Providence

Business Overview	Providence is a leading service provider to the apparel industry.
Operations	Founded in 2006 and headquartered in Long Beach, California, Providence (d.b.a. MyDyer) is a provider of design, engineering, development, manufacturing and sourcing services. Providence utilizes its extensive global network of sourcing and manufacturing partners to provide value-added sourcing excellence to customers, combined with rapid speed to market. In addition, Providence's unique design expertise and focus on innovation enables customers to remain at the forefront of evolving fashion trends.
Customers	Customers include publicly traded and private apparel companies and apparel retailers.
Contribution Summary	Alaris contributed US$30.0 million to Providence in March 2016. In March 2019 Alaris received a notice from the senior lenders of Providence notifying Alaris that its distribution from Providence had been

blocked for future payments due to Providence's non-compliance with certain covenants. Alaris, Providence and the senior lender came to an agreement to restart distributions immediately in April 2019, but on a modified basis. The lender agreed, subject to certain liquidity requirements, to forbear for a two-year period, ending March 31, 2021. Therefore, the actual amount of Distributions paid to Alaris will be less than US$4.27 million in 2020 as the agreed upon annual distributions are US$2.34 million.

SCR

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

Stride

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

Unify

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

OUR FINANCING ARRANGEMENTS

The following table shows the relevant performance metric for each of our Partners, the Current Annual Distributions owed to us by each of our Partners during fiscal 2020 and the percentage change in such Partner's performance metric in each of the last three fiscal years. Also included is each Partner's annual ECR for each of their last three fiscal years. In most cases, the percentage change in performance metric and the annual ECR for each Partner's most recent fiscal year are estimated based on unaudited internal information prepared by management of each of our Partners as we do not have audited financial information from the majority of our Partners as of the date of this AIF. Non-material audit adjustments are common and non-material changes versus internal unaudited results are expected by the Corporation. As such, some of the fiscal 2019 numbers below may change based on the final audited results, which are expected to be received by the end of Q2 2020. Due to the onset of the COVID-19 pandemic, certain of our Partners have as of the date of this AIF had, or are expected to have, business interruptions that will likely lead to reductions in future Distributions. Alaris expects to provide updated disclosure with respect to COVID-19's impact on our Partners and our business in Q2 2020. Alaris is utilizing a range for the annual ECR for the most recent fiscal year for each Partner for which audited financials have not been received. Alaris has and will continue to replace the estimated numbers in the most recently completed fiscal year as presented in the table below, with the actual annual ECR based on audited financials in the next AIF, with any material variances in reported numbers from the prior year's AIF included in the footnotes following the table below. The information for each Partners fiscal 2018 and 2017 in the table below is based on audited information from each Partner. In the first year of a partnership, where a new partner is added during the current fiscal year, the annual ECR was calculated for that fiscal year based on proforma results for the unaudited internally prepared 12 months ended in the most recent fiscal year and assumes the capital structure at closing was in place for the entire fiscal year, including 12 months of distributions to Alaris, despite Alaris not contributing capital on January 1st of such year. (All amounts are in US dollars unless noted)

Partner	Performance Metric	Current Annual Distribution[(1)(2)] *(millions)*	Year End	Annual % change in Performance Metric[(2)(3)]	Annual ECR[(2)(4)]
Accscient	% Change in "Gross Profit"[(5)] *Collar of +/-5%*	$5.57	12/31/2019	0.0%	1.2 to 1.5
			12/31/2018	0.0%	1.7
			12/31/2017	NA	1.2
Amur	% Change in "Gross Revenues" [(6)] *Collar of +/-6%*	CDN$6.5[(7)] (preferred units)	12/31/2019	NA [(7)]	>2.0
			12/31/2018		
			12/31/2017		
Body Contour Centers	% Change in "Same Clinic Revenue" [(8)] *Collar of +/-6%*	$6.80	12/31/2019	+5.7%	1.2 to 1.5
			12/31/2018	NA [(9)]	0.9
			12/31/2017		
ccComm	% Change in "Gross Revenues" [(10)] *Collar of +/-6%*	$2.35 [(11)]	12/31/2019	0.0%	<1.0
			12/31/2018	-3.0%	0.6
			12/31/2017	0% [(12)]	2.8
DNT	% Change in "Gross Revenues" [(13)] *Collar of +/- 6%*	$11.94	12/31/2019	+6.0%	1.5 to 2.0
			12/31/2018	-1.5%	1.3
			12/31/2017	+6.0%	1.5
Federal Resources	% Change in "Gross Revenues" [(14)] *Collar of +/- 6%*	$10.66	12/31/2019	-6.0%	1.2 to 1.5
			12/31/2018	+6.0%	1.1
			12/31/2017	+6.0%	1.4
Fleet	% Change in "Net Revenues" [(15)] *Collar of +/- 6%*	$1.48	12/31/2019	+6.0%	1.5 to 2.0
			12/31/2018	NA [(16)]	1.4
			12/31/2017		
GWM	% Change in "Gross Revenues" [(17)] *Collar of +/- 8%*	$6.03	12/31/2019	+8.0%	>2.0
			12/31/2018	NA [(18)]	1.6
			12/31/2017		
Heritage	% Change in "Gross Profit" [(19)] *Collar of +/- 6%*	$2.53	12/31/2019	+6.0%	>2.0
			12/31/2018	+6.0%	2.2
			12/31/2017	NA	1.9

Partner	Performance Metric	Current Annual Distribution[1][2] *(millions)*	Year End	Annual % change in Performance Metric[2][3]	Annual ECR[2][4]
Kimco	% Change in "Gross Revenues" [20] *Collar of +/- 6%*	$4.70 [21]	12/31/2019	0.0%	<1.0 [22]
			12/31/2018	-6.0%	0.9 [23]
			12/31/2017	-4.0%	(0.4) [24]
LMS	% Change in "Gross Profit" [25] *Collar of +/- 6% on US distributions*	CDN$7.09	12/31/2019	+30.0%	1.2 to 1.5
			12/31/2018	+5.0%	1.3
			12/31/2017	+12.5% [26]	1.2
PFGP	% Change in "Same Club Revenues" [27] *Collar of +/- 5%*	$9.49	12/31/2019	+5.0%	1.5 to 2.0
			12/31/2018	+5.0%	3.5
			12/31/2017	+5.0%	2.0
Providence	% Change in "Same Customer Sales" [28] *Collar of +/- 5%*	$4.27 [29]	12/31/2019	-5.0%	<1.0 [30]
			12/31/2018	-5.0%	1.2
			12/31/2017	+5.0%	13.6
SCR	% Change in "Gross Revenues" [31] *Collar of +/- 6%*	CDN$6.38 [32]	12/31/2019	+6.0%	1.5 to 2.0 [34]
			12/31/2018	+6.0%	1.0 [35]
			12/31/2017	-3.1% [33]	1.7 [36]
Stride	% Change in "Gross Revenues" [37] *Collar of +/- 6%*	$0.84	12/31/2019	NA [38]	1.5 to 2.0
			12/31/2018		
			12/31/2017		
Unify	% Change in "Net Revenue" [39] *Collar of +/- 5%*	$3.25	12/31/2019	+5.0%[40]	1.5 to 2.0
			12/31/2018	+5.0%	3.1
			12/31/2017	+2.0%	1.9

Notes to "Our Financing Arrangements" Table:

General:

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

(2) The Current Annual Distribution, Annual % Change in Performance Metric and annual ECR are calculated based on the fiscal year end of the Partner, not Alaris' fiscal year end. For information regarding revenues Alaris received from each Partner during Alaris' fiscal year ending December 31, 2019, please refer to Alaris' audited financial statements and management discussion and analysis for the year ended December 31, 2019, both of which have been filed under our profile at www.sedar.com.

(3) The Annual % Change in Performance Metric reflects the change in the relevant performance metric at the end of each Partner's fiscal year compared against the prior fiscal year. The change in the relevant performance metric is used to calculate the annual Distributions payable to Alaris for the next fiscal year for each Partner. The performance metric is calculated using audited financial statements once they are received from each Partner. However, in most instances for the purposes of this AIF, the Performance Metric has been estimated based on internal unaudited financial information. Specifically, for all Partners listed in this table the Annual % Change in Performance Metric is an estimate based on internal unaudited financial statements until audited results confirm the annual percentage change. The Annual % Change in Performance Metric estimated in the 2019 AIF for the fiscal year 2018, is now updated with the actual change upon having received audited statements from each Partner. Any material variances will be listed in the footnotes below under each Partner.

(4) The annual ECR is used by Management to evaluate a Partner's ability to pay our Distributions. It is defined as normalized EBITDA divided by interest, principal repayments, unfunded capital expenditures and Distributions to Alaris. Such ratio indicates the number of times a Partner's fixed commitments can be covered by such Partner's earnings. As a failure to meet such commitments may mean a default under the terms of any such commitment, this ratio indicates the available margin of safety and therefore, the risk involved in determining a Partner's ability to pay its commitments when business activity slows. A ratio of 1.0 or higher is generally considered sufficient by Management to demonstrate a company's ability to pay its distributions to Alaris. The annual ECR, in the table above, for the most recently completed fiscal year ending 2019 for each Partner, was calculated using either: (a) audited financial statements of a Partner for its most recent fiscal year; or (b) unaudited internal financial statements prepared by management of the Partner where audited financial statements are not yet available. Specifically, for all Partners listed in this table the annual ECR for each Partners fiscal

2019 is based on internal unaudited financial statements until audited results confirm the annual ECR. All ECR's for 2017 and 2018 are based on audited information. Where a Distribution was only payable for a partial fiscal year of a Partner, the annual ECR was calculated using a proforma capital structure to reflect the balance sheet following the Alaris contribution, which assumes a full year of Distributions to Alaris for such fiscal year and a full year of interest and principal payments on proforma debt obligations.

Accscient:

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

Amur

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

(7) The Distribution from Amur will reset for the first time on January 1, 2021. Therefore, there was no estimated change to the performance metric based on 2019 financial results. Amur declared aggregate dividends of $705,480 payable on the common equity Alaris holds in Amur, $355,480 of which was received by Alaris in October 2019 and $350,000 of which was received in February 2020. Given the ongoing impact of COVID-19, Alaris is not expecting any common equity dividends and will only record them as received.

Body Contour Centers:

(8) % Change in **"Same Clinic Revenue"** – "Same Clinic Revenue" means all revenue attributable to BCC and all affiliates ("**BCC Group**"), determined on a consolidated basis in accordance with GAAP. In the event any new business line, procedure or service (excluding any New Surgical Center or New Consult Center) (each, a "**New Business Line**") is opened, revenue attributable to such New Business Line will be included in Same Clinic Revenue in the period in which such revenue is generated. In the event any new surgical center (a "**New Surgical Center**") is opened, no revenue attributable to such New Surgical Center will be included in Same Clinic Revenue until the first Fiscal Year that begins after the completion of 12 calendar months following the date on which such New Surgical Center generates its first dollar of revenue. In the event any new consult center (each, a "**New Consult Center**") is opened, no revenue attributable to such New Consult Center will be included in Sam Clinic Revenue until such time as the New Surgical Center with which the consult centre is affiliated has been included in Same Clinic Revenue. In the event any surgical center or consult center is acquired from an independent third party, revenue attributable to such acquired center will not be included in Same Clinic Revenue until the first fiscal year that begins after the completion of 12 calendar months following the effective date of the acquisition of such acquired business. In the event any business line, procedure, service or product offering, surgical center or consult center is terminated, closed or liquidated, or sold, transferred or otherwise assigned to an independent third party, the revenue attributable to such business be excluded from

"same clinic revenue" in respect of both the fiscal year in which the business is terminated and the preceding fiscal year. The % change in Same Clinic Revenue is subject to a collar of 6% (plus or minus).

(9) The Distribution from BCC reset for the first time on January 1, 2020. Therefore, there was no estimated change to the performance metric based on 2018 financial results.

ccComm:

(10) % Change in **"Gross Revenues"** – "Gross Revenues" are defined as all operating revenues of ccComm and its affiliates (collectively the "**ccComm Group**") for a specified period, less the "total overlay" for such period plus the "continuing service award", determined on a consolidated business in accordance with GAPP. Gross revenues of any new business line, entity or division commenced or opened by the ccComm Group or acquired by an acquisition will be excluded from the definition of "gross revenues" until such new business has been a new business of the ccComm Group for at least 18 months (12 months in the case of an acquisition). In addition, the gross revenues from any business line, entity or division that is terminated, closed, sold, transferred or otherwise assigned to a non-affiliated person will be excluded from "gross revenues" in respect of both the fiscal year in which the business is terminated and the preceding fiscal year. The % change in gross revenues is subject to a collar of 6% (plus or minus).

(11) Alaris has deferred distributions from ccComm beginning in February 2020 and any future amounts paid in 2020 will depend on the continued financial performance of ccComm for the remainder of the year. Therefore, the actual amount of Distributions paid to Alaris will be less than US$2.35 million in 2020. Alaris is currently not using any distributions from ccComm in its run-rate analysis.

(12) The estimate for the percentage change in performance metric for 2017 at the time of publishing the 2017 AIF was +6% for ccComm. After receiving their audit for the fiscal year ended December 31, 2017 the reset came in lower at 0%.

DNT:

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

Federal Resources:

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

Fleet:

(15) % Change in "**Net Revenues**" – "Net Revenues" are defined as all of the net revenues of all entities of Fleet and its affiliates for such period, determined on a consolidated basis and in accordance with an agreed upon formula. Net Revenues of any new business line, entity or division acquired from an independent third party will be excluded from the definition of "net revenues" until the first Fiscal Year that begins after the completion of 12 calendar months following the effective date of the acquisition of such acquired business. In addition, the net revenues from any business line, entity or division that is terminated, closed, sold, transferred or otherwise assigned to an independent third party will be excluded from "net revenue" in respect of both the fiscal year in which the business is terminated and the preceding fiscal year. The % change in gross revenues is subject to a collar of 6% (plus or minus).

(16) The Distribution from Fleet reset for the first time on January 1, 2020. Therefore, there was no estimated change to the performance metric based on 2018 financial results.

GWM:

(17) % Change in "**Gross Revenues**" – "Gross Revenue" means, for any specified period, all gross revenue of GWM and its subsidiaries (collectively, the "**GWM Group**") for such period, determined on a consolidated basis in accordance with GAAP. Gross revenues of any new business line that is commenced or opened by the GWM Group will be excluded from the definition of "gross revenues" until the first fiscal year that begins after the completion of 24 months after the date on which such new business generates its first dollar of operating revenue. Gross revenues of any new business line, entity or division acquired from a third party will be excluded from the definition of "gross revenues" until such new business has been a new business of the GWM Group for at least 12 months. In addition, the gross revenues from any business line that is terminated, closed, sold, transferred or otherwise assigned to an independent third party will be excluded from "gross revenues" in respect of both the fiscal year in which the business is terminated and the preceding fiscal year. The % change in gross revenues is subject to a collar of 8% (plus or minus).

(18) The Distribution from GWM will reset for the first time on January 1, 2020. Therefore, there was no estimated change to the performance metric based on 2018 financial results.

Heritage:

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

Kimco:

(20) % Change in "**Gross Revenues**" – "Gross Revenues" are defined as all operating revenues of Kimco and its affiliates (collectively, the "**Kimco Group**") for a specified period, less provision for bad debts and discounts to customers made in the ordinary course of business consistent with past practice, as determined on a consolidated basis. Gross revenues of any new business acquired by the Kimco Group will be excluded from the definition of "gross revenues" until such new business has been a new business of the Kimco Group for at least 24 months. In addition, the gross revenues from any business that is sold, transferred or otherwise assigned to a non-affiliated person will be excluded from Gross Revenues for the fiscal year in which it is being calculated and such gross revenues will be excluded from any prior comparison year utilized in calculating the percentage change in gross revenues. The % change in gross revenues is subject to a collar of 6% (plus or minus).

(21) As previously disclosed and as indicated by the ECR being below 1.0x in 2017, 2018 and 2019, Kimco has not been paying a full distribution to Alaris and stopped paying distributions to Alaris in June 2015, with the exception of US$0.9 million of distributions in 2018. Therefore, the actual amount of Distributions paid to Alaris will be less than US$4.7 million in 2020 and any amounts paid will depend on the financial performance of Kimco over the remainder of 2020. Alaris is currently not using any distributions from Kimco in its run-rate analysis.

(22) The ECR for Kimco's fiscal year end 2019 was calculated using the actual distributions paid to Alaris of nil.

(23) The ECR for Kimco's fiscal year end 2018 was calculated using actual distributions paid to Alaris (US$0.9 million). If you were to use the contractual amounts owed to Alaris the ECR would still be below 1.0x for the period.

(24) The ECR for Kimco's fiscal year end 2017 was calculated assuming all distributions owed to Alaris, despite Alaris not receiving any distributions in that year.

LMS:

(25) % Change in **"Gross Profit"** – "Gross Profit" means LMS' net sales less its cost of sales for the applicable fiscal year. Net sales include all sales (including brokerage sales) net of bad debts and sales credits. Gross profit for any new business acquired shall not be included in the calculation of gross profit for the purposes of adjusting the Distribution payable to Alaris until such business has been operated by LMS for at least 36 months. In addition, any gross profit attributed to a disposition by LMS shall not be included in the calculation for adjusting the Distribution payable to Alaris. The % change in gross profits is not subject to any collar (plus or minus) other than the distributions associated with the US$4.5 million contribution Alaris made to LMS in March 2016.

(26) The estimate for the percentage change in performance metric for 2017 at the time of publishing the 2017 AIF was 2% for LMS. After receiving their audit for the fiscal year ended December 31, 2017 the reset came in higher at 12.5%.

PFGP:

(27) % Change in **"Same Club Revenues"** – "Same Club Revenues" are defined as all operating revenues derived from the Planet Fitness® clubs operated by PFGP and its affiliates, excluding revenues from clubs that have not been open for 24 months (or 12 months following an acquisition of a Planet Fitness® club from another franchise owner in the system). The % change in same club revenues is subject to a collar of 5% (plus or minus). In addition, Same Club Revenues from any business/club that is sold, transferred or otherwise assigned will be excluded from Same Club Revenues for the fiscal year in which it is being calculated and any comparison year.

Providence:

(28) % Change in "**Same Customer Sales**" – "Same Customer Sales" are defined as all gross sales of Providence and its affiliates (collectively the "**Providence Group**") from all Customers from whom gross sales were also recognized by the Providence group in the immediately preceding fiscal year, less discounts and adjustments consistent with the Company's revenue recognition policies, determined on a consolidated business in accordance with GAPP. If any new customer is engaged or added by the Providence Group, or if such customer is acquired from a non-affiliated entity, then the gross sales attributable to that customer will be excluded from "Same Customer Sales" until the first fiscal year after such new customer has been a customer for at least 12 months. In addition, if there is a reduction in any fiscal year of at least 80% in the gross sales attributable to a specified customer, then the gross sales attributable to such customer shall be excluded from "Same Customer Sales" in respect of both the fiscal year in which the reduction occurs and the preceding fiscal year. The % change in gross revenues is subject to a collar of 5% (plus or minus).

(29) In March 2019 Alaris received a notice from the senior lenders of Providence notifying Alaris that its distribution from Providence had been blocked for future payments due to Providence's non-compliance with certain covenants. Alaris, Providence and the senior lender came to an agreement to restart distributions immediately in April 2019, but on a modified basis. The lender agreed, subject to certain liquidity requirements, to forbear for a two-year period, ending March 31, 2021. Therefore, the actual amount of Distributions paid to Alaris will be less than US$4.27 million in 2020 as the agreed upon annual distributions are US$.34 million.

(30) The ECR for 2019 is based on the actual amount Providence paid Alaris in 2019 (US$2.9 million). If you include all distributions owed to Alaris in the ECR calculation for 2019 the number would still be below 1.0x.

SCR:

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

(32) SCR is contractually obligated to pay Alaris $6.38 million in 2020 but is currently only paying a fixed amount of $350,000 per month as of February 2020 ($4.2 million annually). This amount may increase throughout the year if SCR's performance allows for such increase. However, the actual amount of distributions received by Alaris from SCR in 2020 will likely be less than $6.38 million.

(33) The estimate for the percentage change in performance metric for 2017 at the time of publishing the 2017 AIF was 0.5% for SCR. After receiving their audit for the fiscal year ended December 31, 2017 the reset came in lower at -3.1%.

(34) The ECR for 2019 is based on the annualized Distributions of $350,000 per month, or $4.2 million annually. If you include all distributions owed to Alaris in the ECR calculation for 2019, the number would be between 1.2x and 1.5x.

(35) The ECR for 2018 is based on the actual amount SCR paid Alaris in 2018 ($1.65 million). If you include all distributions owed to Alaris in the ECR calculation for 2018 the number would be below 1.0x.

(36) SCR was contractually obligated to pay Alaris $5.66 million in 2017 but only paid $0.6 million. The ECR in this table is based on what was actually paid to Alaris. Had you used what was contractually owed to Alaris for this period the ECR would have been 0.3x.

Stride:

(37) % Change in "**Gross Revenues**" – "Gross Revenue" means, for any specified period, all revenue attributable to all entities within the Stride Group for such period, determined on a consolidated basis in accordance with GAAP; provided, that the revenue for any period of any entity within the Stride Group attributable to the Stride Business that is not wholly owned, directly or indirectly, by the Company, shall be included in "Gross Revenue" for such period only to the extent proportional to the percentage of the Equity Interest in such entity owned, directly or indirectly, by the Company during such period; and provided further, that for purposes of the calculation of any annual adjustment to any class of Preferred Distribution: () in the event that any business line, entity, division, service, product offering or business assets is or are acquired from an Independent Third Party by any entity within the Stride Group, whether by way of Equity Interest purchase, asset purchase or license, consolidation, merger, reorganization or otherwise (each, an "**Acquired Business**"), no revenue attributable to such Acquired Business will be included in Gross Revenue until the first Fiscal Year that begins after the completion of 12 calendar months following the effective date of the acquisition of such Acquired Business (for the avoidance of doubt, such inclusion in Gross Revenue of revenue attributable to such Acquired Business for a Fiscal Year shall require that revenue attributable to such Acquired Business for the immediately preceding Fiscal Year be included in the comparison period for purposes of the calculation of any annual adjustment, except as otherwise provided in this definition of "Gross Revenue"); and (ii) in the event that any business line, entity, office, division, service or product offering of the Stride Group is terminated, closed or liquidated, or sold, transferred or otherwise assigned to an Independent Third Party after the Preferred Unit Original Issue Date (each a "**Terminated Business**"), the revenue attributable to such Terminated Business shall be excluded from Gross Revenue in respect of both the Fiscal Year in which the Terminated Business is terminated, closed, liquidated, sold, transferred or otherwise assigned and the immediately preceding Fiscal Year; and provided further, that no new contract, engagement or other agreement or arrangement with any client, customer, contractor, sub-contractor, partner or joint venture and no modification or termination of any such contract, engagement or other agreement or arrangement, shall at any time, in and of itself, be considered an Acquired Business or Terminated Business. The % change in gross revenues is subject to a collar of 6% (plus or minus).

(38) The Distribution from Stride will reset for the first time on January 1, 2021. Therefore, there was no estimated change to the performance metric based on 2019 financial results.

Unify:

(39) % Change in "**Gross Revenues**" – "Gross Revenues" are defined as all operating revenues of Unify and its affiliates (collectively the "**Unify Group**") for a specified period. Gross revenues of any new business line, entity or division commenced or opened by Unify or acquired by an acquisition will be excluded from the definition of "gross revenues" until such new business has been a part of the Unify Group for at least 24 months (12 months in the case of an acquisition). In addition, the gross revenues from any business line, entity or division that is terminated, closed, sold, transferred or otherwise assigned to a non-affiliated person will be excluded from "gross revenues" in respect of both the fiscal year in which the business is terminated and the preceding fiscal year. The % change in gross revenues is subject to a collar of 5% (plus or minus).

(40) The Distribution from Unify will reset for the first time on January 1, 2021, due to Alaris' additional investment in Unify in December 2019. Therefore, while Unify's performance metric shows an increase of +5.0% for 2019, no adjustment to the Distribution received from Unify will be realized until January 1, 2021.

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

RISK FACTORS

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

We have organized our risks into the following categories:

- Strategic Risk Factors Relating to our Business
- Operational and Financial Risk Factors Relating to our Business
- Risk Factors Relating to our Partners

STRATEGIC RISK FACTORS RELATING TO OUR BUSINESS

We depend upon the operations, assets and financial health of our Partners

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

While the Corporation has certain rights and remedies available to it under the terms of its agreements with our Partners, such rights and remedies, including the right to receive our Distributions, are generally subordinated to the payment rights and security interests of the Partner's senior lenders. Specifically, our Partner agreements typically include a standstill provision limiting our ability to exercise certain remedies until senior debt is fully paid or for a specified period of time.

Alaris does not generally have significant voting rights in our Partners and accordingly our ability to exercise direct control or influence over the operations of our Partners may be limited (except with respect to our consent rights and in circumstances where there has been an uncured event of default and required Distributions have not been made as more particularly described under the heading "*Summary of Partner Agreements*"). Payment of Distributions therefore depend upon a number of factors that may be outside of our control.

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

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

We are subject to risks affecting any new Partners

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

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

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

We have limited diversification in our Partners

Although Alaris currently has 16 Partners and diversification continues to improve Alaris does not have stringent fixed guidelines for diversification for our Partners. At any given point in time, a significant portion of our assets may be dedicated to a single business or industry. In the event that any single Partner or industry is unsuccessful or experiences a downturn, this could have a material adverse effect on our business, results from operations and financial condition.

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

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

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

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

We face competition with other investment entities

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

OPERATIONAL AND FINANCIAL RISK FACTORS RELATING TO OUR BUSINESS

We are subject to tax related risks

CRA Re-Assessment

In 2015, the Corporation received a notice of reassessment from the Canada Revenue Agency in respect of its taxation year ended July 14, 2009. The Corporation has since received notices of reassessment from the Canada Revenue Agency in respect of its taxation years ended December 31, 2009 through December 31, 2017 (collectively the "Reassessments"). Pursuant to the Reassessments, the deduction of approximately $121.2 million of non-capital losses and utilization of $7.6 million in investment tax credits ("ITC's") by the Corporation was denied, resulting in reassessed taxes and interest of approximately $50.4 million. Subsequent to filing the notice of objection for the July 14, 2009 taxation year, Alaris received an additional proposal from the CRA pursuant to which the CRA is proposing to apply the general anti avoidance rule to deny the use of non-capital losses, accumulated scientific research and experimental development expenditures and investment tax credits. The proposal does not impact the Corporation's previously disclosed assessment of the total potential tax liability (including interest) or the deposits required to be paid in order to dispute the CRA's reassessments. The Corporation has received legal advice that it should be entitled to deduct the non-capital losses and as such, the Corporation remains of the opinion that all tax filings to date were filed correctly and that it will be successful in appealing such Reassessments. The Corporation intends to continue to vigorously defend its tax filing position. In order to do that, the Corporation was required to pay 50% of the reassessed amounts as a deposit to the Canada Revenue Agency. The Corporation has paid a total of $20.2 million in deposits to the CRA relating to the Reassessments to date. It is possible that the Corporation may be reassessed with respect to the deduction of its tax pools in respect of its tax filings in respect of the 2018 and 2019 taxation years, thereby disallowing ITC’s of $0.5 million, on the same basis. The carrying values of the remaining ITC’s of $3.3 million at December 31, 2019 are at risk should the Corporation be unsuccessful in defending its position. The Corporation anticipates that legal proceedings through the CRA and the courts will take considerable time to resolve and the payment of the deposits, and any taxes, interest or penalties owing will not materially impact the Corporation’s payout ratio.

The Corporation firmly believes it will be successful in defending its position and therefore, any current or future deposit paid to the CRA would be refunded, plus interest. The Corporation will continue to file its tax returns by claiming the remaining available investment tax credits in subsequent tax filings.

International Structure

Alaris has established Alaris Coop, Alaris USA and Salaris USA for the purpose of financing and entering into arrangements with potential Partners in the United States and other jurisdictions on a tax efficient basis. Our corporate structure for this purpose was implemented having regard to the complex corporate and tax laws and regulations of Canada, The Netherlands and the United States, and the income tax conventions between those countries to date, and our understanding of the current administrative practices and policies of the taxation authorities of each such jurisdiction, as well the structure of our Partners. Such laws, regulations and conventions are subject to change from time to time. There is a possibility that such a change may be made, including with retroactive or retrospective effect. In 2018, the U.S. Treasury and the Internal Revenue Service issued proposed regulations relating to the 2017 Tax Cuts and Jobs Act, which provided administrative guidance and clarified certain aspects of the new laws. The proposed regulations are complex and comprehensive, and considerable uncertainty continues to exist until the final regulations are released, which is expected to occur in 2020. The Corporation continues to review, analyze and assess the impact these new proposed regulations could have on the Company as the impact could be material.

In addition, such structure is subject to assessment and possible adjustment by any of the taxation authorities of such jurisdictions based on differences of interpretation of the applicable tax laws and the manner in which such laws have been implemented. Furthermore, certain changes in the structure and business practices of our Partners could impact our structure. Although we are of the view that the corporate structure has been implemented correctly and is being managed and monitored properly, there can be no assurance that the tax authorities of such jurisdictions will agree. If such tax authorities successfully challenge any aspect of our financing and corporate structure, or if for business reasons we are not able to implement our structure fully, our operating results could be adversely affected.

International Tax Audit

In early January 2017, the CRA began an international tax audit of Alaris with respect to its 2013, 2014 and 2015 taxation years and in December 2017, the CRA issued a letter proposing adjustments relating to intercompany services provided by Alaris to its foreign subsidiaries. If unsuccessfully defended, the audit would likely result in a onetime payment of an amount that is immaterial to the

Corporation. Alaris strongly disagrees with the CRA's assessment and intends to vigorously defend its tax filing position. The two parties continue to work through this matter, and currently, Alaris has not formally been reassessed by the CRA.

General

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

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

Each Partner provides certain representations and warranties and covenants to us regarding the Partner and its business and certain other matters. Following a transaction with Alaris, the Partner may distribute all or a substantial portion of the proceeds that it receives from us to its security holders or owners. In the event that we suffer any loss as a result of a breach of the representations and warranties or non-compliance with any other terms of an agreement with a Partner, we may not be able to recover the amount of our entire loss from the Partner. The Partner may not have sufficient property to satisfy our loss. In addition, our rights and remedies in the event of a default are generally subordinated to a Partner's senior lenders, which can limit our ability to recover any losses from Partners. Furthermore, a Partner may try to contest the application of our remedies, which could delay the operation (or if a partner is successful deny the operation) of our rights and remedies and add additional costs to Alaris.

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

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

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

Alaris and our Partners are subject to significant regulation

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

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

The amount of dividends paid by us will depend upon numerous factors, including Distributions received, profitability, debt covenants and obligations, foreign exchange rate, the availability and cost of acquisitions, fluctuations in working capital, the timing and amount of capital expenditures, applicable law and other factors which may be beyond our control. Dividends are not guaranteed and will fluctuate with our performance and the performance of our Partners. There can be no assurance as to the levels of dividends to be paid by us, if any. The market value of the Common Shares may deteriorate if we are unable to pay dividends in accordance with our dividend policy in the future, or not at all, and such deterioration may be material.

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

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

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

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

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

Interest expense has been estimated for the purpose of estimating our distributable cash based on current market conditions that are subject to fluctuations. Such fluctuations could result in an unanticipated material increase in interest rates that could in turn have a material adverse effect on cash available to pay dividends to Shareholders.

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

At this point in time, the majority of our Distributions are paid to us in United States dollars. However, our dividends are paid to our Shareholders in Canadian dollars. Currently, we have in place currency hedges to manage the risk and economic consequences of foreign currency exchange fluctuations on our monthly cash flows and natural hedges such as carrying US dollar denominated debt. However, the Canadian dollar relative to the United States dollar is subject to fluctuations and the currency hedges are for a limited period of time. There can be no guarantee that future hedges will be at rates of USD/CAD that fully protect Alaris' cash flows against major fluctuations. As such, failure to adequately manage our foreign exchange risk could adversely affect our business, financial condition and results of operation. In general, where we continue to have a majority of our investments in the U.S., a declining Canadian dollar versus the U.S. dollar is a net benefit to Alaris' monthly cash flows and to the principal value of its investments.

Also, certain of our currency hedges are conducted by way of a forward contract, which come with an obligation to fulfill the contract at a future date. If Alaris did not have adequate USD to sell under the forward contract it would have to pay the difference between the contract price and the current spot price. If the current spot price is in Alaris' favor it could receive a cash benefit from not being able to fulfill its forward contract. However, if the spot to forward price differential is not in Alaris' favor, it could owe a substantial amount of money to the holder of the contract. A significant loss of USD revenue could cause Alaris to fail to meet its obligations under the forward contracts. This could result from a significant decrease in a Partners business, which resulted in a significant decrease in its Distribution to Alaris or if Alaris was repurchased by a material U.S. Partner or several US Partners within that time period. Any cash outlay to meet a forward contract obligation could negatively affect Alaris' cash flows.

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

Our Partners have termination rights which may be exercised

Each of our Partners have the right to terminate their agreement with Alaris through a repurchase or redemption right that arises after a fixed period of time following the closing of our arrangement with the applicable Partner. Although Management believes that the repurchase or redemption purchase price would adequately compensate Alaris for the foregone payments, we would be required to reinvest the cash received including possibly investing in our own shares through the repurchase and cancellation of our shares, in order to maintain our dividend levels. There is no assurance that we would be able to successfully identify and complete any such alternative investments or complete any such share repurchase.

We and our Partners rely heavily on key personnel

The success of Alaris and of each of our Partners depends on the abilities, experience, efforts and industry knowledge of their respective senior management and other key employees, including their ability to retain and attract skilled management and employees. The long-term loss of the services of any key personnel for any reason could have a material adverse effect on the business, financial condition, results of operations or future prospects of Alaris or a Partner. In addition, the growth plans of Alaris and the Partners described in this document may require additional employees, increase the demand on management and produce risks in both productivity and retention levels. Alaris and the Partners may not be able to attract and retain additional qualified management and employees as needed in the future. There can be no assurance that Alaris or the Partners will be able to effectively manage their growth, and any failure to do so could have a material adverse effect on our business, financial condition, results of operations and future prospects.

Our share price is unpredictable and can be volatile

A publicly traded corporation will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the Common Shares will trade cannot be predicted. The market price of the Common Shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the results of any public announcements we make, general economic conditions, unexpected volatility in Global stock markets and other factors beyond our control.

We may issue additional Common Shares diluting existing Shareholders' interests

We may issue an unlimited number of Common Shares or other securities for such consideration and on such terms and conditions as shall be established by us without the approval of Shareholders. Any further issuance of Common Shares will dilute the interests of existing Shareholders, if the proceeds of such issuances are not being used in a manner that is accretive to Alaris' net cash from operating activities per share. The Shareholders will have no pre-emptive rights in connection with such future issuances.

We are subject to a risk of legal proceedings

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

General risks related to the convertible debentures

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

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

Additionally, Alaris' ability to pay principal, premium (if any) and interest on the convertible debentures when due may be affected if the financial condition of Alaris deteriorates. Alaris is prohibited from making any payment on the convertible debentures if (a) a default, event of default or an acceleration occurs under the senior credit facility or any other senior indebtedness or any swap obligation of any senior creditor or its affiliates, (b) a default under the senior credit facility or any other senior indebtedness permits the holders of the senior credit facility or any other senior indebtedness (as applicable) to accelerate the maturity thereof, or (c) if such payment would result in a default of the senior credit facility or any other senior indebtedness that would permit acceleration of the maturity thereof.

Alaris may Redeem the convertible debentures prior to Maturity

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

Redemption of convertible debentures upon a Change of Control

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

Effect of interest rates on the price of convertible debentures

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

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

We have not been and do not intend to become registered as an investment company under the U.S. Investment Company Act and related rules in reliance on the exemption from such registration provided by Section 3(c)(7) of that Act. The U.S. Investment Company Act and related rules provide certain protections to investors and impose certain restrictions on companies that are registered with the U.S. Securities and Exchange Commission (the "**SEC**") as investment companies. None of these protections or restrictions is or will be available to investors in Alaris. In addition, to comply with the Section 3(c)(7) exemption from registration and avoid being required to register as an investments company under the U.S. Investment Company Act and related rules, we have implemented restrictions on the ownership and transfer of the Common Shares, which may materially affect your ability to hold or transfer the Common Shares. Additionally, if we were required to register with the SEC as an investment company, compliance with the U.S. Investment Company Act would significantly and adversely affect our ability to conduct our business.

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

Alaris has restricted the ownership and holding of Common Shares so that none of our assets will constitute "plan assets" (as defined in Section 3(42) of ERISA and applicable regulations) of any of the following: (1) 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, (2) a plan, individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Tax Code, (3) any other retirement or benefit plan that is not described in (1) or (2), but that is subject any similar law, or (4) an entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement in (1) - (3) pursuant to ERISA, the U.S. Tax Code or similar law.

If the Company's assets were considered to constitute "plan assets" of any of the foregoing entities, non-exempt "prohibited transactions" under Section 406 of ERISA, Section 4975 of the U.S. Tax Code or similar law could arise from transactions the Company enters into in the ordinary course of business, resulting in tax penalties and mandatory rescission of such transactions. Consequently, each recipient and subsequent transferee of Common Shares will, or will be deemed to, represent and warrant that it is not an entity described in (1)-(4) in the preceding paragraph and that no portion of the assets used to acquire or hold its interest in Common Shares or any beneficial interest therein constitutes or will constitute the assets of such an entity. Any holding or transfer of Common Shares in violation of such representation will be void. See "*Ownership and Transfer Restrictions*".

Foreign Account Tax Compliance Act ("FACTA") Provisions

In general, FATCA imposes due diligence, reporting and withholding obligations on foreign (non-U.S.) financial institutions and certain foreign (non-U.S.) non-financial entities. A failure by such an institution or entity to comply with these obligations could subject it to a 30% U.S. withholding tax ("**FATCA Tax**") on certain its U.S. source income (including interest, dividends, rents, royalties, compensation and other passive income and, beginning in 2019, gross proceeds from the sale or other disposition of property that can produce such type of U.S. source income) and thereby reduce its distributable cash and net asset value. Canada and the United States entered into an Intergovernmental Agreement (the "**IGA**") on February 5, 2014, which came into force on June 27, 2014, to facilitate compliance with FATCA by Canadian financial and non-financial institutions and entities.

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

Nevertheless, under the Canada IGA Legislation, equity and debt interests that are regularly traded on an established securities market are not treated as "financial accounts". If the Common Shares are regularly traded on an established securities market, Alaris will not be required to provide information to the CRA about U.S. holders of Common Shares. The Common Shares are regularly traded on an established securities market and as such, Alaris does not expect to report information about US holders of its Common Shares to the CRA under FATCA. However, should the Common Shares no longer be considered to be regularly traded on an established securities market, Alaris' reporting obligations under FATCA may change.

Alaris and its subsidiaries intend to continue to take such measures and implement such procedures as it, in consultation with its legal and tax counsel, determines to be necessary or desirable to comply with its obligations under the IGA and, more particularly, the Canada IGA Legislation. If Alaris or a subsidiary of Alaris cannot (or otherwise does not) satisfy the applicable requirements of the IGA and the Canada IGA Legislation or if the Canadian government is not in compliance with the IGA and if Alaris is otherwise unable to comply with any relevant and applicable legislation, then Alaris (or a subsidiary of Alaris) could be subject to the FATCA Tax and thereby reduce the distributable cash and net asset value of Alaris.

The foregoing discussion is based on the U.S. Internal Revenue Code, guidance issued by the IRS and the United States Treasury Department, including regulations and IRS notices, and the IGA and the Canada IGA Legislation (and the interpretations thereof and the guidance issued by the CRA). Future guidance, including explanations of and rulings interpreting current authorities, may affect the application of FATCA to Alaris in a manner that is unfavorable to Alaris and holders of Common Shares.

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

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

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

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

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

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

RISKS RELATING TO OUR MATERIAL PARTNERS

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

Risks Relating Specifically to DNT

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

labourers and skilled operators is low across the state. A tight labour market can cause wage rates to rise rapidly and cause temporarily margin compression on jobs previously bid with lower wage rates. DNT can adapt to wage rate increases in future bids but will deal with any wage increases through lower margin on current jobs. If DNT is not able to hire and retain a qualified labour force it could also lead to a delay in finishing current jobs and an inability to win new work. Failure to complete certain jobs on time can lead to financial penalties incurred by DNT and failure to competitively bid on new jobs can lead to a decrease in future company revenues.

Risks Relating Specifically to Federal Resources

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

Risks Relating Specifically to PFGP

Additional franchise operations may be limited	PFGP is a franchisee of Planet Fitness. As such, PFGP's operations depend, in part, on decisions made by the Planet Fitness franchisor, including decisions relating to pricing, advertising, policy and procedures and approvals required for acquisitions and territory expansion. Business decisions made by the franchisor could impact PFGP's operating performance and profitability. In addition, PFGP must comply with the terms of its franchise agreements with the franchisor and its applicable land development agreements. A failure to comply with such obligations or a failure to obtain renewals on any expiring franchise agreements could adversely affect PFGP's operations.
Brand loyalty	PFGP relies on the other franchisees to uphold the Planet Fitness brand. Franchisees are contractually obligated to operate their stores in accordance with the standards set forth in

	the agreements with the franchisor. However, the other franchisees are independent third parties, whose actions are outside of the control of PFGP.
Performance amongst new clubs	PFGP continues to grow through expansion which comes with the risk that not all new clubs produce the returns realized at current ones. Further, there is a risk of ensuring new clubs are not within close enough proximity to existing stores that would negatively impact the existing stores' results as well.
High level of competition	The high level of competition in the health and fitness industry could materially and adverse affect their business. PFGP may not be able to compete effectively in the markets in which they operate. Competitors may attempt to copy their business model, or portions thereof, which could erode market share and impair profitability. This competition may limit their ability to attract and retain existing members and their ability to attract new members, which in each case could materially and adversely affect their results of operations and financial condition.
Reliance on IT	PFGP relies heavily on their IT systems and the security within, both for ease of service with their point-of-sale processing systems, but also on the security front to ensure the confidentiality of the information provided by customers. If the confidentiality and integrity of their customer's personal data, including member banking information, aren't upheld then their reputation and business could be materially impacted.

RISKS RELATING TO ALL OF OUR PARTNERS, GENERALLY

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

How a Partner is leveraged may have adverse consequences to them

Leverage may have important adverse consequences on our Partners. Partners may be subject to restrictive financial and operating covenants. Leverage may impair our Partners' ability to finance their future operations and capital needs and to continue to pay our distribution. As a result, their flexibility to respond to changing business and economic conditions and to business opportunities may be limited. A leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money was not used.

Our Partners rely on key personnel

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

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

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

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

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

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

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

Our Partners may suffer damage to their brand reputations

Damage to the reputation of our Partners' brands, or the reputation of the brands of suppliers of products that are offered by the Partners, could result from events out of the control of our Partners. This damage could negatively impact consumer opinion of our Partners or their related products and services, which could have an adverse effect on the Partners' performance.

Our Partners face intense competition

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

Changes in the industry in which the Partners operate

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

Risks regarding legal proceedings involving our Partners

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

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

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

Customer Concentration

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

SUMMARY OF PARTNER AGREEMENTS

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

Structure	With the exception of our agreements with Amur, GWM and Federal Resources, we invest in each Partners through either a limited partnership or a limited liability company, in which Alaris holds preferred units. The general partner (in the case of a limited partnership) or the other members (in the case of a limited liability company) holds voting common units. Our arrangement with Federal

	Resources consists of a combination of a subordinated secured loan and preferred equity. Our agreements with GWM and Amur consists of a subordinated credit agreement and preferred equity.
Voting Entitlements	Alaris has very limited or no voting rights in each Partner (generally, our preferred equity grants 10% of the outstanding voting rights where Alaris does possess voting rights). Notwithstanding the foregoing, and except for our arrangements with Federal Resources, each of our agreements with our Partners provides Alaris with special voting rights that only operate in the event of certain uncured events of default. Such special voting rights entitle us to a sufficient number of votes, to, among other things, replace the board of directors of the applicable Partner. See "*Step-in Rights or Other Remedies*" below.
Annual Distribution Entitlement	The preferred equity held by Alaris in our Partners entitle Alaris to receive preferred distributions in priority to other distributions on all other partnership or membership units issued by such Partners (but are subordinate to the Partner's senior lenders or other specified parties). In the case of Federal Resources, GWM and Amur, the terms of our loan with each such party entitle Alaris to annual interest payments paid in priority to any payments to Federal Resources', GWM's or Amur's (as applicable) common equity holders (but subordinate to each Partner's senior lenders).
Financial & Operational Reporting	All Partners must provide Alaris with regular financial, operating, legal and tax information on a monthly (unaudited) and annual (audited) basis and some are required to provide additional quarterly reports. The information is used by Alaris to verify distribution calculations and to monitor the Partner's compliance with the terms of its agreements with Alaris.
Repurchase Option	Other than with respect to the FR Loan, GWM Loan and Amur Loan, each Partner (or its general partner or members) has the ability to repurchase the preferred equity held by Alaris at a pre-negotiated repurchase price (generally calculated as the greater of (a) total cash contributed and (b) the amount obtained by multiplying the distribution in the year of the repurchase by a pre-set multiple representing a premium to the initial investment multiple). In most cases, a Partner may not exercise such option until the third anniversary of Alaris' initial contribution to such Partner. Some Partners have unique redemption rights, in particular: the DNT Redeemable Preferred Units are redeemable at par for a period of five years (with an annual mandatory redemption that commenced in 2017, with such redemption being based on certain excess cash flow requirements); the redeemable Accscient units are redeemable at par for three years; the redeemable Heritage units are redeemable at par indefinitely; the redeemable BCC units are redeemable at par on the earlier of (i) the closing of BCC Tranche 2, or (ii) September 2021. The terms of the FR Loan do not contemplate an early repayment of the outstanding loan, other than as set forth below in "*Rights on an Event of Default or on a Change of Control*" or in connection with a redemption of our preferred equity; however, US$3.0 million of the aggregate US$6.0 million contributed to a subsidiary of Federal Resources in 2016 is redeemable at par value at any time. In addition, Alaris' US$13.5 million contribution to a subsidiary of Federal Resources in December 2017 includes a make whole provision whereby if it is repurchased in the first 18 months, Alaris is entitled to a payment equal to the distributions Alaris would have received from the date of the redemption through to the 3rd anniversary of the contribution. The GWM Loan may not (absent certain exceptions) be repaid before the third anniversary of such loan. A portion of the Amur Loan may be repaid at any time in connection with a pro-rated portion of the preferred equity in Amur; the remainder of may not be repaid prior to the 3rd anniversary of the contribution.
Rights on an Event of Default or on a Change of Control	On an uncured event of default (other than a liquidation event) by a Partner or on a change of control of a Partner or its general partner, Alaris is generally entitled to have its preferred units repurchased by the Partner (or a third party) for an amount equal to a pre-negotiated formula generally calculated by multiplying the Distribution in the year of the repurchase by a pre-set multiple and, in certain circumstances, Alaris may be entitled to a floor of its contributed capital (on a default Alaris generally has the right to have its units purchased for an amount equal to the greater of our contributed capital or a pre-set multiple multiplied by the current distribution). Alaris is generally entitled to receive such amount in priority to holders of common equity in such Partner, but subject to such Partner's senior creditors or certain other parties specified in the particular agreement between Alaris and the Partner. With respect to the FR Loan, GWM Loan and Amur Loan, Alaris has the right to be repaid upon a change of control or upon an event of default, provided that such repayment is subordinate to that partner's senior lenders.
Liquidation or Dissolution of the Partner	In the event of a liquidation or dissolution or insolvency of the Partner, Alaris is entitled to receive either (a) a preferred liquidation entitlement in respect of its preferred units (as determined by a pre-negotiated formula or amount in its agreements with the Partners) in priority to the holders of the

common equity or (b) its pro rata portion of the remaining assets, but in either case subject to the Partner's senior lenders. In the case of Federal Resources, the FR Loan is secured against the assets of Federal Resources, as such Alaris would rank as a secured creditor ahead of any unsecured creditors and common equity holders with respect to the obligations under the FR Loan; however, Alaris' security on the FR Loan is subordinate to Federal Resources' senior lenders.

Alaris consent rights	Although Alaris does not have any significant voting rights in any of its Partners, the approval of Alaris is required for a number of matters for each Partner. Each of these consent matters have been tailored to the unique circumstances of the transaction with the particular Partner. Such matters include some or all of the following: (a) changes in the terms of the outstanding units in each Partner; (b) creating additional classes of units that rank ahead of the preferred units held by Alaris; (c) amending the terms of the Partner's agreement with Alaris; (d) a transfer of any equity in the Partner except in limited circumstances, including but not limited to related party transfers; (e) any material change (or for some Partners, any change) to a Partner's senior credit facility; (f) entering into any new credit facility or incurring additional indebtedness in excess of a specified amount; (g) amending the terms of any management, non-competition or non-solicitation agreement with the Partner's senior management team; (h) undertaking any acquisitions or other transactions outside the ordinary course of business for a value in excess of a specified amount; (i) non-arm's length transactions exceeding a specified amount; (j) encumbering assets other than as permitted in the particular agreement; (k) undertaking any material change in the business or organizational structure of the Partner outside the ordinary course of business; (l) any capital expenditures or series of related capital expenditures outside the ordinary course of business in excess of a specified amount in any fiscal year; (m) dissolving the Partner; (n) exceeding certain financial covenants; (o) entering into any business competitive with the Partner; (p) any changes in the accounting policies, procedures or practices of the Partner or its affiliates; (q) any increases above a pre-determined amount in the compensation paid to certain members of the Partner's management team; (r) certain changes in management; and (s) certain changes in executive compensation. Depending on the circumstances of a particular Partner we may add additional consent rights or modify existing consent rights.
Step-in Rights or Other Remedies	In circumstances where there is an uncured event of default which entitles Alaris to have its preferred units repurchased (see "*Rights on an Event of Default or on a Change of Control*" above) and such units have not been repurchased within a specified timeframe, Alaris' preferred units in the Partners (with the exception of Federal Resources) become entitled to special voting rights that, among other things, provides Alaris with sufficient votes to elect the board of directors of the Partner, appoint new management and generally exert control over the operations of a Partner until such time as the units are repurchased and the repurchase price has been paid to Alaris (such voting rights may be subordinate to the Partner's senior lenders in certain circumstances, and may require such lenders' consent or a standstill period before exercising). In the case of the FR Loan, the obligations and liabilities of Federal Resources are secured against the assets of Federal Resources, subject to certain permitted encumbrances and the senior security interests of Federal Resources senior lenders. Our most recent agreements also include a mandatory sale provision, whereby if there is an uncured event of default for longer than the negotiated time period, we have the ability to cause the Partner to sell the business (the intention is to include this provision in all future agreements).
Pre-payment Rights	Should certain specified events of default occur on more than one occasion, Alaris is entitled to require the Partner to make a pre-payment representing a pre-determined number of monthly payments of the then current preferred distribution to Alaris, such amount to be held in trust and applied to future payments.
Further Contributions	From time to time our agreements with one or more Partners may provide a Partner with the option, exercisable at a pre-determined time, to require Alaris to make a further contribution to the Partner for additional preferred partnership units of such Partner that entitle Alaris to receive an additional Distribution. Except as set forth herein, as of the date hereof all such options have expired or were terminated. Alaris has agreed to make the BCC Tranche 2 and BCC Tranche 3 investments upon BCC satisfying certain financial targets. In July 2019, Alaris committed to invest up to an additional US$8 million in PFGP to help fund its Australian expansion. As of the date hereof, Alaris has contributed US$4.5 million of the US$8 million.
Additional Information	From time to time Alaris has, and may do so in the future, made loans to its Partners where deemed appropriate as described in *"Description of the Business and Operations - "Our Current Partners*"

section. The following are the amounts of loans outstanding with former partners of Alaris as of the date of this filling:

(1) FNX, the purchaser of Group SM out of CCAA proceedings, owes Alaris approximately $3.6 million (to be reduced by any further proceedings the Corporation receives from the Group SM CCAA proceedings and any remaining assets in Group SM) bearing interest at 6.65% per annum, pursuant to the secured loan assumed as part of the Group SM proceedings. For additional information see "*General Development of the Business – 2018*".

(2) Phoenix Holdings, Ltd. ("**Phoenix**"), a successor company to KMH, owes two separate amounts to Alaris; the first for $4.9 million and the second for $8.5 million. No interest or principal is being paid on any of the notes held in Phoenix. Akumin FL, LLC (the purchaser of certain KMH assets in 2018) owes US$1.5 million to Alaris, plus up to US$4 million relating to an "earn-out" negotiated among the parties.

DIVIDENDS

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

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

Our Board's dividend policy is to review dividends on a quarterly basis and to declare and pay dividends on the issued and outstanding Common Shares on a monthly basis, provided specific financial and other conditions have been met by Alaris. Since January 1, 2016, our Board has increased our monthly dividend on one (1) occasion. See "*General Development of the Business – Three Year History*" for further details.

The following table describes the dividends declared and paid by in the last three years and up to the date of December 31, 2019:

Dividend Payment Date	Amount per Common Share	Record Date
January 16, 2017	$0.135/Share	December 30, 2016
February 16, 2017	$0.135/Share	January 31, 2017
March 15, 2017	$0.135/Share	February 28, 2017
April 17, 2017	$0.135/Share	March 31, 2017
May 15, 2017	$0.135/Share	April 28, 2017
June 15, 2017	$0.135/Share	May 31, 2017
July 17, 2017	$0.135/Share	June 30, 2017
August 15, 2017	$0.135/Share	July 31, 2017
September 15, 2017	$0.135/Share	August 31, 2017
October 16, 2017	$0.135/Share	September 29, 2017
November 15, 2017	$0.135/Share	October 31, 2017
December 15, 2017	$0.135/Share	November 30, 2017
January 15, 2018	$0.135/Share	December 29, 2017
February 15, 2018	$0.135/Share	January 31, 2018
March 15, 2018	$0.135/Share	February 28, 2018
April 16, 2018	$0.135/Share	March 29, 2018
May 15, 2018	$0.135/Share	April 30, 2018
June 15, 2018	$0.135/Share	May 31, 2018

Dividend Payment Date	Amount per Common Share	Record Date
July 16, 2018	$0.135/Share	June 29, 2018
August 15, 2018	$0.135/Share	July 31, 2018
September 17, 2018	$0.135/Share	August 31, 2018
October 15, 2018	$0.135/Share	September 28, 2018
November 15, 2018	$0.135/Share	October 31, 2018
December 17, 2018	$0.1375/Share	November 30, 2018
January 15, 2019	$0.1375/Share	December 30, 2016
February 15, 2019	$0.1375/Share	January 31, 2019
March 15, 2019	$0.1375/Share	February 282, 2019
April 15, 2019	$0.1375/Share	March 29, 2019
May 15, 2019	$0.1375/Share	April 30, 2019
June 17, 2019	$0.1375/Share	May 31, 2019
July 15, 2019	$0.1375/Share	June 28, 2019
August 15, 2019	$0.1375/Share	July 31, 2019
September 16, 2019	$0.1375/Share	August 30, 2019
October 15, 2019	$0.1375/Share	September 30, 2019
November 15, 2019	$0.1375/Share	October 31, 2019
December 16, 2019	$0.1375/Share	November 29, 2019

DESCRIPTION OF CAPITAL STRUCTURE

Alaris is authorized to issue an unlimited number of Common Shares and Non-Voting Shares. As of the date hereof, 36,721,674 Common Shares were issued and outstanding, and there were no Non-Voting Shares issued and outstanding. In addition, as of the date hereof, there were stock options outstanding to acquire 1,433,866 Common Shares pursuant to Alaris' Stock Option Plan, and there were restricted share units outstanding entitling the holders thereof to receive an aggregate of 538,503 Common Shares pursuant to the Alaris' Restricted Share Unit Plan upon the satisfaction of certain vesting criteria.

The following describes the material provisions of our Common Shares and Non-Voting Shares.

COMMON SHARES

The material characteristics of the Common Shares are as follows:

a) each Common Share carries the right to attend at Shareholder meetings and to one vote on each resolution voted on at a Shareholders' meeting;

b) holders of Common Shares are entitled to receive dividends when declared by the Board. However, no dividend may be declared on the Common Shares unless the same dividend is also declared concurrently on the Non-Voting Shares;

c) in the event of liquidation, dissolution or winding-up, or any other distribution of our assets among our Shareholders, holders of Common Shares are entitled to share pro rata in such assets as are available for distribution; and

d) the terms of the Common Shares also contain certain provisions designed to ensure that Alaris complies with applicable U.S. securities laws, including a restriction on treasury issuances to persons located in the United States or that are U.S. Persons that are not Qualified Purchasers and restrictions on ownership by ERISA Persons. See "*Ownership and Transfer Restrictions*". A full copy of the terms of the Common Shares is available on the Company's SEDAR profile at www.sedar.com.

NON-VOTING SHARES

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

a) holders of Non-Voting Shares are entitled to receive notice of and to attend any meeting of the Shareholders provided that, except as required by law, the holders of the Non-Voting Shares are not entitled to vote at any such meeting;

b) holders of Non-Voting Shares are entitled to receive dividends as and when declared by our Board. However, no dividend may be declared on the Non-Voting Shares unless the same dividend is also declared concurrently on the Common Shares;

c) in the event of any liquidation, dissolution or winding-up of Alaris, or any other distribution of our assets among our Shareholders, holders of Non-Voting Shares are entitled to share pro rata in such assets as are available for distribution; and

d) if an offer is made to purchase Common Shares which, by reason of applicable securities legislation or by-laws, regulations or policies of a stock exchange require that the offer be made to each holder of Common Shares, holders of Non-Voting Shares have the option to require Alaris to redeem their Non-Voting Shares, upon written notice in accordance with the terms of the Non-Voting Shares. This redemption right will not come into effect in certain circumstances that are more particularly outlined in the terms of the Non-Voting Shares.

MARKET FOR SECURITIES AND PRIOR SALES

TRADING PRICE AND VOLUME

Common Shares

The Common Shares are listed and posted for trading on the TSX under the symbol "AD". The following table describes the intraday price range and trading volume of the Common Shares for 2019 and for 2020 through March 27, 2019 (source: TMX Money).

Common Shares			
	High ($/share)	Low ($/share)	Volume (thousands)
January 2019	19.00	16.57	3,206
February 2019	20.38	18.71	2,959
March 2019	21.41	19.71	4,013
April 2019	21.31	17.80	4,349
May 2019	19.24	17.70	3,020
June 2019	20.09	18.02	2,685
July 2019	21.43	18.76	5,526
August 2019	20.40	19.14	2,666
September 2019	20.37	19.09	2,725
October 2019	19.90	18.81	2,738
November 2019	22.42	19.35	4,165
December 2019	22.50	21.30	2,427
January 2020	22.61	22.33	4,295
February 2020	23.34	19.23	5,741
March 2020	19.58	5.83	14,605

Convertible Debentures

On June 11, 2019, Alaris issued $100 million aggregate principal amount of convertible unsecured subordinated debentures at a price of $1,000 per convertible debenture, with an interest rate of 5.50% per annum, payable semi-annually. The convertible debentures will mature on June 30, 2024, and are listed and posted for trading on the TSX under the symbol "AD.BD". The following table describes the intraday price range and trading volume of the convertible debentures from June 11, 2019, through March 27, 2020 (source: TMX Money).

Convertible Debentures			
	High ($/debenture)	Low ($/debenture)	Volume (thousands)
June 2019	98.50	95.75	15,951
July 2019	98.40	95.60	19,140
August 2019	98	95	4,502
September 2019	96.50	94.97	4,752
October 2019	96.50	94.50	5,119
November 2019	100.50	95.95	7,721
December 2019	101.48	99.46	4,220
January 2020	103.50	100.70	4,037
February 2020	105.58	97.70	3526

Convertible Debentures			
	High ($/debenture)	Low ($/debenture)	Volume (thousands)
March 2020	99.25	60.46	11,447

PRIOR SALES

No Non-Voting Shares were issued or outstanding during the year ended December 31, 2019.

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 Regulations S, to persons that are (a)(i) located in the United States, or (ii) are U.S. Persons, or (iii) are acquiring securities for the account or benefit of persons located in the United States, or U.S. Persons, that are (b) Qualified Purchasers (as defined in Section 2(a)(51)(A) of the 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, to comply with the Section 3(c)7) exemption, Common Shares will be issued by Alaris only: (A) outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulation S, or (B) inside the United States or to U.S. Persons, or for the account or benefit of persons located in the United States or U.S. Persons, that are Qualified U.S. Purchasers (which are required to be a Qualified Institutional Buyers). Additionally, generally, Qualified U.S. Purchasers that hold Common Shares may not resell their Common Shares in the United States or to U.S. Persons, or for the account or benefit of persons located in the United States or U.S. Persons.

ERISA Restriction of No Ownership by Plans

For the reasons set forth in this section, Alaris will prohibit investment in Common Shares by "benefit plan investors" and other similar investors, and, therefore, will also prohibit transfers of Common Shares to such investors. For these purposes, "benefit plan investors" are "employee benefit plans" (within the meeting of Section 3(3) of ERISA) subject to Part 4 of Subtitle B of Title I of ERISA, plans (including individual retirement accounts and other arrangements) subject to Section 4975 of the U.S. Tax Code, and entities whose underlying assets are deemed to include "plan assets" under the Plan Asset Rules. Other benefit plans that are not subject to the Plan Asset Rules, such as the plans of churches or governmental entities or other non-U.S. plans, may be subject to laws or regulations that are similar in effect to the Plan Asset Rules, the fiduciary responsibility requirements of ERISA or the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the U.S. Tax Code ("**Similar Law**"), and, therefore, will be treated by Alaris as benefit plan investors (together with benefit plan investors, "**ERISA Plans**").

If benefit plan investors hold Common Shares, 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 defined in the Plan Asset Regulations. Under the Plan Asset Regulations, equity participation in an entity by benefit plan investors will not be significant if they hold, in the aggregate, less than 25% of the value of each class of equity interests of such entity, excluding equity interests held by certain persons described in the Plan Asset Regulations.

If under the Plan Asset Rules or Similar Law, Alaris' assets are deemed to be "plan assets" of a benefit plan investor in Alaris, this would result, among other things, in (a) the application of the prudence and other fiduciary responsibility standards of ERISA to investments made by Alaris and (b) the possibility that certain transactions that Alaris or its subsidiaries have entered into, or may enter into, in the ordinary course of business might constitute non-exempt prohibited transactions under Section 406 of ERISA or Section 4975 of the U.S. Tax Code or Similar Law and as such, might be subject to fines and penalties and 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 Common Shares and any Common Shares 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 Common Shares by benefit plan investors will be "significant" for purposes of the Plan Asset Regulations. Consequently, Common Shares and any beneficial interests therein may not be held by ERISA Plans nor acquired using "plan assets" of any such investor. Each investor in Common Shares and each subsequent transferee, by acquiring or holding Common Shares 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 Common Shares will not be) an ERISA Plan and no portion of the assets used to acquire or hold its interest in the Common Shares constitutes or will constitute "plan assets" of an ERISA Plan. Any breach of such deemed representation will void the investment in Common Shares.

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

When acquiring Common Shares, each purchaser thereof, whether or not they are located in the United States or a U.S. Person, will either make or be deemed to have made the acknowledgements, representations, warranties and agreements set forth in "*Legends on All Securities for Holders Whether or Not Located in the United States or U.S. Persons*" immediately below. Qualified U.S. Purchasers may not resell their Common Shares 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 Common Shares 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 Common Shares issued, and all certificates (or other evidences of entitlement) issued in exchange therefor or in substitution thereof, will bear the legend set forth below (whether they are issued in certificated form or are held through the book-based system maintained by CDS). This legend will be placed on certificates (or other evidences of entitlement) for purchasers outside the United States, and 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 U.S. Persons. Consequently, each initial holder and each subsequent purchaser of the Common Shares will, or will be deemed to, represent, agree and acknowledge as follows:

> ALARIS ROYALTY CORP. (THE "**CORPORATION**") HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**U.S. 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, U.S. PERSONS.
>
> BY ACQUIRING THIS SECURITY OR A BENEFICIAL INTEREST HEREIN, EACH HOLDER SHALL BE DEEMED TO REPRESENT, WARRANT AND AGREE WITH THE CORPORATION THAT: (1) IT IS EITHER: (A) OUTSIDE THE UNITED STATES AND NOT A U.S. PERSON AND NOT ACTING FOR THE ACCOUNT OR BENEFIT OF PERSONS LOCATED IN THE UNITED STATES OR U.S. PERSONS OR (B) A QUALIFIED PURCHASER AS DEFINED IN SECTION 2(a)(51)(A) OF THE U.S. INVESTMENT COMPANY ACT; (2) IT WILL NOT OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR A BENEFICIAL INTEREST HEREIN IN THE UNITED STATES OR TO A U.S. PERSON OR TO A PERSON ACTING FOR THE ACCOUNT OR BENEFIT OF PERSONS LOCATED IN THE UNITED STATES OR U.S. 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 U.S. 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 U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**U.S. INTERNAL REVENUE CODE**"), (iii) ANY OTHER RETIREMENT OR BENEFIT PLAN SUBJECT TO ANY STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT WOULD HAVE THE SAME EFFECT AS ERISA SECTION 3(42) AND THE REGULATIONS OF THE U.S. DEPARTMENT OF LABOR CODIFIED AT 29 C.F.R. SECTION 2510.3-101 (TOGETHER, THE "PLAN ASSET REGULATIONS")TO CAUSE THE UNDERLYING ASSETS OF THE CORPORATION TO BE TREATED AS ASSETS OF THAT INVESTING

ENTITY BY VIRTUE OF ITS INVESTMENT (OR ANY BENEFICIAL INTEREST) IN THE CORPORATION AND THEREBY SUBJECT THE CORPORATION TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE FIDUCIARY RESPONSIBILITY OR PROHIBITED TRANSACTION PROVISIONS CONTAINED IN ERISA OR SECTION 4975 OF THE U.S. 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 CORPORATION HAS THE RIGHT TO COMPEL ANY SECURITY HOLDER OR BENEFICIAL HOLDER TO SELL ITS SECURITIES OR INTEREST THEREIN, OR MAY SELL SUCH COMMON SHARES OR INTEREST THEREIN ON BEHALF OF SUCH PERSON, WHERE SUCH PERSON DOES NOT SATISFY THE REQUIREMENTS IN THE PARAGRAPH ABOVE.

THE CORPORATION 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 CORPORATION OR ANY OF ITS AGENTS.

THE TERM "U.S. PERSON" SHALL HAVE THE MEANING SET FORTH IN RULE 902(k) OF REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED.

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

DIRECTORS AND EXECUTIVE OFFICERS OF ALARIS

The following people are the directors and executive officers of Alaris as of the date hereof. Directors of Alaris are elected annually and hold office until the next annual meeting of Shareholders.

DIRECTORS OF ALARIS

Name and Jurisdiction of Residence	Office Held	Director Since	Principal Occupation or Employment and Occupation during the Past Five Years
Jack C. Lee Calgary, Alberta Canada	Board Chairman	July 31, 2008	Mr. Lee is President of Facet Resources Ltd., a private investment company and is currently Chairman of Sprott Inc. Mr. Lee is also the Executive Chairman of the board of Gryphon Petroleum Corp., a private oil and gas company. Prior thereto he was Chairman of Ithaca Energy and Canetic Resources Trust as well as Chairman, President and Chief Executive Officer of Acclaim Energy Trust. Mr. Lee has a Bachelor of Arts and a Bachelor of Commerce degree and holds an ICD.D designation from the Institute of Corporate Directors.
Mitch Shier Calgary, Alberta Canada	Director	July 31, 2008	Mr. Shier is General Counsel, Corporate Secretary and Manager, Land at Paramount Resources Ltd., which he joined in November, 2008. Prior to joining Paramount, Mr. Shier spent over 24 years in private practice where he specialized in mergers and acquisitions and oil and gas and general commercial law.
Mary Ritchie Edmonton, Alberta Canada	Director	July 31, 2008	Ms. Ritchie is President and Chief Executive Officer of Richford Holdings Ltd., an accounting and investment advisory services company. Ms. Ritchie is a member of the Canadian Institute of Chartered Accountants and a Fellow of the Institute of Chartered Accountants of Alberta. Ms. Ritchie is a member of the Board of Directors of EnWave Corporation and IPL Plastics Ltd.
John (Jay) Ripley Round Hill, Virginia, USA	Director	May 8, 2018	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, COO and 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.
Robert Bertram Aurora, Ontario Canada	Director	July 1, 2014	Robert Bertram is a Corporate Director. In December 2008 he retired as the Executive Vice President of Ontario Teachers' Pension Plan Board ("**Teachers**"), a position he held from 1990. Prior to Teachers, Mr. Bertram spent 18 years at Telus Corporation, including roles as Assistant Vice President and Treasurer. Mr. Bertram is currently a member of the Independent Review Committee for the Strathbridge Asset Management family of funds, a director of the Investment Management Co. of Ontario and a director of the Canadian Foundation for Governance Research. Mr. Bertram previously held director roles, amongst others, with Cadillac Fairview Corporation, Maple Leafs Sports and Entertainment, AltaLink, Nexen Inc. and Morguard Mortgage Investment Corp.

Name and Jurisdiction of Residence	Office Held	Director Since	Principal Occupation or Employment and Occupation during the Past Five Years
Peter Grosskopf Toronto, Ontario Canada	Director	December 8, 2019	Peter Grosskopf has more than 30 years of experience in the financial services industry and is currently Chief Executive Officer, Sprott Inc. and Managing Director, Sprott Resource Lending. At Sprott, Peter is responsible for strategy and managing the firm's investment capital and lending business. His career includes a long tenure in investment banking, where he managed many strategic and underwriting transactions for companies in a variety of sectors. Prior to joining Sprott, Mr. Grosskopf was President of Cormark Securities Inc. He has a track record of building and growing successful businesses including Newcrest Capital Inc. (as one of its co-founders) which was acquired by the TD Bank Financial Group in 2000. Mr. Grosskopf is a CFA® charterholder and earned an Honours Degree in Business Administration and a Masters of Business Administration from the Richard Ivey School of Business at the University of Western Ontario.
Steve King Calgary, Alberta Canada	President, Chief Executive Officer and a Director	July 31, 2008	Mr. King is the President and CEO of Alaris and has served in that role since he co-founded the Company's predecessor, Alaris IGF in 2004. Mr. King has also served on the board of directors of Alaris since the company went public in 2008. Mr. King also serves as a director with Sponsor Energy, a private energy retailer. 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.

EXECUTIVES OF ALARIS

Name and Jurisdiction of Residence	Position Held	Date of Employment	Principal Occupation or Employment and Occupation during the Past Five Years
Steve King Calgary, Alberta Canada	President, Chief Executive Officer and a Director	July 31, 2008	Mr. King is the President and CEO of Alaris and has served in that role since he co-founded the Company's predecessor, Alaris IGF in 2004. Mr. King has also served on the board of directors of Alaris since the company went public in 2008. Mr. King also serves as a director with Sponsor Energy, a private energy retailer. 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. Steve is a CFA® Charterholder.
Darren Driscoll Calgary, Alberta Canada	Chief Financial Officer	July 31, 2008	Mr. Driscoll has been the Chief Financial Officer of Alaris and its predecessor company, Alaris IGF Corp. since November 2004. Before joining Alaris, Darren was the Chief Financial Officer of the Canadian Association of Petroleum Producers. Darren obtained his Chartered Accountant designation in 1995 while working with KPMG LLP in Calgary.
Michael Ervin Calgary, Alberta Canada	Chief Legal Officer/Corporate Secretary	October 14, 2013	Prior to joining Alaris in October of 2013, Mr. Ervin was a corporate lawyer with Burnet, Duckworth & Palmer LLP, with a practice focusing on advising clients, including Alaris, on public and private financings, mergers and acquisitions, corporate governance matters and general corporate matters. Mr. Ervin received his Bachelor of Business Administration (with distinction) from the University of Regina in 2003 and his Bachelor of Laws (with distinction) from the University of Alberta in 2006 and was called to the Alberta Bar in 2007.
Curtis Krawetz Calgary, Alberta Canada	Vice President Investments and Investor Relations	July 31, 2008	Prior to his appointment as Vice President Investments and Investor Relations in 2013, Curtis held the position of Analyst and Manager Investor Relations at Alaris and its predecessor, Alaris IGF Corp. since 2006. Prior thereto Curtis held positions in the petroleum marketing, banking and foreign exchange industries and the public sector. Mr. Krawetz received his Bachelor of Commerce from the University of Saskatchewan in 2001.

Name and Jurisdiction of Residence	Position Held	Date of Employment	Principal Occupation or Employment and Occupation during the Past Five Years
Amanda Frazer Calgary, Alberta Canada	Vice President Investments	October 14, 2013	Prior to joining Alaris in October of 2013, Ms. Frazer spent 9 years working with Ernst & Young ("**EY**") most recently as a Senior Manager in the EY Transaction Advisory group where she provided transaction advisory services to both buy and sell side clients across a broad spectrum of industries. Ms. Frazer has been a Chartered Accountant in Canada since 2008 and earned a Bachelor of Applied Business Administration, with a major in accounting, from Mount Royal.
Gregg Delcourt Calgary, Alberta Canada	Senior Vice President Small Cap Investments	July 1, 2015	Prior to joining Alaris in July of 2015, Gregg spent 11 years as an investment banker, most recently as Managing Director, Investment Banking at Raymond James. Prior thereto, Mr. Delcourt held the position of Vice President, Mergers & Acquisitions at Ernst & Young Corporate Finance. Over the past 17 years, Mr. Delcourt has been active in financing private and public companies and has been active in advising management teams on raising capital, mergers & acquisitions and go public transactions, with a focus on small to mid-cap entities. Mr. Delcourt holds a Master of Science degree from the University of British Columbia and is a CFA® Charterholder.
Devin Timberlake Calgary, Alberta Canada	Vice-President Business Development	July 1, 2015	Prior to joining Alaris in July of 2015, Devin served as an Investment Banking Associate on the M&A advisory team with Primary Capital. Devin graduated from Brown University where he earned a degree in Business, Entrepreneurship and Organizations. Devin is a CFA® Charterholder.
Elizabeth McCarthy Calgary, Alberta Canada	Vice President Legal	October 11, 2016	Prior to joining Alaris in October of 2016, Elizabeth spent 7 years working as a tax lawyer with Burnet, Duckworth and Palmer LLP. As a tax lawyer, Elizabeth's practice focused primarily on mergers and acquisitions, restructuring and financings, employee remuneration and compensation, tax-loss utilization transactions, partnerships and joint ventures and tax litigation and tax dispute resolution. Elizabeth received her Bachelor of Arts degree from the University of Calgary in 2006 and her Law Degree from the University of British Columbia in 2009 and was called to the Alberta Bar in 2010.
Dan MacEachern Calgary, Alberta Canada	Vice President Investments	February 16, 2016	Prior to joining Alaris in February 2016, Dan served as an Associate in KPMG's Deal Advisory and Audit groups. At Alaris, Dan's efforts are focused on performing due diligence on new Partners and ongoing financial and operational monitoring of current investments. Dan graduated with distinction from St. Francis Xavier University where he earned a Bachelor of Business Administration and has been a Chartered Accountant since 2014.

COMMITTEE MEMBERS

There are four committees of the Board. Mr. Lee currently sits on the Audit Committee and the Compensation Committee, following Mr. Lee's retirement from the board the four committees of the board will be composed as follows:

(a) Audit Committee: Mary Ritchie (Chair), John (Jay) Ripley and (after May 6, 2020) Peter Grosskopf.
(b) Compensation Committee: Robert Bertram (Chair), John (Jay) Ripley and Peter Grosskopf.
(c) Governance Committee: E. Mitchell Shier (Chair), Robert Bertram and Mary Ritchie.
(d) Transaction Committee: John (Jay) Ripley (Chair); E. Mitchell Shier; and Robert Bertram.

SHAREHOLDINGS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, the directors and executive officers of Alaris, as a group, beneficially own, control or direct, directly or indirectly, 2,014,471 Common Shares (basic), which is 5.49% of the issued and outstanding Common Shares (basic).

Cease Trade Orders and Bankruptcies

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

(a) is, as at the date of this AIF, or has been, within the 10 years before, a director, chief executive officer or chief financial officer of any company (including Alaris):

(i) subject to an order (including a cease trade order, or an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation) for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) subject to an order (including a cease trade order, or an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation) for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

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

(c) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than the CRA proceedings discussed elsewhere in this AIF, to the knowledge of Alaris, there are no legal proceedings material to Alaris to which Alaris is a party, or was a party to in 2019, or that any of its assets is or was, the subject matter of in 2019, nor are there any such proceedings known to the Corporation to be contemplated.

During the year ended December 31, 2019 there were: (a) no penalties or sanctions imposed against Alaris or by a court relating to securities legislation or by a securities regulatory authority; (b) no other penalties or sanctions imposed by a court or regulatory body against Alaris that would likely be considered important to a reasonable investor in making an investment decision and (c) no settlement agreements entered into by Alaris before a court relating to a securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

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

AUDITORS, TRANSFER AGENT AND REGISTRAR

Our auditors are KPMG LLP.

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

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, Alaris has not entered into any material contract in the most recently completed financial year other than the New Senior Credit Facility**.**

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

(a) the PFGP LLC Agreement;
(b) the DNT LLC Agreement;
(c) the Federal Resources Loan Agreement

Copies of the material contracts may be inspected at our head office during normal business hours.

The material contracts may also be viewed by accessing disclosure documents of the Corporation available through the internet on SEDAR.

INTEREST OF EXPERTS

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

AUDIT COMMITTEE INFORMATION

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

THE AUDIT COMMITTEE'S MANDATE

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

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee currently consists of Mary Ritchie, F.C.A. (Chair), Jack C. Lee, B. Comm, B.A., and John (Jay) Ripley. Following Mr. Lee’s retirement from the Board on May 6, 2020, Mr. Grosskopf is expected to serve on the Audit Committee.

RELEVANT EDUCATION AND EXPERIENCE

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

Name and Municipality of Residence	**Independent**	**Financially Literate**	**Relevant Education and Experience**
Mary Ritchie Edmonton, Alberta	Y	Y	Ms. Ritchie is President and Chief Executive Officer of Richford Holdings Ltd., an accounting and investment advisory services company. Ms. Ritchie is a member of the Canadian Institute of Chartered Accountants and a Fellow of the Institute of Chartered Accountants of Alberta. Ms. Ritchie is a member of the Board of Directors of EnWave Corporation and IPL Plastics Ltd.

PRE-APPROVAL POLICIES AND PROCEDURES

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

EXTERNAL AUDITOR SERVICE FEES

Nature of Services	Fees Paid to Auditor Relating to Fiscal Year Ended December 31, 2019	Fees Paid to Auditor Relating to Fiscal Year Ended December 31, 2018
Audit Fees(1)	$305,966	$386,864
Audit Related Fees(2)	Nil	Nil
Tax Fees(3)	324,674	380,625
All Other Fees(4)	$48,150	Nil
Totals(5)	**$678,790**	**$767,489**

(1) Represents fees billed by our external auditor for audit services and the reviews of interim financial statements.
(2) Represents the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of all of our financial statements (and not reported under the heading "**Audit Fees**").
(3) Of the $324,674 of tax fees paid in 2019, $129,310 was with respect to tax compliance work and $195,364 with respect to tax advisory services. Of the $380,625 tax fees paid in 2018, $219,001 was with respect to tax compliance work and $161,624 with respect to tax advisory services.
(4) Total "Other Fees" for 2019 were in relation to Alaris' convertible debt offering in the year, with 2018 have no such offering.
(5) The decrease in total fees paid to the Auditors in 2019 was primarily due to the fact that in 2018 tax costs were higher than normal as a result of additional services to assist the Corporation in reviewing and responding to CRA audits and assessing the impact of the U.S. Tax Reform. Minimal work was required on those two topics in 2019. Audit fees were also lower in 2019 as a result of the 2018 audit requiring more extensive work relating to a former Partner, Group SM.

ADDITIONAL INFORMATION

Additional information relating to Alaris can be found on SEDAR. Additional information, including information about the remuneration and indebtedness of our directors and officers, the principal holders of our securities and our securities authorized for issuance under equity compensation plans, will be contained in our information circular for the annual meeting of shareholders expected to be held on or around May 6, 2020. Additional financial information about Alaris is provided for in our financial statements and management's discussion and analysis for the year ended December 31, 2019.

SCHEDULE "A" - AUDIT COMMITTEE MANDATE

The Audit Committee (Committee) of board of directors (Board) of Alaris Royalty Corp. (Company) has the oversight responsibility and specific duties described below and shall comply with the requirements of applicable laws.

COMPOSITION

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

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

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

RESPONSIBILITIES

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

SPECIFIC DUTIES

Audit Leadership

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

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

Auditor Qualifications and Selection

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

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

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

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

Process

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

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

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

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

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

(a) The annual financial statements, including related notes, the management's Discussion and Analysis of Financial Condition and Results of Operations (**MD&A**) of the Company and the financial statement and internal control certifications by the Chief Executive Officer and Chief Financial Officer of the Company (**Certifications**), for filing with applicable securities regulators and provision to the shareholders of the Company, as required, and all annual earnings press releases before their public disclosure.

(b) The significant estimates and judgements and reporting principles, practices and procedures applied by the Company in preparing its financial statements, including any newly adopted accounting policies and the reasons for their adoption.

(c) The results of the audit of the financial statements and whether any limitations were placed on the scope or nature of the audit procedures.

(d) Significant changes to the audit plan, if any, and any serious disputes or difficulties with management encountered during the audit, including any problems or disagreements with management which, if not satisfactorily resolved, would have caused the external auditor to issue a non-standard report on the financial statements of the Company.

(e) The cooperation received by the external auditor during its audit, including access to all requested records, data and information.

(f) Any other matters not described above that are required to be communicated by the independent auditor to the Committee.

Risk Management

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

Financial Statements and Disclosure

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

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

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

Review with management and the external auditor the quarterly financial statements, MD&A, Certifications and quarterly earnings releases prior to their release and recommend to the Board for consideration the quarterly results, financial statements, MD&A, Certifications and news releases prior to filing them with or furnishing them to the applicable securities regulators and prior to any public announcement of financial results for the periods covered, including a written report of the results of the external auditor's reviews of the quarterly financial statements, significant adjustments, new accounting policies, any disagreements between the external auditor and management and the impact on the financial statements of significant events, transactions or changes in accounting principles or estimates that potentially affect the quality of financial reporting.

Internal Control Supervision

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

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

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

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

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

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

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

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

Disclosure Controls and Procedures

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

Financial Leadership

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

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

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

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

Financial Management

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

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

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

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

Financial Risk Management

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

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

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

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

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

Transactions

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

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

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

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

Committee Reporting

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

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

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

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

Committee Meetings

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

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

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

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

Committee Governance

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

Advisors/Resources

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

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

Other

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

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

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

Approved: March 5, 2020