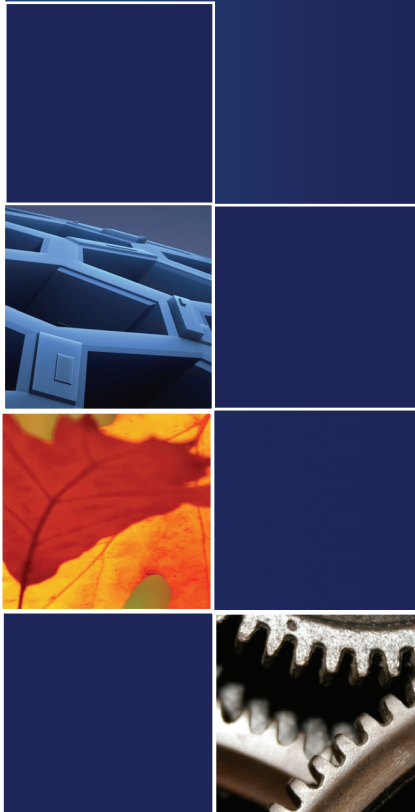


2010



Notice of Annual General Meeting
of Common Voting Shareholders
and Information Circular



Annual Meeting
June 3, 2010
3:00 p.m. – 5:00 p.m.
Sheraton Suites,
Eau Claire
255 Barclay Parade SW
Calgary, Alberta
T2P 5C2

Your Vote Counts...

Registered Shareholders

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

You will have received a form of proxy from Alaris' transfer agent, Computershare Trust Company of Canada. Complete, sign and mail your form of proxy in the postage prepaid envelope provided or fax it to the number indicated on the form. To vote in person at the meeting, see page 3 of the Information Circular.

Non-Registered Shareholders

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

You will have received a request for voting instructions from your broker or other nominee. Follow the instructions on your voting instruction form to vote by telephone, internet or fax, or complete, sign and mail the voting instruction form in the postage prepaid envelope provided. For more information, please refer to the box on page 9 of the Information Circular.

Table of Contents

INVITATION TO SHAREHOLDERS	3
NOTICE OF ANNUAL MEETING	4
INFORMATION CIRCULAR	5
List of Abbreviations	5
Q&A on Proxy Voting	7
Business of the Meeting	11
Election of Directors	13
Board of Directors Compensation/Attendance	20
Executive Compensation	23
Executive Compensation Discussion and Analysis	25
Indebtedness of Directors, Executive Officer and Senior Officers	35
Interest of Informed Persons in Material Transactions	35
Directors and Officers Insurance	35
Management Contracts	36
Other Matters	36
Additional Information	37
Contacting the Board of Directors	37
Directors Approval	37
Schedule 1- Statement of Corporate Governance Practices	38
Appendix "A" - Board of Directors Mandate	48

INVITATION TO SHAREHOLDERS

It is our great pleasure to invite you to join the Alaris Royalty Corp.'s Board of Directors and senior leadership team at our Annual Meeting of Shareholders on June 3, 2010. It will take place at the Sheraton Suites Eau Claire, in Calgary, Alberta at 3:00p.m.

This important meeting is your opportunity to hear a first-hand account of Alaris' performance to date and our plans for the future - and for us to respond to any questions you may have. We encourage you to attend in person.

This meeting is also your opportunity to vote on the important issues. Whether or not you plan to attend in person, we recommend that you exercise the power of your proxy vote through the easy-to-follow procedure that is explained in the accompanying information circular. We urge you to make your vote count.

Following the meeting, you will find the full text of the 2009 Annual Report, our quarterly results, presentations to the investment community, and other useful information about Alaris at www.alarisroyalty.com.

Directors and management never lose sight of the fact that we guide this enterprise on behalf of you, our shareholders. We look forward to your participation in our deliberations on June 3.

Sincerely,

Jack Lee
Chairman of the Board

Stephen King
President and Chief Executive Officer

May 3, 2010

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF ALARIS ROYALTY CORP.

The annual meeting of shareholders (the “**Meeting**”) of Alaris Royalty Corp. will be held the 3rd day of June, 2010 at 3:00 p.m. at the Sheraton Suites Eau Claire, 255 Barclay Parade SW, Calgary, Alberta and will have the following purposes:

1. To receive and consider the financial statements of Alaris Royalty Corp. for the year ended December 31, 2009 and the Auditor’s report on those statements (the “**Financial Statements**”);
2. To fix the number of directors to be elected at seven (7) members;
3. To elect the Board of Directors for 2010;
4. To appoint the Auditor of Alaris for 2010; and
5. To transact any other business properly before the meeting as may properly be brought before the meeting or any adjournment(s) thereof.

The specific details of the matters proposed to be put before the Annual Meeting of Shareholders are described in the information circular accompanying and forming part of this Notice. A copy of the Financial Statements were previously mailed to Alaris shareholders who requested such mailing in accordance with applicable securities laws and have been filed under Alaris’ profile at www.sedar.com.

Shareholders who own common voting shares (the “**Common Shares**”) of Alaris as at April 23, 2010 will be entitled to vote at the meeting. The number of eligible votes that may be cast at the Meeting is 11,157,438, such number being the total number of Common Shares of Alaris outstanding on April 23, 2010.

Whether or not you plan to attend the Meeting in person, please complete the enclosed Form of Proxy and return it in accordance with the instructions on this Form of Proxy. For your vote to be recorded, your proxy must be received by Computershare Trust Company of Canada, by fax at the number noted in the Form of Proxy, or by mail at the address noted in the Form of Proxy, no later than 3:00 p.m. (Mountain Time) on Tuesday, June 1, 2010.

BY ORDER OF THE BOARD OF DIRECTORS

Stephen King
President and Chief Executive Officer
May 3, 2010

INFORMATION CIRCULAR

List of Abbreviations

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

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

"**AIF**" means the annual information form of Alaris dated March 11, 2010 and filed on Alaris' corporate profile at www.sedar.com.

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

"**Alaris Partnership**" means Alaris Income Growth Fund Partnership, the general partnership resulting from the conversion of Alaris Income Growth Fund L.P. to a general partnership from a limited partnership.

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

"**Auditor**" means KPMG LLP.

"**Board**" means the board of directors of Alaris.

"**business day**" means a day when banks are generally open for the transaction of business in Toronto, Ontario, other than a Saturday, Sunday or statutory or civic holiday.

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

"**Dividend Entitlement**" means dividend entitlements earned on each issued & outstanding RSU as more particularly described on page 19 of this Information Circular under the description of Alaris' RSU plan.

"**EOTR**" means End of the Roll Carpet & Vinyl, a partnership formed under the laws of British Columbia.

"**Financial Statements**" means the financial statements of Alaris for the year ended December 31, 2009 & the Auditor's report of those statements.

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

"**Information Circular**" means this information circular – proxy statement;

"**LifeMark Health**" means LifeMark Health Limited Partnership, a limited partnership established under the laws of the Province of Alberta.

"**LMS**" means Lower Mainland Steel Limited Partnership, a limited partnership established under the laws of the Province of Alberta.

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

"**MEDIchair**" means MEDIchair Ltd., a corporation incorporated under the CBCA.

“Meeting” means the annual meeting of Shareholders to be held on June 3, 2010 at 3:00pm at the Sheraton Suites Eau Claire, 255 Barclay Parade SW, Calgary, Alberta.

“Notice” means the Notice of Annual Meeting of Shareholders of Alaris Royalty Corp. accompanying this Information Circular.

“NI 51-102” means National Instrument 51-102 – *Continuous Disclosure Obligations*.

“Non-Voting Shares” means the non-voting common shares in the capital of Alaris.

“Offering” means Alaris’ short-form prospectus offering of 2,300,000 units of Alaris on a bought-deal basis, closing on Oct. 22, 2009.

“Partnership Units” means the partnership units of Alaris Partnership.

“Private Placement” means the private placement of subscription receipts of Alaris that closed on July 17, 2008.

“Private Company Partner” and **“Private Company Partners”** means those corporations, partnerships or other entities with which Alaris has directly or indirectly entered into an alternative financing structure including LifeMark, MEDChair, EOTR & LMS.

“Record Date” means April 23, 2010.

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

“Shareholders” means the holders of Common Shares from time to time.

“Shares” means the Common Shares and the Non-Voting Shares.

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

“TSX” means the Toronto Stock Exchange.

“Units” means Units of Alaris offered pursuant to the Offering, with each Unit consisting of one Common Share and one-half of a Common Share purchase Warrant.

“VWAP” means in respect of share options of Alaris (as more particularly described on pages 26– 28 of this Information Circular) the volume weighted average trading price on the TSX for the five (5) trading days immediately preceding the grant date of such options.

“Warrant” means those common share purchase warrants in the capital of Alaris, offered pursuant to the Offering.

Q&A on Proxy Voting

This Information Circular is dated May 3, 2010 and all information is as at this date, unless otherwise indicated.

Q: What am I voting on?

A: Holders of Common Shares of Alaris are voting on setting the number of directors, the election of directors to the Board of Alaris for 2010 and the Auditor for 2010.

Q: Who is entitled to vote?

A: Shareholders of record as at the “record date” of April 23, 2010 are entitled to vote. Each Common Share of Alaris is entitled to one vote on those items of business identified in the Notice of Annual Meeting of Shareholders of Alaris. There will be a quorum present at the Meeting if two persons holding or representing by proxy in the aggregate not less than 5% of the Common Shares entitled to be voted at the Meeting.

If you hold Non-Voting Shares in Alaris, you are entitled to receive notice of and attend the Meeting. **However, holders of Non-Voting Shares are not entitled to vote on any matter to be acted on at the Meeting.**

Q: How do I vote?

If you are a registered Shareholder, you may vote in person at the Meeting or you may sign the enclosed Form of Proxy appointing the persons named in the proxy or some other person you choose, who need not be a Shareholder, to represent you as proxyholder and vote your Shares at the Meeting. If your Shares are held in the name of a nominee, please see the box on page 9 and 10 for voting instructions.

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

A: If you are a registered Shareholder and plan to attend the Meeting on June 3, 2010 and wish to vote your Shares in person at the Meeting, do not complete or return the Form of Proxy. Your vote will be taken and counted at the Meeting. Please register with the transfer agent, Computershare Trust Company of Canada, upon arrival at the Meeting.

If your Shares are held in the name of a nominee, please see the box on page 9 and 10 for voting instructions.

Q: Who is soliciting my proxy?

A: **The enclosed Form of Proxy is being solicited by management of Alaris.** The solicitation will be made primarily by mail but may also be made by telephone, in writing or in person by directors, officers and employees of Alaris. No such persons will be remunerated for soliciting proxies in such manner. The costs incurred in the preparation & mailing of this Information Circular, the Notice & the Form of Proxy will be borne by Alaris.

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

A: Signing the enclosed Form of Proxy gives authority to Stephen W. King or Darren Driscoll, each of whom is an officer of Alaris, or to another person who need not be a shareholder, you have appointed, to vote your Shares at the Meeting.

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

A: Yes, Write the name of this person, who need not be a Shareholder, in the blank space provided in the Form of Proxy. It is important to ensure that any other person you appoint is attending the Meeting and is aware that he or she has been appointed to vote your Shares. Proxyholders should, upon arrival at the Meeting, present themselves to a representative of Computershare Trust Company of Canada.

Q: What do I do with my completed proxy?

A: Return it to Alaris' transfer agent, Computershare Trust Company of Canada, in accordance with the instructions on the enclosed Form of Proxy, so that it arrives no later than 3:00 p.m. (Mountain Time) on Tuesday, June 1, 2010. This will ensure that your vote is recorded.

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

A: Yes. If you change your mind and wish to revoke your proxy, in addition to revocation in any other manner permitted by law, you may prepare a written statement to this effect. The statement must be signed by you or your attorney as authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney of the corporation duly authorized. This statement must be delivered to the Corporate Secretary of Alaris at the following address no later than 3:00 p.m. (Mountain Time) on Tuesday, June 1, 2010 or to the chairman of the Meeting on the day of the Meeting, Thursday, June 3, 2010, prior to its commencement or prior to the continuation of any adjournment of the Meeting.

Alaris Royalty Corp.
Suite 232, 2031-33rd Avenue SW
Calgary, Alberta T2T 1Z5
Rachel Colabella, General Counsel and Corporate Secretary
Fax: 403-228-0906

Q: How will my Shares be voted if I give my proxy?

A: The persons named on the Form of Proxy must vote for or against or withhold from voting your Common Shares in accordance with your directions, or you can let your proxyholder decide for you. **In the absence of such directions, proxies appointing the persons named in the Form of Proxy will be voted in favor of the election of directors of the Board and the appointment of the Auditors.**

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

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

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

Q: How many Shares are entitled to vote?

A: As of the Record Date, there were 11,157,438 Common Shares and 666,665 Non-Voting Shares issued and outstanding. Each registered Shareholder has one vote for each Common Share held at the close of

business on the Record Date. **Holders of Non-Voting Shares are not entitled to vote on any matter to be acted on at the Meeting.**

The rights, privileges and restrictions attached to the Common Shares and Non-Voting Shares are more fully described in the AIF.

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

Name	# of Common Shares Legally and Beneficially Owned	% of Outstanding Common Shares
Clayton H. Riddell and/or entities directly or indirectly controlled by him	3,840,000	32.5%

Q: How will the votes be counted?

A: Each question brought before the Meeting is determined by a simple majority of votes cast on the question.

Q: Who counts the votes?

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

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

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

Computershare Trust Company of Canada
100 University Avenue
9th Floor, North Tower
Toronto, Ontario M5J 2Y1

or by telephone:

within Canada and the United States at 1-800-340-5021 and from all other countries at 514-982-7800

or by fax

within Canada and the United States at 1-888-453-0330 and from all other countries at 416-263-9394

or by email:

service@computershare.com

Q: If my Common Shares are not registered in my name but are held in the name of a nominee (a bank, trust company, securities broker, trustee or other), how do I vote then?

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

There are two ways you can vote your Common Shares held by your nominee. As required by Canadian securities legislation, you will have received from your nominee either a request for voting instructions or a Form of Proxy for the number of Common Shares you hold.

For your Common Shares to be voted, please follow the voting instructions provided by your nominee. **Every nominee will have its**

own mailing procedures and provide its own return instructions, which should be carefully followed by you to ensure that your Common Shares are voted at the Meeting. Often, the Form of Proxy supplied to you by your broker is identical to the Form of Proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholders how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the beneficial shareholders and asks beneficial shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. If you receive a proxy with a Broadridge sticker on it, you cannot use that proxy to vote shares directly at the Meeting. The proxy must be returned to Broadridge in advance of the Meeting in order to have your shares voted.

Since Alaris does not have unrestricted access to the names of its non-registered Shareholders, if you attend the Meeting, Alaris may have no record of your

shareholdings or of your entitlement to vote unless your nominee has appointed you as proxyholder. Therefore, if you wish to vote in person at the Meeting, insert your own name in the space provided on the request for voting instructions or Form of Proxy and return same by following the instructions provided. Do not otherwise complete the form as your vote will be taken at the Meeting. Please register with the transfer agent, Computershare Trust Company of Canada, upon arrival at the Meeting.

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

A: You can ask your question in person at the Meeting, submit your question at the time of registration at the Meeting with Alaris’ transfer agent, Computershare Trust Company of Canada. You can also submit a question by writing to the Corporate Secretary at:

Alaris Royalty Corp.
Suite 232, 2031-33rd Avenue SW
Calgary, Alberta T2T 1Z5
Attention: Rachel Colabella,
General Counsel and Corporate Secretary

or by email at: rcolabella@alarisroyalty.com

Business of the Meeting

1. Financial Statements

The Financial Statements for the year ended December 31, 2009 are included in the 2009 annual report.

2. Fixing Number of Directors

At the Meeting it is proposed that the number of directors to be elected at the Meeting to hold office until the next annual meeting or until their successors are elected or appointed, subject to the Articles and By-laws of Alaris, be fixed at seven (7). **Unless otherwise instructed, the persons designated Form of Proxy intend to vote for an ordinary resolution fixing the number of directors to be elected at the Meeting at seven (7), subject to amendment between annual meetings by the Board of Directors.**

The fixing of the number of directors at seven (7) must be approved by a simple majority of votes cast at the Meeting in person or by proxy.

3. Election of Directors

The 7 nominees proposed for election as directors of Alaris are: Jack C. Lee, Clayton H. Riddell, E. Mitchell Shier, Mary C. Ritchie, John P.A. Budreski, Stephen King and Gary Patterson. Please see the director descriptions starting at page 13 of this Information Circular for more information about each of these director nominees. All nominees have established their eligibility and willingness to serve as directors. Directors will hold office until the next Annual Meeting of Shareholders of Alaris or until their successors are elected or appointed.

Unless otherwise instructed, the persons designated in the Form of Proxy intend to vote **for** the election of the nominees listed beginning on page 13. If, for any reason, at the time of the Meeting any of the nominees are unable to serve, and unless otherwise specified, it is intended that the persons designated in the Form of Proxy will vote at their discretion for a substitute nominee or nominees.

The election of the directors must be approved by a simple majority of the votes cast at the Meeting in person or by proxy.

4. Appointment of Shareholders Auditors

The directors propose that the firm of KPMG LLP be appointed as Auditors of Alaris for the fiscal year ending December 31, 2010. KPMG LLP has served continuously since July 31, 2008 as Alaris' sole auditing firm. The persons designated in the enclosed Form of Proxy, unless instructed otherwise, intend to vote **for** the appointment of KPMG LLP as Auditors and to authorize the directors to fix the remuneration of the Auditors.

The appointment of KPMG LLP as Auditors must be approved by a simple majority of the votes cast at the Meeting, in person or by proxy.

Pre-Approval Policies and Procedures

As part of Alaris' corporate governance practices, the Board continues to ensure that a strict policy is in place limiting the Auditor from providing services not related to its role as Auditor.

All services provided by the Auditor are pre-approved by the Audit Committee as they arise or through an annual pre-approval of amounts for specific types of services. All services comply with professional standards and securities regulations governing auditor independence. Aggregate fees paid to the

Auditor during the fiscal years ended December 31, 2009 and 2008 are more particularly described in Alaris' AIF, which is incorporated by reference herein. Copies of such AIF can be found under Alaris' profile at www.sedar.com.

Election of Directors

Jack C. Lee
 Calgary, Alberta
 Canada
 Director Since: 2008
 Independent⁽¹⁾

Mr. Lee is President of Facet Resources Ltd., a private investment company. In May 2008 he became Chairman of Sprott Inc., prior thereto he was Vice Chairman of Penn West Energy Trust, Chairman of Canetic Resources Trust and President and Chief Executive Officer of Acclaim Energy Trust. Mr. Lee is also on the board of Ithaca Energy Inc. and three private oil and gas companies, Gryphon Petroleum Corp., Darian Resources Ltd. and CanEra Resources Inc.

Areas of Expertise

Industries:

- Financial Services
- Energy

Board/Committee Membership		Attendance	Attendance Total	
Board of Directors (Chair) ⁽²⁾		5 of 5	10 of 10	100%
Audit ⁽²⁾		5 of 5		
Public Board Membership During the Last Five Years				
Sprott Inc.		2008-Present	Chairman, compensation committee Member, Audit Committee	
PennWest Energy Trust		Jan. 2008 - May 2008	Vice Chairman	
Canetic Resources Trust		Jan. 2006 - Jan. 2008	Chairman Member of Audit, Compensation, Governance, Reserves & HS&E Committees	
Acclaim Energy Trust		2001-2006	President and Chief Executive Officer	
Ithaca Energy Inc.		Feb. 2008 - Present	Member, Audit & Reserves Committees	
Securities Held				
Year	Common Shares ⁽³⁾	Restricted Share Units (RSUs) ⁽⁴⁾	Total of Common Shares and RSUs	
2009	101,250	18,750	120,000	
Options Held ⁽⁶⁾				
NIL				
Value of Total Compensation Received				
2009:\$64,000 (\$45,438 in RSUs)				

Clayton H. Riddell

Calgary, Alberta
Canada
Director Since: 2008
Independent ⁽¹⁾

Mr. Riddell has been the Chairman of the Board and Chief Executive Officer of Paramount Resources Ltd. since 1978. He is the Chairman of the Board of Paramount Energy Operating Corp., a wholly-owned subsidiary of Paramount Energy Trust, and Trilogy Energy Ltd., a wholly owned subsidiary of Trilogy Energy Trust. Mr. Riddell has served & continues to serve on numerous boards of directors, as more particularly described in the table below.

Areas of Expertise

Industries:
° Energy

Board/Committee Membership		Attendance		Attendance Total	
Board of Directors ⁽²⁾		4 of 5		6 of 7	86%
Compensation and Governance Committee		2 of 2			
Public Board Membership During the Last Five Years					
Paramount Resources Ltd.		1978-Present		Chairman President (until June 2002) and Chief Executive Officer	
Paramount Energy Operating Corp (wholly-owned subsidiary of Paramount Energy Trust)		May 2003-Present		Chairman	
Newalta Inc.		January 2009-May 2009		Chairman	
Newalta Corporation (a wholly-owned subsidiary of Newalta Income Fund)		June 2003-December 2008		Chairman (until October, 2008)	
Trilogy Energy Corp.		February 2010-Present		Chairman	
Trilogy Energy Ltd. (a wholly-owned subsidiary and administrator of Trilogy Energy Trust)		April 2005-February 2010		Chairman	
MGM Energy Corp.		January 2007-Present			
Duvernay Oil Corp.		January 2004-August 2008			
Securities Held					
Year	Common Shares ⁽³⁾	Restricted Share Units (RSUs) ⁽⁴⁾	Warrants ⁽⁶⁾	Total of Common Shares and RSUs	
2009	3,840,000	15,000	380,000	3,855,000	
Options Held ⁽⁶⁾					
NIL					
Value of Total Compensation Received					
2009:\$51,200 (\$36,350 in RSUs)					

E. Mitchell Shier
 Calgary, Alberta
 Canada
 Director Since: 2008
 Independent ⁽¹⁾

Mr. Shier is General Counsel, Corporate Secretary and Manager, Land of Paramount Resources Ltd., which he joined in November, 2008. From 2002 until January 2009 Mr. Shier practiced oil and gas and commercial law as a partner with Heenan Blaikie LLP, (a national law firm) and remains of counsel with that firm. Mr. Shier is also a director of Trilogy Energy Corp.

Areas of Expertise

Industries:

- Legal
- Energy

Board/Committee Membership		Attendance	Attendance Total	
Board of Directors ⁽²⁾		5 of 5	7 of 7	100%
Compensation and Governance Committee (Chair, Governance Matters)		5 of 5		
Public Board Membership During the Last Five Years				
Trilogy Energy Corp.		February 2010-Present		
Trilogy Energy Ltd. (a wholly-owned subsidiary of and administrator of Trilogy Energy Trust)		April 2005-February 2010		
Securities Held				
Year	Common Shares ⁽³⁾	Restricted Share Units (RSUs) ⁽⁴⁾	Total of Common Shares and RSUs	
2009	5,000	15,000	20,000	
Options Held ⁽⁶⁾				
NIL				
Value of Total Compensation Received				
2009:\$51,200 (\$36,350 in RSUs)				

Mary C. Ritchie
 Edmonton, Alberta
 Canada
 Director Since: 2008
 Independent ⁽¹⁾

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 the Chairman of the Audit Committees of RBC Funds Inc. and RBC Advisor Global Fund Inc.. She is also a member of the Board of Directors of Industrial Alliance Assurance & Financial Services Inc.

Areas of Expertise

Industries:

- Financial Services

Board/Committee Membership		Attendance	Attendance Total	
Board of Directors ⁽²⁾		5 of 5	10 of 10	100%
Audit Committee		5 of 5		
Public Board Membership During the Last Five Years				
697937 Alberta Ltd (formerly Isotechnika Inc.)		January 2006-August 2009		Audit (Chair)
Industrial Alliance Assurance and Financial Services Inc.		May 2003-Present		None
Isotechnika Pharma Inc.		June 2009-July 2009		
Securities Held				
Year	Common Shares ⁽³⁾	Restricted Share Units (RSUs) ⁽⁴⁾	Total of Common Shares and RSUs	
2009	20,000	15,000	35,000	
Options Held ⁽⁶⁾				
NIL				
Value of Total Compensation Received				
2009:\$51,200 (\$36,350 in RSUs)				

John P.A. Budreski

Toronto, Ontario
Canada
Director Since: 2008
Independent ⁽¹⁾

Areas of Expertise

Industries:

- Financial Services
- Energy

On March 23, 2009, Mr. Budreski became a Managing Director with Cormark Securities Inc. Prior thereto Mr. Budreski was an independent businessman and also Advisor – Special Projects with Tricor Pacific Capital, Inc., a private equity firm based in Vancouver, British Columbia. Prior thereto, Mr. Budreski was the Chief Executive Officer of Orion Securities Inc. prior to its sale to the Macquarie Group. Prior thereto, Mr. Budreski was a Managing Director at Scotia Capital Inc. Mr. Budreski is also a director of Sandstorm Resources Ltd. and previously served on other public boards of directors as more particularly described in the table below.

Board/Committee Membership			Attendance	Attendance Total	
Board of Directors ⁽²⁾			5 of 5	7 of 7	100%
Compensation and Governance Committee (Chair, Compensation Matters)			2 of 2		
Public Board Membership During the Last Five Years					
Cell-Loc Location Technologies Inc.			May 2008-May 2009	None	
Sandstorm Resources Ltd.			June 2009-Present	Audit Committee	
Provident Energy Resources Inc			December 2003-February 2005	None	
EarthFirst Canada Inc.			December 2007-March 2010	None	
Securities Held					
Year	Common Shares ⁽³⁾	Restricted Share Units (RSUs) ⁽⁴⁾	Total of Common Shares and RSUs		
2009	52,691	15,000	67,691		
Options Held ⁽⁶⁾					
NIL					
Value of Total Compensation Received					
2009:\$51,200 (\$36,350 in RSUs)					

Stephen W. King

Calgary Alberta
Canada
Director Since: 2008
Independent ⁽¹⁾

Areas of Expertise

Industries:

- Financial Services

Prior to joining Alaris in July 2008, Mr. King was and continues to be the President and Chief Executive Officer of Alaris IGF Corp. and its predecessor since April 2004. Prior thereto, Mr. King spent 12 years in the investment banking industry and is a Certified Financial Analyst. Mr. King is a director of Metropolitan Investment Corporation, a private investment company and a director of the general partner of LifeMark.

Board/Committee Membership			Attendance	Attendance Total	
Board of Directors ⁽²⁾			5 of 5	5 of 5	100%
Public Board Membership During the Last Five Years					
None (other than Alaris)					
Securities Held					
Year	Common Shares ⁽³⁾	Restricted Share Units (RSUs) ⁽⁴⁾	Total of Common Shares and RSUs		
2009	352,152	120,000	472,152		
Options Held ⁽⁵⁾					
Date Granted	Expiry Date	Number Granted	Exercise Price ⁽⁷⁾	Total Unexercised	
November 2, 2009	November 2, 2014	41,000	\$7.27	41,000	
October 29, 2009	October 29, 2013	90,000	\$12.00	90,000	
Value of Total Compensation Received					
2009:\$0 as director (\$0 in RSUs and \$0 in cash) - please refer to Summary Compensation table on page 30 of this Information Circular for a more complete discussion of compensation to Mr. King during 2009.					

Gary Patterson
Kelowna, British Columbia
Canada
Director Since: 2008
Independent ⁽¹⁾

Since June 2003 Mr. Patterson has been the President and Chief Executive Officer of GAP Financial Ltd., a British Columbia based company which provides financial and business advisory services to corporations. Mr. Patterson also sits on the board of Seacliff Construction Corp., a diversified construction company providing general, electrical and civil contracting services to public and private sector clients. In addition, he was previously on the board of trustees of Art in Motion Income Fund and SUMMIT Real Estate Investment Trust, as well as on the board of directors of EarthFirst Canada Inc. Mr. Patterson is also a Fellow of the Institute of Chartered Accountants of British Columbia.

Areas of Expertise
Industries:

- Financial Services
- Consumer Discretionary
- Real Estate

Board/Committee Membership		Attendance	Attendance Total	
Board of Directors ⁽²⁾		5 of 5	10 of 10	100%
Audit Committee		5 of 5		
Public Board Membership During the Last Five Years				
EarthFirst Canada Inc.		December 2007-March 2010	Member, Audit Committee	
Seacliff Construction Corp.		April 2008-Present	Member of Audit, Strategic Planning and Risk Management Committees	
Art In Motion Income Fund		August 2004-November 2007	Member of Audit, Governance & Compensation Committees	
SUMMIT Real Estate Investment Trust		May 2004-October 2006	Member of Audit, Governance & Investment Committees	
Securities Held				
Year	Common Shares	Restricted Share Units (RSUs)	Total of Common Shares and RSUs	
2009	8,400	15,000	23,400	
Options Held				
NIL				
Value of Total Compensation Received				
2009:\$51,200 (\$36,350 in RSUs)				

Notes:

(1) Independent refers to the Board's determination of whether a director is "independent" under the categorical standards adopted by the Board as described under the heading "Director Independence" in Schedule 1 to this Information Circular.

(2) The 5 meetings held by the Board of Directors & Audit Committee in fiscal 2009 included meetings which were outside their regular meeting schedule.

(3) "Common Shares" or Non-Voting Shares refers to the number of Common Shares or Non-Voting Shares, as applicable, of Alaris that are beneficially owned, directly or indirectly, or over which control or direction is exercised, by the director nominee as of the Record Date in respect of 2009, and April 23, 2009 in respect of 2008. For Mr. Lee, 10,000 of these Common Shares are held through Facet Resources Ltd., an investment corporation controlled by Mr. Lee. For Mr. Riddell, 229,000 of these Common Shares are held through Riddell Family Charitable Foundation, a charitable foundation control by Mr. Riddell and his family. In addition, 3,075,000 Common Shares are held through Treherne Resources Ltd. a holding corporation 100% owned by Mr. Riddell and Alaris Commercial Trust, a trust of which Mr. Riddell owns or controls 50% of the outstanding trust units.

(4) "RSUs" refers to the number of Restricted Share Units held by the nominee under the Restricted Share Unit Plan described on page 28 as of the Record Date in respect of 2009 and April 23, 2009 in respect of 2008.

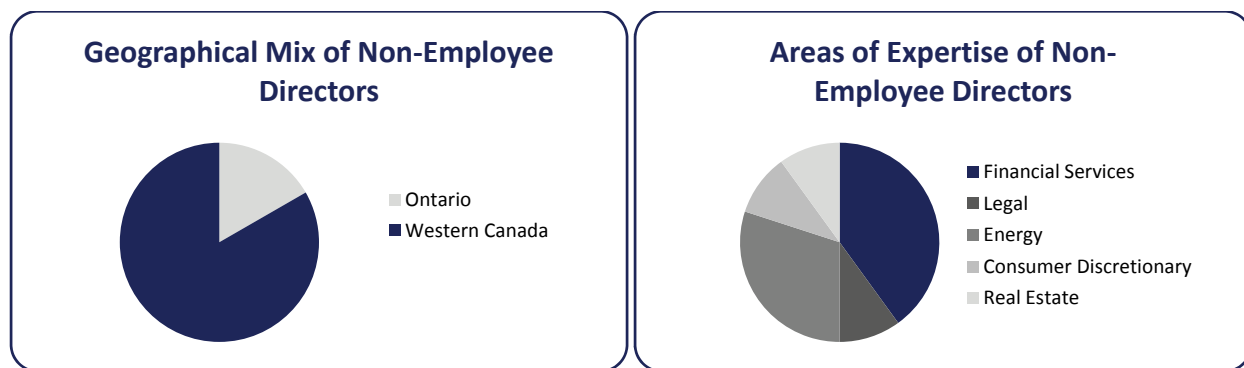
(5) "Options" refers to the number of unexercised options held by the nominee under Alaris' Stock Option Plan described on page 27 as of the Record Date.

(6) These Warrants were issued in conjunction with the Offering.

(7) "Exercise Price" or "Strike Price" is the VWAP on the TSX for the five (5) trading days immediately preceding the grant date.

The charts below provide the following information about the nominees for the Board of Directors.

- a) Areas of Expertise of Non-Employee Directors
b) Geographical Mix of Non-Employee Directors



Additional Disclosure Relating to Directors

In fiscal 2009, no director of Alaris served on an outside board with any other director of Alaris, other than Gary Patterson and John P.A. Budreski who both served as directors of EarthFirst Canada Inc., and Clayton H. Riddell and E. Mitchell Shier, who both currently serve as directors of Trilogy Energy Corp.

To Alaris' knowledge, no proposed director of Alaris:

- (a) is, as at the date of this Information Circular, or has been, within the 10 years before, a director, chief executive officer or chief financial officer of any company (including Alaris):
- 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
 - 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 Information Circular, 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 Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;

Except as follows:

- (1) Mr. Riddell has been a director and officer of Paramount Resources Ltd. ("**Paramount**") in various capacities since 1978. Paramount is, and has been since 1992, the general partner of T.T.Y. Paramount Partnership No. 5 ("**TTY**"), a limited partnership which is an unlisted reporting issuer in certain

provinces of Canada. TTY was established in 1980 to conduct oil and gas exploration and development, but has not carried on operations since 1984 and currently has nominal assets. A cease trade order against TTY was issued by the Autorité des Marchés Financiers in 1999 for failing to file the June 30, 1998 interim financial statements in Quebec. The Autorité des Marchés Financiers revoked the cease trade order against TTY on April 9, 2008. TTY had received exemptions from filing interim financial statements in Alberta in 1985 and in Manitoba and Ontario in 1986 due to its inactive status but did not receive a similar exemption from the Autorité des Marchés Financiers at that time. The limited partners of TTY voted in favour of dissolving TTY on May 20, 2008 at a Special Meeting of the limited partners.

- (2) Until March 2, 2010, Messrs. Budreski and Patterson were directors of EarthFirst Canada Inc. (“**EarthFirst**”). EarthFirst was engaged in development of wind power and related generation facilities. EarthFirst obtained creditor protection under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) on November 4, 2008. The CCAA process has now been completed and

Earth First Canada has been amalgamated with another company and no longer exists as a separate entity.

- (3) Mr. Lee is currently a director of Darian Resources Ltd. (“**Darian**”), a private company. Darian is engaged in the business of oil and gas exploration and development. Darian obtained creditor protection under the CCAA pursuant to an order granted on February 12, 2010 by the Court of Queen's Bench of Alberta. The CCAA filing followed a review of Darian's strategic alternatives by Darian's board of directors.

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

Board of Directors Compensation

How Were Alaris' Directors Compensated in 2009?

Alaris' directors are not paid any retainer fees or fees for attending director or committee meetings. Directors are, however, reimbursed for any travel and out-of-pocket expenses incurred in attending Board and Committee meetings. In addition, all of Alaris' non-employee directors have been issued RSUs under Alaris' RSU Plan. A description of the RSU Plan can be found on page 28 of this Information Circular.

Directors' Share Ownership

As at April the date of this Information Circular:

- total shares held by non-employee directors: 3,927,341
- total RSUs held by non-employee directors: 93,750
- total value of shares and RSUs held by non-employee directors: \$38,160,154 (based on the closing price of the Common Shares on the Toronto Stock Exchange as of the Record Date which was \$9.49).

Restricted Share Units

Jack C. Lee	18,750 ⁽¹⁾
Clayton H. Riddell	15,000
Mary C. Ritchie	15,000
E. Mitchell Shier	15,000
John P.A. Budreski	15,000
Gary Paterson	15,000

(1) Mr. Lee was granted more RSUs than the other non-employee directors of Alaris in recognition of the additional duties and responsibilities attributed to his position as Chairman of the Board.

The RSUs issued to the non-employee directors have different vesting conditions than the RSUs issued to Alaris' Named Executive Officers and employees. The Compensation and Governance Committee determined that the different vesting conditions were appropriate because non-employee directors do not receive any other remuneration. The RSUs issued to such directors are intended to compensate such directors for their services, provide long-term incentive to them and align their interests with those of the Shareholders.

RSUs granted to the non-employee directors vest in accordance with the following schedule:

- (a) one year from the date of grant, 1/3 of the RSUs vest and an equivalent number of Common Shares are issued to the non-employee director;
- (b) two years from the date of grant, an additional 1/3 of the RSUs vest and an equivalent number of Common Shares are issued to the non-employee director; and
- (c) three years from the date of grant, the final 1/3 of the RSUs vest and an equivalent number of Common Shares are issued to the non-employee director.

The Board has approved an annual grant of RSUs to the non-employee directors in an amount equal to that number of RSUs that vest each year for each non-employee director. Such additional RSUs vest at the end of 3 years following the date of grant and an equivalent number of Common Shares are to be issued at that time.

Pursuant to the RSU Plan directors are entitled to receive Dividend Entitlements in the event that a dividend is declared and paid on the Common Shares. All Dividend Entitlements are paid to the non-employee directors entirely in cash, unlike dividend equivalent payments made to executives (which are made half in cash and half in Common Shares).

Additional RSUs were immediately granted to the non-employee directors to replace the vested RSUs.

Unless otherwise agreed by the Board, if a director is no longer a director of Alaris, the director ceases to be a participant under the RSU Plan, and forfeits all unvested RSU awards

On October 29, 2009 the following RSUs issued to non-employee directors vested and the following Common Shares were issued as a result. In addition, the following additional RSUs were granted to the non-employee directors:

Name	RSUs Vested at October 29, 2009	Common Shares Issued at October 29, 2009	Additional RSUs Granted at October 29, 2009
Jack C. Lee	6,250	6,250	6,250
Clayton H. Riddell	5,000	5,000	5,000
Mary C. Ritchie	5,000	5,000	5,000
E. Mitchell Shier	5,000	5,000	5,000
John P.A. Budreski	5,000	5,000	5,000
Gary Patterson	5,000	5,000	5,000

Directors' Summary Compensation Table

The following table sets for the year ended December 31, 2009, information concerning the compensation paid to our non-employee directors other than directors who served as directors for the year ended December 31, 2009:

Directors	Fees earned (\$)	Share-based awards ⁽¹⁾	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation ⁽²⁾ (\$)	Total (\$)
Jack C. Lee	-	45,438	-	-	-	18,562	64,000
Clayton H Riddell	-	36,350	-	-	-	14,850	51,200
E. Mitchell Shier	-	36,350	-	-	-	14,850	51,200
Mary C. Ritchie	-	36,350	-	-	-	14,850	51,200
John P.A. Budreski	-	36,350	-	-	-	14,850	51,200
Gary Patterson	-	36,350	-	-	-	14,850	51,200

Notes:

- (1) Based on the grant date fair value of RSUs granted to the non-employee directors. The grant date fair value for compensation purposes was calculated based upon the deemed or actual, as applicable, market price of the Common Shares on the date the RSUs were granted and assuming that Alaris would satisfy all of the vesting conditions for the currently issued and outstanding RSUs. The fair market value

of the Common Shares on the date the RSUs were granted in 2008 was \$12.00, which value was determined based upon the deemed issue price of the Common Shares pursuant to the Private Placement. As the Corporation's Common Shares were not trading on any recognized stock exchange at this time, the RSUs were granted, it was determined that the \$12.00 value was the most reasonable estimate of the fair value for the purposes of granting the RSUs. For RSUs granted in 2009, the fair market value of the Common Shares on the date of grant was \$7.00 per Common Share, which was the TSX closing price for the Common Shares on that date. However, the value of an RSU to be recognized by the director for income tax purposes on the date the RSU vests will be the fair market value of the Common Shares on such date and can therefore fluctuate from the grant date fair value used to calculate the value disclosed in the table above.

- (2) Represents the cash payment of dividend equivalent paid to the director pursuant to the RSU Plan and the fair value of shares issued upon vesting during the year.

Directors' Outstanding Option-Based Awards and Share-Based Awards

For each of our non-employee directors, the following table sets out all option-based awards and share-based awards outstanding at the end of the year ended December 31, 2009.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ⁽²⁾ (\$)
Jack C. Lee	-	-	-	-	18,750	171,562
Clayton H Riddell	-	-	-	-	15,000	137,250
Mary C. Ritchie	-	-	-	-	15,000	137,250
E. Mitchell Shier	-	-	-	-	15,000	137,250
John P.A. Budreski	-	-	-	-	15,000	137,250
Gary Patterson	-	-	-	-	15,000	137,250

Notes:

- (1) Non-employee directors have not been granted Options. The only remuneration they receive is in the form of RSUs and Dividend Entitlements.
- (2) Calculated based on the \$9.15 closing price of the Common Shares on the TSX as of December 31, 2009. However, the value of an RSU to be recognized by the director for income tax purposes on the date the RSU vests will be the fair market value of the Common Shares on such date and can therefore fluctuate from the grant date fair value used to calculate the value disclosed in the table above.

Directors' Incentive Plan Awards- Value vested or Earned During the Year

For each of our non-employee directors, the following table sets out the value of option-based awards and share-based awards which vested during the year ended December 31, 2009 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2009.

Name	Option-based awards- Value vested during the year ⁽¹⁾ (\$)	Share-based awards- Value vested during the year ⁽²⁾ (\$)	Non- equity incentive plan compensation- Value earned during the year ⁽³⁾ (\$)
Jack C. Lee	-	45,438	-
Clayton H. Riddell	-	36,350	-
Mary C. Ritchie	-	36,350	-
E. Mitchell Shier	-	36,350	-
John P.A. Budreski	-	36,350	-
Gary Patterson	-	36,350	-

Notes:

- (1) Non-employee directors have not been granted Options.
- (2) As of the date of this Information Circular, the following RSUs granted to non-employee directors have vested and such number of shares have been issued to non-employee directors: Jack C. Lee, 6,750; Clayton H Riddell, 5,000; Mary C. Ritchie, 5,000; E. Mitchell Shier, 5,000; John P.A. Budreski, 5,000; and Gary Patterson, 5,000. The value of the vested RSUs has been calculated based on the closing price on the day of vesting of \$7.27.
- (3) Alaris does not have any non-equity incentive plans for non-employee directors.

Executive Compensation

Compensation Review

The Compensation and Governance Committee is responsible for reviewing and monitoring Alaris' compensation program in light of corporate goals and objectives, and recommending changes to the Board, as well as recommending to the Board, the level and form of compensation to be made to Management and Alaris' directors. For a more complete description of the role, duties and responsibilities of the Compensation and Governance Committee, particularly with respect to compensation matters, please refer to the discussion in Schedule 1 on pages 38 to 47 of this Information Circular.

The Compensation and Governance Committee conducted a review of Alaris' compensation program in late 2009, and instituted some important changes to further strengthen Alaris' incentive program. Specifically, the Committee determined that the likelihood of achieving the performance targets under the RSUs issued to Alaris' employees were improbable. As such, upon recommendation from the Compensation and Governance Committee, the Board determined it was appropriate to amend the performance targets for RSUs issued to management to provide further incentive to Alaris executives and employees and to better reflect the objectives of Alaris' compensation plan, while also ensuring overall corporate performance and shareholder value is enhanced. The performance targets in the RSUs are based on the concept of "Total Cash Available for Distribution per share"- for more information on this concept, please refer to page 28 of this Information Circular. The performance targets were revised as follows:

RSU Tranche Affected (1)	Target Total Cash Available for Distribution per share (before amendment)	Target Total Cash Available for Distribution per share (after amendment)
Second Quarter	\$4.65	\$3.32
Third Quarter	\$4.74	\$3.45
Fourth Quarter	\$4.89	\$3.57

(1) One-quarter of the RSUs (the "First Quarter") vest automatically at the end of three years from the date of issue. The remaining three-quarters of the RSUs vest upon Alaris achieving the performance targets above. Each quarter has a different performance target (each quarter being referred to as "Second Quarter", "Third Quarter" & "Fourth Quarter").

With these changes, the Committee concluded that Alaris' compensation program continues to appropriately reward performance and does not encourage inappropriate risk taking. No changes were made to RSUs issued to Alaris directors.

Performance Graph

The table and chart below demonstrate the performance of Alaris' Common Shares in relation to the S&P/TSX Composite index.

Cumulative (total) Return (2)

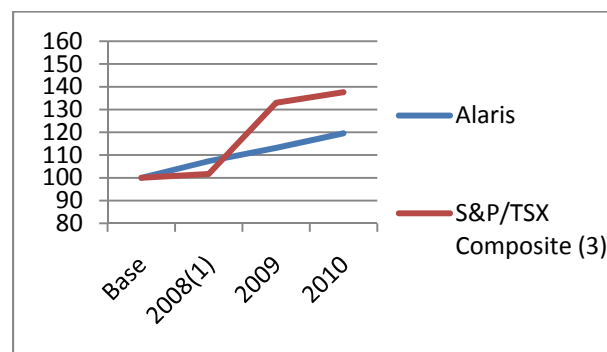
	Base	2008(1)	2009	2010
Alaris	100	107	113	120
S&P/TSX Composite (3)	100	102	133	138

Notes:

(1) Alaris began trading on November 1, 2008 and closed at \$8.50. This is the base number we have used for this data

(2) Total return includes the monthly dividend paid plus stock price change year over year

(3) S&P/TSX Composite data is also based on "total returns"



This year was extraordinary in its challenges- and yet solid progress was made in advancing Alaris' strategic agenda. Our strategic priorities include the strengthening of our relationships with our existing Private Company Partners, and gradual and prudent growth from further financings. As stability gradually returned to financial markets, our performance grew steadily over the year, reflecting (i) continued growth in cash flows from LifeMark, EOTR and MEDIchair; (ii) improved performance in LMS; (iii) additional financings to LifeMark; and (iv) an increase in our monthly dividend in March 2010.

The trend shown in the above graph does not necessarily correspond to Alaris' compensation to our Named Executive Officers (as defined below) for the period ended December 31, 2009 or for any prior fiscal periods. Our executive compensation is

reviewed annually and set out by the Board which considers several factors in connection with its determination of appropriate levels of compensation, including, but not limited to, the demand for and supply of skilled professionals in the financial services industry generally, individual performance, our performance (which is not necessarily tied exclusively to the trading price of the shares on the TSX) and other factors discussed under "Executive Compensation Discussion and Analysis" beginning at page 25 of this Information Circular. The trading price of the Common Shares on the TSX is subject to fluctuation based on several factors, many of which are outside the control of Alaris. These include, but are not limited to, global economic conditions, changes in government, legislation, and other factors.

Executive Compensation Discussion and Analysis

1. Compensation Approach

Alaris' approach to compensation is based on a "pay for performance" philosophy and our compensation practices are designed to provide an effective balance among four core compensation principles:

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

The governing objective of Alaris' compensation program is to align executive

and director interests with those of the shareholders, and this objective has been incorporated into many facets of the executive compensation program. Under Alaris' executive compensation program, executives are evaluated on both corporate and individual performance. Corporate performance is generally measured and evaluated by Total Cash Available for Distributions per Share. Individual performance is generally evaluated based on individual expertise, leadership and achievement of personal performance goals and objectives as well as individual contribution to corporate performance.

The concept of Total Cash Available for Distribution per share as a measure for the RSU vesting conditions was implemented to encourage Alaris executives and directors to enhance the long-term performance of Alaris. In this regard, the Compensation and Governance Committee determined that it was appropriate to exclude certain items over which the executives may not have any reasonable control over from the calculation of Total Cash Available for Distribution per share. The concept of Total Cash Available for Distribution per share is more particularly described on page 28 of this Information Circular.

2. Program Components

Compensation

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

Component	Purpose	Form	How it is Determined
Base Pay (Salary)	Forms a relatively small component of total compensation and compensates individuals for fulfilling their role responsibilities.	Cash	Salaries are based on the executive's contribution and are also determined with consideration to Alaris' total compensation package.
RSU Plan	Encourages executives to create sustainable shareholder value and returns over a three-year performance cycle and aligns management's interests with Shareholders interests.	Restricted Share Units (RSUs)	RSU vesting is on the Total Cash Available for Distribution (defined on page 28 of this Information Circular) RSU Plan awards are made upon the commencement of an executive's employment with Alaris and will be based on the executive's level of responsibility within Alaris, experience and skill set. Additional grants to executives may be made periodically and are based on the individual's contribution to corporate performance, as well as the overall competitiveness of the executive compensation package.
Option Plan	Promotes an ownership perspective among executives, encourages executive retention, and encourages executive to generate sustained share price growth over the longer term (4 years) and aligns management's interests with Shareholders interests.	Stock Options	Option Plan awards are made upon the commencement of an executive's employment with Alaris and will be based on the executive's level of responsibility within Alaris, experience and skill set. Additional grants may be made periodically and are based on the individual's contribution to corporate performance, as well as the overall competitiveness of the executive compensation package. Option pools change based on relative total shareholder return.

Bonuses

Although Alaris has not implemented a formal bonus plan, executives may be eligible for a discretionary annual bonus. Annual bonuses are payable in cash at the sole discretion of the Board and are awarded to recognize and encourage short-term efforts that are critical to the long-term success and positive performance of Alaris. The amount of an annual bonus paid, if any, is not set in relation to any formula or specific criteria but is the result of a subjective determination by the Compensation and Governance Committee. Bonuses were paid to Alaris' executives and employees in 2009, and are more particularly described in the Summary

Compensation Table on page 30 of this Information Circular.

Benefits

All employees including executives also receive health care insurance benefits (the "**Benefit Plan**") that promote employee health and productivity in the workplace.

Perquisites

All employees including executives are entitled to an additional health spending account of \$2000 per year and a paid parking stall.

Equity Incentive Plans

Shareholders have approved all equity compensation plans that involve the issue of Common Shares. The tables below provide a description of the material features of each plan. The first table below sets out information about the equity plans as at December 31, 2009.

Securities Authorized for Issuance Under Equity Compensation Plans

Number of securities issued upon exercise of outstanding options and rights (a)	Weighted-average exercise price of outstanding options and restricted share rights	Number of securities remaining available for future issuance under equity compensation plans (exceeding securities reflected in column (a))
703,550	\$11.12	213,112

Alaris' Stock Option Plan

Date of Implementation	July 31, 2008
Eligibility	Options may be granted by the Board to officers, directors, employees of, and consultants and service providers to Alaris or a subsidiary of Alaris, at the Board's discretion.
Maximum Number of Shares Issuable	Under the Option Plan, the maximum number of Common Shares issuable under the Option Plan is limited to 10% of the total number of outstanding Common Shares and Non-voting shares, less the number of Common Shares issuable pursuant to outstanding RSUs under the RSU Plan. 325,000 Common Shares are issuable pursuant to outstanding options under the Option Plan (representing 2.9% of issued and outstanding Common Shares as at the Record Date).
Currently Issued (dilution)	319,150 Common Shares to be issued upon exercise of outstanding options (representing 2.8% of Alaris' issued and outstanding Common Shares and 2.7% of Alaris' issued and outstanding total Common and Non-Voting Shares as at the Record Date).
Available for Issue	5,850 Common Shares remaining available for issuance (representing 0.1% of Alaris' issued and outstanding Common Shares at the Record Date).
Other Limits	Maximum number of Common Shares reserved for issuance under options to any one participant cannot exceed 5% of the Common Shares then issued and outstanding.
Maximum option term	·5-year expiry date from date of grant ·Unless not permitted by the TSX, if the expiry falls during an Alaris trading black-out period the term is extended by 7 business days after the end of the black-out period
Exercise price	·Equal to the volume VWAP on the TSX for the 5 trading days immediately preceding the date of grant
Vesting and exercise of options	·Before stock options can be exercised, they must have vested. Alaris' options vest 25% per year over four years ·The Committee has full discretion to determine the number of options to be granted, and the vesting conditions
Expiry of options	·The earlier of: (i) 90 days following a participant's resignation or retirement date; (ii) Within 6 months of the date of termination of full-time employment due to death; (iii) the 5-year anniversary of date of grant Options are forfeited if a participant is terminated for cause. For termination without cause, the participant may exercise all currently vested options and any options that would vest within 18 months of termination within 90 days of termination. All remaining options are then forfeited
Transfer	Options cannot be assigned or transferred by the participant
Change of Control	If an executive is terminated (other than for cause) upon a change of control, the vesting of the executive's options may be accelerated at the discretion of the Board
Plan changes	The Board may amend, modify or terminate the Option Plan at any time provided that any changes are consented to by any applicable regulatory bodies, including the TSX and, where required, by Shareholders. Changes are subject to shareholder approval where such change: (i) increases the percentage of Common Shares reserved for issuance under the Option Plan; (ii) reduces the exercise price of an option; (iii) extends the term of an option beyond the expiry date (except where an expiry date would have fallen within a blackout period of Alaris); (iv) increase the maximum number of shares that may be issued to insiders; (v) increase the number of Common Shares issuable on exercise of options granted to directors who are not officers or employees of Alaris; (vi) permit a participant to assign or transfer their options (other than the death of a participant); (vii) amend the amendment provisions of the Option Plan; and (viii) do anything else where the TSX requires Shareholder Approval. There were no amendments made to the Option Plan in 2009

Alaris RSU Plan

Date of Implementation	July 31, 2008
Eligibility	RSUs may be provided to officers, directors, employees, consultants and other eligible service providers of Alaris and its subsidiaries who provide services to Alaris
Award Upon Vesting	Upon vesting, participant receives 1 Common Share of Alaris for each RSU held, for no additional consideration
Performance Vesting Criteria and Schedule	<p>(a) three (3) years from the date of grant, 1/4 of the RSUs vest and the RSU Shares issuable pursuant to such RSUs shall be issued to the executive (the "First Quarter");</p> <p>(b) on the date in 2012 that the Board approves the financial statements for the Corporation's fiscal year ended December 31, 2011, 1/4 of the RSUs will vest and the RSU Shares issuable pursuant to such RSUs shall be issued to the executive if the Corporation's Total Cash Available for Distributions per Share is at least \$3.32 at December 31, 2011 (the "Second Quarter");</p> <p>(c) on the date in 2012 that the Board approves the financial statements for the Corporation's fiscal year ended December 31, 2011, 1/4 of the RSUs will vest and the RSU Shares issuable pursuant to such RSUs shall be issued to the executive if the Corporation's Total Cash Available for Distributions per Share is at least \$3.45 at December 31, 2011 (the "Third Quarter"); and</p> <p>(d) on the date in 2012 that the Board approves the financial statements for the Corporation's fiscal year ended December 31, 2011, 1/4 of the RSUs will vest and the RSU Shares issuable pursuant to such RSUs shall be issued to the executive if the Corporation's Total Cash Available for Distributions (as defined below) per Share is at least \$3.57 at December 31, 2011 (the "Fourth Quarter").</p>
Definition of "Total Cash Available for Distribution"	<p>"Total Cash Available for Distribution per Share" means Alaris' aggregate net income before income taxes for the three financial years ending December 31, 2011, as set out in Alaris' published annual audited consolidated financial statements for such three year period, which financial statements will be prepared in accordance with Canadian generally accepted accounting principles, or such other accounting principles as Alaris may be permitted to employ under securities laws applicable to it ("GAAP"), divided by the weighted average number of Common Shares issued and outstanding in the share capital of the Corporation over such three year period, and provided that for the purposes of calculating such net income, and notwithstanding any GAAP provision to the contrary:</p> <p>(a) Revenues will include:</p> <ul style="list-style-type: none"> (i) All royalties and distributions from businesses to which Alaris provides alternative financing; (ii) Interest income from treasury bills and term deposits; and (iii) Any other income earned by Alaris. <p>(b) Expenses will include:</p> <ul style="list-style-type: none"> (i) All general and administrative expenses of Alaris; (ii) All banking fees paid by Alaris for regular banking and borrowing; (iii) All interest payments on the Alaris' senior debt facilities and sub-debt facilities; (iv) All fees paid by Alaris for alternative financing structures offered to Alaris; (v) All legal and financial due diligence expenses of the Corporation for transactions that do not close; <p>(c) Expenses will not include:</p> <ul style="list-style-type: none"> (i) Extraordinary non-recurring items outside of the control of management of Alaris (for example, expenses incurred by Alaris for repurchasing odd-lot shares in 2008 would not be included in this calculation); (ii) Non-cash accounting entries (for example, stock-based compensation expenses would not be included in this calculation)
Maximum Number of Shares Issuable	<p>Under the RSU Plan, the maximum number of Common Shares issuable under the RSU Plan is limited to 10% of the total number of outstanding Common Shares and Non-Voting Shares, less the number of Common Shares issuable pursuant to outstanding options under the Option Plan</p> <p>591,662 Common Shares are issuable under the RSU Plan (representing 5.3% of issued and outstanding Common Shares as at the Record Date)</p>
Currently Issued (dilution)	384,400 Common Shares to be issued upon vesting of outstanding RSUs (representing 3.5% of Alaris' issued and outstanding Common Shares and [x%] of Alaris' issued and outstanding total Common and Non-Voting Shares as at the Record Date)
Available for Issue	207,262 Common Shares remaining available for issuance (representing 1.9% of Alaris' issued and outstanding Common Shares and [x%] of Alaris' issued and outstanding total Common and Non-Voting Shares as at the Record Date)
Restrictions on Vesting	<p>RSUs cannot vest any later than December 15 of the third calendar year following the date they are awarded</p> <p>The Board has sole discretion to permit all unvested RSUs to vest immediately</p>
Other Limits	Maximum number of Common Shares reserved for issuance under RSUs to any one participant cannot exceed 5% of the Common Shares then issued and outstanding. Maximum number of Common Shares to be issued to insiders is 10% of all outstanding Common Shares, less any shares reserved under Alaris' other equity-compensation arrangements.
RSU Terms	RSUs earn dividend equivalents in the form of cash, Common Shares, or a combination. The Board has full discretion to determine the dividend entitlement to each participant. Under the terms of Alaris' RSU agreements with its directors & employees, dividend equivalent payments to non-employee directors are made

	<p>entirely in cash, & dividend equivalent payments to employees are made one-half in cash & one-half in Common Shares.</p> <ul style="list-style-type: none"> ·Valued at Alaris' Common Share price at date of payout ·Non-vested RSUs are forfeited on retirement, resignation or termination with cause ·RSUs continue to vest upon termination without cause in accordance with specific termination provisions outlined under the heading "Termination and Change of Control Benefits", subject to applicable non-solicit and non-compete provisions ·all RSUs vest immediately upon death of a participant ·the board has discretion to determine, the time of grant, whether Common Shares to be issued upon vesting of RSUs are to be purchased on the open market, issued from treasury, or a combination. The Board has determined that all Common Shares to be issued pursuant to the RSUs currently outstanding will be issued from treasury
Plan Changes	<p>The Board may amend, modify or terminate the RSU Plan at any time provided that any changes are consented to by any applicable regulatory bodies, including the TSX and, where required, by Shareholders. Changes are subject to shareholder approval where such change:</p> <ul style="list-style-type: none"> (i) increases the number of Common Shares reserved for issuance under the Option Plan; (ii) extends the term of an RSU under the treasury component of the RSU Plan held by an insider; (iii) increases the maximum number of securities that may be issued to insiders; (iv) permit a participant to transfer or assign their RSUs; (v) amend the amendment provisions of the RSU Plan; (vi) do anything else which requires shareholder approval. <p>There were no amendments made to the RSU Plan in 2009.</p>

Executive Compensation Tables

Summary Compensation Table

The table below shows the compensation earned in the last two fiscal years by our Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”) and the three most highly compensated executive officers (or the three most highly compensated individuals acting in a similar capacity), other than the CEO and CFO, at the end of each year whose total compensation was more than \$150,000 (each a “Named Executive Officer” or “NEO” and collectively, the “Named Executive Officers” or “NEOs”).

Name and principal position	Year	Salary (\$)	Share-based award (RSUs) ⁽³⁾ (\$)	Option-based awards ⁽⁴⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation ⁽⁵⁾⁽⁶⁾ (\$)	Total compensation ⁽⁷⁾ (\$)
					Bonuses	Long-term incentive plans			
Stephen King Chief Executive Officer	2009	210,000	0	55,063	25,000	-	-	104,200	394,263
	2008	210,000 ⁽¹⁾	1,440,000	111,240	-	-	-	28,800	1,790,040
Darren Driscoll Chief Financial Officer	2009	183,750	0	41,633	32,500	-	-	81,000	338,883
	2008	183,750 ⁽¹⁾	1,080,000	83,430	-	-	-	21,600	1,368,780
Stephen Reid Vice President Business Development	2009	105,000	0	16,116	15,000	-	-	39,190	175,306
	2008	105,000 ⁽¹⁾	432,000	33,372	-	-	-	8,640	579,012
Rachel Colabella General Counsel & Corporate Secretary	2009	125,000	80,000	14,773	27,500	-	-	19,912	267,185
	2008	33,333 ⁽²⁾	126,000	12,978	-	-	-	2,520	174,831

Notes:

- (1) This amount is based on the total annualized salary that was paid to the NEO by Alaris or its predecessor prior to Alaris' acquisition of Alaris Partnership on July 31, 2008.
- (2) This amount represents the total salary paid to Ms. Colabella in the fiscal year ending December 31, 2008. Ms. Colabella commenced employment with Alaris on September 1, 2008. Had Ms. Colabella commenced employment on January 1, 2008 she would have received a salary of \$100,000 for 2008.
- (3) The amount shown is based on the grant date fair value of RSUs awarded under the RSU Plan to the executive officers noted above. The grant date fair value for compensation purposes was calculated based upon the deemed market price of the Common Shares on the date the RSUs were granted and assuming that Alaris would satisfy all of the vesting conditions for the currently issued and outstanding RSUs. The fair market value of the Common Shares on the date the RSUs were granted in 2008 was \$12.00, which value was determined based upon the deemed issue price of Common Shares pursuant to the Private Placement. As the Alaris' Common Shares were not trading on any recognized stock exchange at the time the RSUs were granted in 2008, it was determined that the \$12.00 value was the most reasonable estimate of the fair value for the purposes of granting the RSUs. However, the value of an RSU to be recognized by the executive officer for income tax purposes on the date an RSU vests will be the fair market value of the Common Shares on such date and can therefore fluctuate from the grant date fair value used to calculate the value disclosed in the table above. As of the date of this Information Circular, no RSUs have vested.

- (4) The amount shown is based on the grant date fair value of Options granted under the Option Plan to the executive officers noted above. The grant date fair value for compensation purposes is calculated using Black Scholes Option pricing methodology, using the following assumptions: a five year term for the options; a four year vesting period; a risk free interest rate of 2.74% (2008 - 2.73%); a dividend yield of 12% (2008 - 12%); and a 56% (2008 - 38%) volatility in share price. The value of the Options disclosed in the table above can fluctuate from the imputed value derived under the Black Scholes method of evaluation.
- (5) The value of perquisites received by each of the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than \$50,000 or 10% of the Named Executive Officer's total salary for the financial year.
- (6) This amount represents the value of perquisites and Dividend Entitlements received by the NEO during the fiscal years ending December 31, 2008 and December 31, 2009, pursuant to the RSU Plan. The value of a Dividend Entitlement is determined by multiplying the amount of a dividend declared and paid per Common Share by the number of RSUs recorded in a participant's account on the dividend record date.
- (7) No compensation paid to Mr. King reflected in this column was paid to him in his capacity as a Director of the Corporation.

Outstanding Share-Based Awards and Option-based Awards

The table below shows the value of all option-based and share-based awards outstanding as at December 31, 2009 for each of the NEOs.

Name	Grant Date	Option-based Awards				Share-based Awards	
		Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ⁽²⁾ (\$)
Stephen King	October 29, 2008	90,000	12.00	October, 29, 2013	Nil	120,000	1,098,000
	November 2, 2009	41,000	7.27	November 2, 2014	77,080	0	0
Darren Driscoll	October 29, 2008	67,500	12.00	October, 29, 2013	Nil	90,000	823,500
	November 2, 2009	31,000	7.27	November 2, 2014	58,280	0	0
Stephen Reid	October 29, 2008	27,000	12.00	October, 29, 2013	Nil	36,000	329,400
	November 2, 2009	12,000	7.27	November 2, 2014	22,560	0	0
Rachel Colabella	October 29, 2008	10,500	12.00	October, 29, 2013	Nil	10,500	96,075
	November 2, 2009	11,000	7.27	November 2, 2014	20,680	10,000	91,500

Notes:

- (1) Calculated based on the difference between the market price of the securities underlying the options at December 31, 2009 and the exercise price of the options. The Value of the unexercised price is \$0 in 2008 because the exercise price for all outstanding options issued in 2008 was higher than the closing price of the Common Shares on the TSX on December 31.
- (2) Calculated based on the \$9.15 closing price of the Common Shares on the TSX as of December 31, 2009. The payout value of RSUs that have not vested assumes that the target performance has been met. The value of an RSU to be recognized by the executive officer for income tax purposes on the date the RSU vests will be the market value of an RSU of the Common Shares on such date and therefore can fluctuate from the price used to calculate the value disclosed in the table above.

Incentive Plan Awards – Value Vested or Earned During the Year

The table below shows, the value of option-based and share-based awards and non-equity incentive plan compensation for each NEO that vested or were earned during the fiscal year ended December 31, 2009.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year ⁽²⁾ (\$)	Non-equity incentive plan compensation – Value earned during the year ⁽³⁾ (\$)
Stephen King	Nil	Nil	25,000
Darren Driscoll	Nil	Nil	32,500
Stephen Reid	Nil	Nil	15,000
Rachel Colabella	Nil	Nil	27,000

Notes:

- (1) Calculated based on the difference between the market price of the Common Shares underlying the options on the vesting date and the exercise price of the options on the vesting date. As at December 31, 2009 (and as at the date of this Information Circular) all vested Options were out of the money.
- (2) As of the date of this Information Circular, no RSUs have vested. Other than the RSU Plan, the Corporation does not have any Share based awards.
- (3) The Corporation does not have any non-equity incentive plans in place for NEOs, other than a discretionary annual bonus structure. The table above describes the bonuses that were paid to the NEOs in 2009.

Pension Plan Benefits

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

Termination and Change of Control Benefits

The table below explains how the components of Alaris' executive compensation program are treated under five termination scenarios.

Compensation Element	Rearrangement or Resignation ⁽¹⁾	Termination With Cause	Termination Without Cause	Change in Control ⁽²⁾
Base Pay (Salary)	Pro rata base salary, vacation pay and expenses earned or due, but not yet paid, up to and including the Termination Date are paid as a lump sum.	Pro rata base salary, vacation pay and expenses earned or due, but not yet paid, up to and including the Termination Date are paid as a lump sum.	Pro rata base salary, vacation pay and expenses earned or due, but not yet paid, up to and including the Termination Date are paid as a lump sum.	No incremental payment
Bonus	Forfeited	Forfeited	Forfeited	No incremental payment
RSUs	Forfeited (subject to negotiation)	Forfeited	Vesting provisions depend upon when the executive is terminated after grant of RSUs ⁽³⁾	Board may accelerate vesting of all or a portion of RSUs.
Stock Options	Options expire in 90 days.	All options are cancelled	Options which would vest within 18 months of Termination Date vest, and expire in 90 days following termination.	Board may accelerate vesting of all or a portion of options.
Retiring Allowance	No incremental payment	No incremental payment	Severance payment equal to 1.5 (i) times the annual salary plus (ii) 1.5 times the most recent annual bonus paid and (iii) 15% of the sum of the (i) and (ii) ⁽⁴⁾	The payment is the same as Termination Without Cause.
Benefits	None	None	None	None
Perquisites	Ceases	Ceases	Ceases	No incremental payment

Notes:

- (1) NEOs may resign upon 90 days notice (30 days for Ms. Colabella).
- (2) Within 90 days (30 days for Ms. Colabella) after a change of control, the NEOs may resign upon 7 days written notice.
- (3) The following terms will apply with respect any RSUs that the NEO has been granted (and for these purposes, the terms “First Quarter”, “Second Quarter” “Third Quarter” and “Fourth Quarter” are defined in the NEO’s RSU Agreement with Alaris and refer to a particular quarter of the total RSUs granted to the NEO, as more particularly described on page 20 of this Information Circular.):
- (a) If the NEO’s employment is terminated during the first year after the grant of the RSUs, unless forfeited prior to such date:
 - (i) one-third (1/3) of the First Quarter of RSUs granted to the NEO shall vest on the Termination Date and Common Shares corresponding to such vested RSUs shall be delivered to the NEO within twenty (20) business days of the Termination Date;
 - (ii) All of the Second Quarter of RSUs granted to the NEO shall vest on the Termination Date provided the Corporation’s Total Cash Available for Distributions per Share is at least \$1.11 at December 31, 2009, and Common Shares corresponding to such vested RSUs shall be delivered to the NEO within twenty (20) business days of December 31, 2009; and
 - (iii) All other RSUs which do not vest in accordance with this paragraph shall terminate and become null and void;
 - (b) If the NEO’s employment is terminated during the second year after the grant of the RSUs, unless forfeited prior to such date:
 - (i) two-thirds (2/3) of the First Quarter of RSUs granted to the NEO shall vest on the Termination Date and Common Shares corresponding to such vested RSUs shall be delivered to the NEO within twenty (20) business days of the Termination Date; and
 - (ii) All of the Second Quarter of RSUs granted to the NEO shall vest on the Termination Date provided the Corporation’s Total Cash Available for Distributions per Share is at least \$2.22 at December 31, 2010, and Common Shares corresponding to such vested RSUs shall be delivered to the NEO within twenty (20) business days of December 31, 2010;
 - (iii) All of the Third Quarter of RSUs granted to the NEO shall vest on the Termination Date provided the Corporation’s Total Cash Available for Distributions per Share is at least \$2.30 at December 31, 2010, and Common Shares corresponding to such vested RSUs shall be delivered to the NEO within twenty (20) business days of December 31, 2010; and
 - (iv) All other RSUs which do not vest in accordance with this paragraph shall terminate and become null and void;
 - (c) If the NEO’s employment is terminated during the third year after the grant of the RSUs or at any time thereafter, unless forfeited prior to such date:
 - (i) all of the First Quarter of RSUs granted to the NEO shall vest on the Termination Date and Common Shares corresponding to such vested RSUs shall be delivered to the NEO within twenty (20) business days of the Termination Date;
 - (ii) All of the Second Quarter of RSUs granted to the NEO shall vest on the Termination Date provided the Corporation’s Total Cash Available for Distributions per Share is at least \$3.32 at December 31, 2011, and Common Shares corresponding to such vested RSUs shall be delivered to the NEO within twenty (20) business days of December 31, 2011;
 - (iii) All of the Third Quarter of RSUs granted to the NEO shall vest on the Termination Date provided the Corporation’s Total Cash Available for Distributions per Share is at least \$3.45 at December 31, 2011, and Common Shares of the Corporation corresponding to such vested RSUs shall be delivered to the NEO within twenty (20) business days of December 31, 2011;
 - (iv) All of the Fourth Quarter of RSUs granted to the NEO shall vest on the Termination Date provided the Corporation’s Total Cash Available for Distributions per Share is at least \$3.57 at December 31, 2011, and shares of the Corporation corresponding to such vested RSUs shall be delivered to the NEO within twenty (20) business days of December 31, 2011; and
 - (v) All other RSUs which do not vest in accordance with this paragraph shall terminate and become null and void.
- (4) This is the retiring allowance for Mssrs. King, Driscoll and Reid. For Ms. Colabella, if termination is before her two year anniversary, the payment is equal to (i) $\frac{3}{4}$ times the annual salary; plus (ii) $\frac{3}{4}$ times the most recent annual bonus paid, and (iii) 15% of the sum of (i) and (ii). If termination is after the two year anniversary the “ $\frac{3}{4}$ times” in this formula is replaced with “1 times”.

Termination Payments as of December 31, 2009

The table below shows the incremental payments that would be made to each NEO at, following, or in connection with one of the termination scenarios below as at December 31, 2009.

Name	Benefits and Payments	Retirement or Voluntary Termination (\$)	Termination Without Cause (\$)	Termination With Cause (\$)	Change of Control (\$)
Stephen King	Salary (including expenses)	0 ⁽¹⁾	0 ⁽¹⁾	0 ⁽¹⁾	0 ⁽¹⁾
	Annual Bonus	0 ⁽²⁾	0 ⁽²⁾	0 ⁽²⁾	0 ⁽²⁾
	Retiring Allowance	0 ⁽³⁾	405,375 ⁽³⁾	0	405,375 ⁽³⁾
	Accelerated Vesting of Options	0 ⁽⁵⁾	0 ⁽⁵⁾	0	0 ⁽⁴⁾
	Accelerated Vesting of RSUs	0	457,500 ⁽⁶⁾	0	0 ⁽⁴⁾
	Total	0	862,875	0	405,375
Darren Driscoll	Salary (including expenses)	0 ⁽¹⁾	0 ⁽¹⁾	0 ⁽¹⁾	0 ⁽¹⁾
	Annual Bonus	0 ⁽²⁾	0 ⁽²⁾	0 ⁽²⁾	0 ⁽²⁾
	Retiring Allowance	0 ⁽³⁾	373,031 ⁽³⁾	0	373,031 ⁽³⁾
	Accelerated Vesting of Options	0 ⁽⁵⁾	0 ⁽⁵⁾	0	0 ⁽⁴⁾
	Accelerated Vesting of RSUs	0	343,125 ⁽⁶⁾	0	0 ⁽⁴⁾
	Total	0	716,156	0	373,031
Stephen Reid	Salary (including expenses)	0 ⁽¹⁾	0 ⁽¹⁾	0 ⁽¹⁾	0 ⁽¹⁾
	Annual Bonus	0 ⁽²⁾	0 ⁽²⁾	0 ⁽²⁾	0 ⁽²⁾
	Retiring Allowance	0 ⁽³⁾	207,000 ⁽³⁾	0	181,125 ⁽³⁾
	Accelerated Vesting of Options	0 ⁽⁵⁾	0 ⁽⁵⁾	0	0 ⁽⁴⁾
	Accelerated Vesting of RSUs	0	137,250 ⁽⁶⁾	0	0 ⁽⁴⁾
	Total	0	344,250	0	181,125
Rachel Colabella	Salary (including expenses)	0 ⁽¹⁾	0 ⁽¹⁾	0 ⁽¹⁾	0 ⁽¹⁾
	Annual Bonus	0 ⁽²⁾	0 ⁽²⁾	0 ⁽²⁾	0 ⁽²⁾
	Retiring Allowance	0 ⁽³⁾	131,531 ⁽³⁾	0	131,531 ⁽³⁾
	Accelerated Vesting of Options	0 ⁽⁵⁾	0 ⁽⁵⁾	0	0 ⁽⁴⁾
	Accelerated Vesting of RSUs	0	70,531 ⁽⁶⁾	0	0 ⁽⁴⁾
	Total	0	202,062	0	131,531

Notes:

(1) Assumes all payments have been made up to and including December 31, 2009.

(2) Bonuses paid in 2009 were as more particularly detailed above in the table entitled "Summary Compensation Table". This assumes all bonus payments have been made up to and including December 31, 2009.

(3) A retiring allowance is only payable on a termination without cause or on a change of control. For 2009, for Messrs. King, Driscoll and Reid, the retiring allowance would be equal to 1.5 times their annual base salary, plus 15% of that amount calculated (for Ms. Colabella, this would be equal to 0.75 times her annual base salary, plus 15% of that amount).

(4) Options and RSUs only accelerate at the discretion of the Board.

(5) At December 31, 2009 one quarter of all Options granted to NEOs in 2008 vested. However, the exercise price of such Options was higher than the fair market value of the Common Shares, and as a result, there was no value to these Options.

(6) Please see note (3) under the table entitled "Termination and Change of Control Benefits" for further information.

Non-Solicitation and Non-Compete Provisions

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

Indebtedness of Directors, Executive Officer and Senior Officers

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

Interest of Certain Persons and Companies in Matters to be Acted Upon

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

Interest of Informed Persons in Material Transactions

Except as disclosed below, none of:

- (i) the directors and senior officers of Alaris,
- (ii) director nominees, any shareholder who beneficially owns directly or indirectly, or exercises control or

direction over more than 10% of the outstanding Common Shares of Alaris; (iii) any other Informed Person (as defined in National Instrument 51-102 - *Continuous Disclosure Obligations*); (iv) or any known associate or affiliate of such persons; (v) had any material interests in any transaction since the commencement of the Corporation's last completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

On October 22, 2009, Alaris closed the Offering. Pursuant to the Offering, Clayton H. Riddell, a director and shareholder of Alaris, subscribed for (either individually or through entities controlled by him), 760,000 units (with each unit consisting of one Common Share and one-half of one Warrant) at a price of \$6.00 per unit, representing approximately 33% of the unites issued pursuant to the Offering. For more information on the Acquisition and the Offering, please refer to the AIF.

Directors and Officers Insurance

Alaris has purchased, at its expense, a directors' and officers' liability insurance policy that provides protection for individual directors and officers of Alaris Royalty Corp. and its subsidiaries solely while acting in their capacity as such. The insurance policy provides for a limit of \$10 million per claim and in the aggregate. The policy is in effect until November 5, 2010 and has no deductible.

Premiums paid by Alaris for this policy are approximately \$42,500 per annum.

Management Contracts

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

Other Matters

Management knows of no amendment, variation or other matter to come before the

Meeting other than the matters referred to in the Notice of Annual General Meeting of Shareholders. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

Additional Information

Financial Information about Alaris is contained in its comparative financial statements and Management's Discussion and Analysis for the fiscal year ended December 31, 2009. Additional information about Alaris is available at www.alarisroyalty.com and on Alaris' corporate profile on SEDAR at www.sedar.com.

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

- (a) the latest Annual Information Form of Alaris together with any document, or the pertinent pages of any document, incorporated by reference therein;
- (b) the comparative financial statements of Alaris for the fiscal year ended December

31, 2009, together with the accompanying report of the Auditor thereon and any interim financial statements of Alaris for periods subsequent to December 31, 2009 and Management's Discussion and Analysis with respect thereto; and

(c) this Information Circular,

Please send your request to:

Alaris Royalty Corp.
 Attn: Corporate Secretary
 232, 2031-33rd Avenue SW
 Calgary, Alberta T2T 1Z5
 Fax: (403) 228-0906
 Telephone: (403) 221-7301
 Email: rcolabella@alarisroyalty.com

Contacting the Board of Directors

Shareholders, employees and other interested parties may communicate directly with the Board of Directors through the Chairman of the Board by writing to:

Chairman of the Board of Directors
 Alaris Royalty Corp.
 232, 2031-33rd Avenue SW
 Calgary, Alberta T2T 1Z5

Effective Date

The effective date of this Information Circular is May 3, 2010.

Directors Approval

The Board of Directors of Alaris has approved the contents and the dissemination of this Information Circular to the Shareholders.

Schedule 1- Statement of Corporate Governance Practices

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

We continue to monitor regulatory changes and best practices in corporate governance and will consider amendments to our governance practices as appropriate. Throughout this Schedule, references to documents and information available can be found at www.alarisroyalty.com. In addition, any information located on the web site is also available in print to any shareholder upon request to the Corporate Secretary’s Department at the address set out on page 37 of this Information Circular.

Board of Directors (the “Board”)

Director Independence

All directors, with the exception of Stephen King, standing for election to the Board on June 3, 2010 are ‘independent’ within the meaning of the relevant CSA rules.

The Alaris Board of Directors (the “Board”) has adopted categorical standards for determining whether a director is “independent” within the meaning of the CSA rules, and whether each member of the Audit Committee meets the applicable Canadian independence criteria for membership on public company audit committees. In summary, a director is “independent” under Alaris’ standards if the Board determines that the director has no material relationship with Alaris or any of its affiliates or the Shareholders’ Auditor, either directly or indirectly, or as a partner, shareholder or officer of an entity that has a

material relationship with Alaris. For these purposes, a material relationship is one which could, in the view of the Board, be reasonably expected to interfere with the exercise of director’s independent judgment. In addition, certain individuals are deemed to have a material relationship with an issuer (including certain key employees or executive officers, or family members thereof) for Audit Committee purposes.

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

The Board had determined that all directors standing for election to the Board on June 3, 2010 are “independent” within the meaning of the relevant CSA rules and standards, with the exception of Stephen King who is currently the President and Chief Executive Officer of Alaris. The Board has also determined that all members of the Audit

Committee meet the additional Canadian independence requirements for membership on public company audit committees (as set out in *National Instrument 52-110-Audit Committees*). Alaris has lending or other commercial arrangements with one of our directors, namely Mr. Riddell (or entities controlled by him). In making the director independence determinations, these arrangements were considered but determined not to be material. In addition, Mr. Riddell is also our largest shareholder holding approximately 32.6% of the Common Shares. It was determined by the Board that a director holding a large percentage of shares in Alaris aligned such director's interests with all other shareholders of Alaris and helped demonstrate his independence from management. The Board considered Mr. Shier's relationship with Mr. Riddell as a result of his employment with other entities controlled by Mr. Riddell and determined this relationship was not material. The Board also considered Mr. Budreski's relationship with Alaris as a result of his position as managing director of Cormark Securities Inc. (a member of Alaris' underwriting group under the Offering) and determined that this relationship was not material.

Additional information relating to each director standing for nomination, including other public company boards on which they serve, the value of their equity holdings in Alaris, and their attendance record for all Board and Committee meetings during fiscal 2009 can be found on pages 13 to 17 of this Information Circular.

Independent Chair

The Chairman of the Board allows the Board to operate independently of management and provides directors with an independent leadership contact.

The roles of Chairman of the Board and Chief Executive Officer are separate at Alaris. Mr. Lee, an independent member of the Board, was appointed Chairman of the Board effective July 31, 2008.

The Chairman of the Board ensures that the Board operates independently of management and that directors have an independent leadership contact. He manages the affairs of the Board, with a view to ensuring that the Board functions effectively and meets its obligations and responsibilities, and leads the Board in the execution of its responsibilities to shareholders. At each Board meeting, the Chairman of the Board presides over a session of the "independent" directors at which "non-independent" directors and members of management are not present. Each Board Committee also has a session without management present during the course of each of its meetings. Information to be conveyed and actions undertaken as a result of the sessions are communicated to relevant parties, as appropriate.

Board Size

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

The matter of Board size is considered formally on an annual basis by the Board and on an ongoing basis by its Compensation and Governance Committee. The Board is of the view that its current membership has the necessary breadth and diversity of experience and is generally of a size to: (i) provide for effective decision-making, (ii) enable the staffing of Board committees, and (iii) address

succession planning requirements. At the Annual Meeting of Shareholders on June 3, 2010, seven directors will stand for election.

Board Mandate

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

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

The Board Mandate is set out in Appendix A on page 48 of this Information Circular and outlines the responsibilities to be discharged by the Board as well as the personal and professional attributes and the duties and responsibilities required of each director.

Position Descriptions

The Board has adopted Chairman of the Board, Committee Chairs and Director and CEO position descriptions, which are available at www.alarisroyalty.com.

As described above, the Board Mandate defined the roles and responsibilities of the Board and management. In addition, the Board has adopted position descriptions for the Chairman of the Board and the Committee Chairs, which are available on our web site. These descriptions set out the responsibilities and duties of the Board and Committee Chairs in guiding the Board and the Committees, respectively, in the fulfillment of their duties. The Board has also adopted a Director position description and a position description for our Chief Executive

Officer, which is also available on our web site.

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

Orientation and Continuing Education

Directors are provided with orientation and ongoing education regarding Alaris, as required.

The Compensation and Governance Committee is responsible for the orientation and education of directors. New directors are provided with a Directors' Manual containing:

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

Prior to agreeing to join the Board, new directors are given a clear indication of the workload and time commitment required. Directors are expected to attend all Board and Committee meetings in person, although attendance by telephone is permissible in appropriate circumstances. Directors are also expected to prepare thoroughly in advance of

each meeting in order to actively participate in the deliberations and decisions.

On an ongoing basis, as part of regular Board meetings, directors receive presentations on various aspects of Alaris' operations. During fiscal 2009, the Board and its Committees also received educational information and/or materials on a variety of matters and topics, such as:

- new and pending changes in accounting standards including International Financial Reporting Standards;
- corporate governance trends and current issues;
- executive compensation trends and issues; and
- economic outlooks for Canada and the United States.

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

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

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

Ethical Business Conduct

The Board believes that providing a forum for employees and officers to raise concerns about ethical conduct and treating all complaints

with the appropriate level of seriousness fosters a culture of ethical conduct.

The Board has adopted a Comprehensive Code of Business Conduct (the "Code"), which provides a framework for directors, officers and employees on the conduct and ethical decision-making integral to their work. The Board, through its Audit Committee, reviews the operation of the Code and any waivers thereof. Since inception, no waiver from the Code has been granted. The Code is available on our web site

www.alarisroyalty.com/investors/governance/policies.

On an annual basis, the Code is reviewed by Alaris' General Counsel to ensure that it complies with all legal requirements and is in alignment with best practices. In the event that amendments are needed, recommendations are made to the Compensation and Governance Committee and the Board for approval. Each year, every director, officer and employee must sign an acknowledgement that they have read, understood and complied with the Code.

The Board has also adopted whistle-blower procedures which allow officers and employees who feel that a violation of the Code has occurred to report this violation on a confidential and anonymous basis. The procedures allow concerns regarding accounting, internal accounting controls or auditing matters to be reported on a confidential and anonymous basis, as well. Concerns may be raised by e-mail or telephone directly to the Chair of the Audit Committee or alternatively, to the Chair of Governance Matters, Compensation and Governance Committee. Once received, concerns are forwarded to the General Counsel or to the Chief Financial Officer in the case of issues involving the Chief Executive Officer or the General Counsel.

Accounting, internal control or auditing concerns are dealt with by both General Counsel and the Chief Financial Officer. The General Counsel or Chief Financial Officer makes a determination as to the most appropriate forum for the concern in accordance with an established framework.

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

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

The Board believes that its effectiveness is furthered when directors exercise independent judgment in considering transactions and agreements. As such, if at any Board meeting a director or executive officer has a material interest in a matter being considered, such director or officer must disclose the nature and extent of their interest and would not participate in any vote on the matter. In certain cases, an independent committee may be formed to deliberate on such matters in the absence of the interested third party.

Nomination of Directors

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

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

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

Director Compensation

A non-employee director is compensated by the grant of Restricted Share Units.

The Compensation and Governance Committee has the responsibility, among other things, for formulating and making recommendations to the Board in respect of compensation relating to directors. In arriving at its recommendations, the Compensation and Governance Committee conducts a periodic review of directors' compensation having regard to various governance reports on current trends in directors' compensation and compensation

data for directors of reporting issuers of comparative size to Alaris.

The compensation of Alaris' directors is described in this Information Circular under the heading "Board of Directors Compensation" above.

Board Committees

The roles and responsibilities of each Committee are set out in formal written mandates, the full texts of which can be found at www.alarisroyalty.com/investors/governance.

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

Compensation and Governance Committee

The Compensation and Governance Committee is responsible for developing and maintaining governance principles, an orientation program for new directors, a director assessment process and identifying and recommending candidates for nomination to the Board. The Committee also assists the Board in ensuring that Alaris' compensation strategies support Alaris' objectives and sustain shareholder value.

The Compensation and Governance Committee is responsible for reviewing matters relating to the human resource policies and compensation of the directors, officers and employees of Alaris and its subsidiaries in the context of Alaris budget and business plan. To achieve this, the

Compensation and Governance Committee does the following:

- (i) review Alaris' compensation program and to recommend any significant changes to the Board;
- (ii) review and recommend to the Board the level and form of compensation to be paid to members of the Board;
- (iii) review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer evaluate the Chief Executive Officer's performance in light of those corporate goals and objectives, and make recommendations to the Board with respect to the Chief Executive Officer's compensation level based on such evaluation;
- (iv) review all incentive compensation plans and make recommendations to the Board;
- (v) make recommendations to the Board with respect to the compensation of directors and other officers of Alaris, including to review management's recommendations for proposed stock option, share purchase plans and other incentive-compensation plans and equity-based plans for officer and director compensation;
- (vi) review the annual disclosure in respect of compensation matters required by applicable securities laws to be made by Alaris.

In addition to these duties, the Compensation and Governance Committee is also responsible for developing and maintaining governance principles consistent with high standards of corporate governance. The

Committee does the following in carrying out its mandate:

- (i) review on an ongoing basis the effectiveness of the Board and its Committees in fulfilling the mandate of the Board;
- (ii) periodically review and assess Alaris' approach to corporate governance matters and recommend any changes to the Board;
- (iii) acts as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full Board meeting, including the performance of management or individual members of management or the performance of the Board or individual members of the Board;
- (iv) review and recommend to the Board for consideration the Code and take all reasonable steps to oversee the implementation of the Code, including reviewing with management the Code and the implementation and effectiveness of compliance programs under the Code;
- (v) as determined appropriate, to develop and recommend to the Board for approval, and periodically review, structures and procedures designed to ensure that the Board can function independently of management;
- (vi) recruit and recommend new members to the Board;
- (vii) determine the appropriate size of the Board and its composition, including

the number of directors who are independent, and the annual nomination of directors for election;

- (viii) undertake a periodic performance review of each director and in the process ensure each Board member is aware of the contribution they are expected to make including the amount of time and energy expected of each director;
- (ix) review and recommend to the Board as to the acceptance of any offer to resign of any director;
- (x) develop for approval by the Board and periodically review, orientation and education programs for new directors;
- (xi) annually review and recommend to the Board the appointments to each committee of the Board and any changes to the terms of reference of the committees;
- (xii) periodically review and monitor Alaris' communication policy with a view to determining whether Alaris is communicating effectively with shareholders, other stakeholders, the investment community and the public generally; and
- (xiii) review and consider the engagement at the expense of the Corporation of professional and other advisors by any individual director when so requested by any such director.

The Compensation and Governance Committee meets at least twice per year and at such other times the Committee determines. All members of the Committee are expected

to have, or acquire within a reasonable period of time following their appointment, a thorough understanding of governance and compensation issues.

Audit Committee

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

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

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

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

The Audit Committee also oversees the framework to identify and manage risk, including adherence to risk management corporate policies, and compliance with risk-related regulatory requirements. The Audit Committee approves corporate policies and risk limits that address the management of the risk and return associated with credit, market, liquidity, operational and business risk, and such other risk management controls as are considered by the Committee to be appropriate for prudent business practice. Strategic decisions may be reviewed at the request of the Board to advise on the risk impact. It also reviews the methods and procedures established by management for control of key risks.

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

Assessment of Directors and Board Committee Effectiveness

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

Annual Assessment of Individual Directors

Individual Directors evaluate each other.

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

Annual Assessment of the Board

Individual Directors evaluate the Board as a whole.

The Compensation and Governance Committee also conducts an annual evaluation of the effectiveness of the Board

through surveys completed by each director. This evaluation is conducted through assessment forms provided to directors, which cover the operation of the Board, the adequacy of information provided to directors, Board structure, agenda planning for Board meetings, strategic direction and process, and takes into account the duties and responsibilities enumerated in the Board Mandate.

Communication Policy

The Disclosure Committee is responsible for reviewing all annual and interim filings and ensuring the timely public release of material information relating to Alaris.

The Board has approved an External Communication Policy covering the timely dissemination of all material non-public information. This policy, which is reviewed annually, establishes consistent guidance for determining what information is material and how it should be disclosed to avoid selective disclosure and to ensure that material information is widely disseminated. Alaris also has a Disclosure Committee comprised of the Chief Executive Officer, the Chief Financial Officer and the General Counsel and Corporate Secretary. The Disclosure Committee is responsible for reviewing all annual and interim filings and ensuring the timely public release of material information relating to Alaris. The Chief Executive Officer, together with the Chief Financial Officer, make the final determination as to what information is material and must be publicly disclosed.

Alaris seeks to communicate with its shareholders and other stakeholders through a variety of channels, including the annual report, information circular, quarterly reports, annual information form, news releases, and

web site. Shareholder feedback is received through meetings with institutional shareholders. Feedback from retail shareholders is generally received by e-mail or telephone. Shareholder concerns are addressed promptly by Alaris Investor Relations Manager. Wherever possible,

appropriate changes are made in response to these concerns. Page 37 of the Information Circular contains the contact details for shareholders who wish to communicate directly with the Board. The Board believes these practices reflect best practices in shareholder engagement.

Appendix “A”

Alaris Royalty Corp. Board of Directors Mandate

The board of directors (**Board**) of Alaris Royalty Corp. (**Company**) is responsible for managing, or supervising the management of, the business and affairs of the Company. The executive officers (**Executive Officers**) of the Company are responsible for the management of the business and affairs of the Company within the strategic direction approved by the Board.

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

Composition

The Board will be comprised of between one (1) and eleven (11) directors, as determined by the shareholders.

A majority of the Company's directors will be independent, pursuant to applicable law.

All Board members will have the skills and abilities appropriate to their appointment as directors. It is recognized that the right mix of experiences and competencies will ensure that the Board will carry out its duties and responsibilities in the most effective manner.

Except as set out in the Articles or By-Laws, Board members will be elected at the annual meeting of the Company's shareholders each year and will serve until their successors are duly elected.

Responsibility

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

Specific Duties

The Board will:

Leadership

1. Provide leadership and vision to supervise the management of the Company in managing the Company and its subsidiaries in the best interests of the Company's shareholders.
2. Provide leadership in the development of the mission, vision, principles, values, Strategic Plan and Annual Operating Plan of the Company, in conjunction with the Chief Executive Officer (**CEO**)

Strategy

3. Approve the development of strategic direction.
4. Adopt a strategic planning process and, at least annually, approve a Strategic Plan for the Company to maximize shareholder value that takes into account, among other things, the opportunities and risks of the Company's business.
5. Monitor the Company's performance in light of the approved Strategic Plan.

CEO

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

Succession and Compensation

9. Succession plan, including appointing, training and monitoring the performance of senior management (**Management**) of the Company.
10. With the advice of the CG Committee, approve the compensation of senior Management and approve appropriate compensation programs for the Company's employees.

Corporate Social Responsibility, Ethics and Integrity

11. Provide leadership to the Company in support of its commitment to corporate social responsibility.
12. Foster ethical and responsible decision-making by Management.
13. Set the ethical tone for the Company and its Management.
14. Take all reasonable steps to satisfy itself of the integrity of the CEO and Management and satisfy itself that the CEO and Management create a culture of integrity throughout the organization.
15. At the recommendation of the CG Committee, approve the Company's Code of Business Conduct.
16. Monitor compliance with the Company's Code of Business Conduct and grant and disclose, or decline, any waivers of the Code of Business Conduct for officers and directors.
17. With the CG Committee and/or the Audit Committee and the Board Chair, respond to potential conflict of interest situations.

Governance

18. With the CG Committee, develop the Company's approach to corporate governance, including adopting a Corporate Governance Policy that sets out the principles and guidelines applicable to the Company.

19. Once or more annually, as the CG Committee decides, receive for consideration that Committee's evaluation and any recommended changes, together with the evaluation and any further recommended changes of another Board Committee, if relevant, to each of the following:
 - a. Corporate Governance Policy;
 - b. Board Mandate;
 - c. Individual Director Mandate;
 - d. Chair of the Board Position Description;
 - e. Audit Committee Mandate;
 - f. Audit Committee Chair Position Description;
 - g. Compensation and Governance Committee Mandate;
 - h. Compensation and Governance Committee Chair Position Description;
 - i. CEO Position Description;
 - j. Chief Financial Officer Position Description; and
 - k. Secretary Position Description.
20. With the CG Committee, ensure that the Company's governance practices and policies are appropriately disclosed.
21. At the recommendation of the CG Committee, annually determine those individual Directors to be designated as independent and ensure appropriate disclosures are made.
22. At the recommendation of the CG Committee, annually determine those individual Directors on the Audit Committee possessing "financial literacy" under applicable law and ensure appropriate disclosures are made.

Communications, Disclosure and Compliance

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

Board Chair

27. Annually appoint the Chair of the Board.

Committees

28. Appoint an Audit Committee comprised of at least three members, all of whom are independent directors, with the responsibility to assist the Board in fulfilling its audit oversight responsibilities with respect to (i) the integrity of annual and quarterly financial statements to be provided to shareholders and regulatory bodies; (ii) compliance with accounting and finance based legal and regulatory requirements; (iii) the external auditor's qualifications, independence and compensation, and communicating with the external auditor; (iv) the system of internal accounting and financial reporting controls that Management has established; and, (v) performance of the external audit process and of the external auditor. The Committee will also have the responsibility to assist the Board in fulfilling its financial oversight responsibilities with respect to (i) financial policies and strategies including capital structure; (ii) financial risk management practices; and (iii) transactions or circumstances which could materially affect the financial profile of the Company.
29. Appoint a Compensation and Governance Committee comprised of a majority of independent directors with the responsibility to assist the Board in fulfilling its governance oversight responsibilities with respect to (i) the development and implementation of principles and systems for the management of corporate governance; (ii) identifying qualified candidates and recommending nominees for Director and Board Committee appointments; (iii) evaluations of the Board, Board Committees, all individual Directors, the Board Chair and Committee Chairs; and, (iv) implementation and effectiveness of the Code of Business Conduct and the compliance programs under the Code of Business Conduct. The Committee will also have the responsibility to assist the Board in fulfilling its compensation oversight responsibilities with respect to (i) key compensation and human resources policies; (ii) CEO objectives, performance reviews and compensation; (iii) executive Management compensation; (iv) executive Management succession and development; and (v) reviewing executive compensation disclosure before its release.
30. In the Board's discretion, appoint any other Board Committees that the Board decides are needed and delegate to those Board Committees any appropriate powers of the Board.
31. In the Board's discretion, annually appoint the Chair of each Board Committee.

Delegations and Approval Authorities

32. Annually delegate approval authorities to the CEO and review and revise them as appropriate.
33. Consider and, in the Board's discretion, approve financial commitments in excess of delegated approval authorities.
34. Require the Audit Committee to recommend to the Board for consideration the quarterly results, financial statements, MD&A and earnings related news releases prior to filing them

with or furnishing them to the applicable securities regulators and prior to any public announcement of financial results for the periods covered.

35. Require the Audit Committee to recommend to the Board for consideration and, in the Board's discretion, approve the monthly dividends for the quarter.
36. Consider and, in the Board's discretion, approve any matters recommended by the Board Committees.
37. Consider and, in the Board's discretion, approve any matters proposed by Management.
38. Approve all alternative financing structures entered into by the Company with various private businesses.

Annual Operating Plan

39. At least annually, approve an Annual Operating Plan for the Company including business plans, operational requirements, organizational structure, staffing and budgets, which support the Strategic Plan.
40. Monitor the Company's performance in light of the approved Annual Operating Plan.

Risk Management

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

Orientation / Education

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

Board Performance

48. Oversee the process of the CG Committee's annual evaluation of the performance and effectiveness of the Board, Board Committees, all individual Directors, the Board Chair and Committee Chairs, in light of the applicable Mandates and Position Descriptions.
49. Participate in an annual evaluation of Board performance by the CG Committee.
50. Receive and consider a report and recommendations from the CG Committee on the results of the annual evaluation of the performance and effectiveness of the Board, Board Committees, all individual Directors, the Board Chair and Committee Chairs.

Board Meetings

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

Advisors/Resources

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

Other

56. 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 CG Committee at its next meeting.
57. Once or more annually, as the CG Committee decides, this Mandate will be fully evaluated and updates recommended to the Board for consideration.

Approved: March 11, 2009

On Behalf of the Board:

Jack C. Lee
Director