

ALARIS ROYALTY CORP.

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

2012 April 19

LOW VOLATILITY . VISIBILITY . DIVERSIFICATION . LIQUIDITY . GROWTH



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 8 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 pages 10 & 11 of the Information Circular.

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INVITATION TO SHAREHOLDERS

It is our great pleasure to invite you to join Alaris Royalty Corp.'s Board of Directors and senior leadership team at our Annual General Meeting of Shareholders on April 19, 2012. It will take place at the Hotel Le Germain, 899 Centre Street SW, 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 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 2011 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 April 19th.

Sincerely,

(Signed) "Jack Lee"

Jack Lee
Chairman of the Board

(Signed) "Stephen King"

Stephen King
President and Chief Executive Officer

March 15, 2012

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS OF ALARIS ROYALTY CORP.

The annual meeting of shareholders (the “**Meeting**”) of Alaris Royalty Corp. will be held the 19th day of April, 2012 at 3:00 p.m. at the Hotel Le Germain, 899 Center Street SW, Calgary, Alberta and will have the following purposes:

1. To receive and consider the financial statements of Alaris for the year ended December 31, 2011 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 2012;
4. To appoint the Auditor of Alaris for 2012;
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 General Meeting of Shareholders are described in the Information Circular accompanying and forming part of this Notice. A copy of the Financial Statements have been mailed to Alaris shareholders who requested such mailing in accordance with applicable securities laws and have been filed under Alaris’ profile on SEDAR.

Shareholders who own common voting shares (the “**Common Shares**”) of Alaris as at March 15, 2012 will be entitled to vote at the meeting. The number of eligible votes that may be cast at the Meeting is 19,477,495, such number being the total number of Common Shares of Alaris outstanding on March 15, 2012.

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 PM (Mountain Time) on April 17, 2012.

BY ORDER OF THE BOARD OF DIRECTORS

Stephen King
President and Chief Executive Officer
March 15, 2012

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 14, 2012 and filed on Alaris' corporate profile on SEDAR.

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

"**Alaris Acquisition**" means the acquisition of Alaris Partnership by CanadaCo on July 31, 2008.

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

"**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.

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

"**Articles**" means the Articles of Amalgamation of Alaris registered July 15, 2009 pursuant to the CBCA.

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

"**Auditor**" means KPMG LLP.

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

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

"**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.

"**CBCA**" means the *Canada Business Corporations Act*, as amended from time to time.

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

"**CEO**" means Alaris' Chief Executive Officer.

"**CFO**" means Alaris' Chief Financial Officer.

"**CG Committee**" means the Compensation and Governance Committee of the Board.

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

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

“**Darian**” means Darian Resources Ltd.

“**December 2010 Offering**” means Alaris’ short-form prospectus offering of 2,381,000 subscription receipts units of Alaris on a bought-deal basis, closing on December 16, 2010.

“**December 2011 Debt Facility Amendment**” means an extension and amendments to the HSBC/BMO Credit Facility as finalized on December 31, 2011.

“**December 2011 Offering**” means Alaris’ short-form prospectus offering of 2,154,000 Common Shares on a bought-deal basis, closing on December 12, 2011.

“**Dividend Entitlement**” means dividend entitlements earned on each issued & outstanding RSU as more particularly described beginning on page 31 of this Information Circular under the description of Alaris’ RSU Plan.

“**EarthFirst**” means EarthFirst Canada Inc.

“**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, 2011 & 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 and proxy statement;

“**Killick**” means Killick Limited Partnership, a limited partnership established under the laws of the Province of Alberta.

“**Killick Aerospace**” means Killick Aerospace Limited Partnership Fund II.

“**Killick GP**” means Killick General Partners L.P.

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

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

“**LMS**” means LMS Limited Partnership, a limited partnership established under the laws of the Province of Alberta.

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

“**May 2010 Offering**” means Alaris’ short-form prospectus offering of 1,840,000 Common Shares of Alaris on a bought-deal basis, closing on May 18, 2010.

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

“**Meeting**” means the annual general meeting of Shareholders to be held on April 19th, 2012 at 3:00 PM at the Hotel le Germain, 899 Centre Street SW, Calgary, Alberta.

“**Meeting Date**” means April 19, 2012.

“Named Executive Officer (NEO)” means the CEO, CFO, and the two most highly compensated executive officers (or the two most highly compensated individuals acting in a similar capacity) whose total compensation was, individually, more than \$150,000, as more particularly described on page 33 of this Information Circular.

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

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

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

“November 2011 Debt Facility Amendment” means an increase in and amendments to the HSBC/BMO Credit Facility as finalized on November 10, 2011.

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

“Option Plan” means Alaris’ share option plan, as more particularly described beginning on page 29 of this Information Circular under the heading “Equity Incentive Plans”.

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

“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, EOTR, LMS, KMH, Solowave, Killick & Quetico.

“Quetico” means Quetico LLC, a limited liability corporation formed under the laws of the State of California, USA.

“Record Date” means March 15, 2011.

“RSU Plan” means Alaris RSU plan, as more particularly described beginning on page 31 of this Information Circular under the heading “Equity Incentive Plans”.

“RSUs” means restricted share units issued or authorized for issuance pursuant to the RSU Plan.

“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.

“Solowave” means Solowave Design LP, a limited partnership established under the laws of the Province of Alberta.

“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 October 2009 Offering, with each Unit consisting of one Common Share and one-half of a Common Share purchase Warrant.

“VWAP” means in respect of Options, the volume weighted average trading price on the TSX for the five (5) trading days immediately preceding the grant date of such options.

Q&A on Proxy Voting

This Information Circular is dated March 15, 2012 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 2012 and the appointment of the Auditor for 2012.

Q: Who is entitled to vote?

A: Shareholders of record as at the “record date” of March 15, 2012 are entitled to vote. Each holder of a 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 are present at the Meeting holding or representing by proxy in the aggregate not less than 5% of the Common Shares entitled to be voted 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 10 and 11 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 April 19, 2012 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 pages 10 & 11 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 April 17, 2012. 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 April 17, 2012 or to the chairman of the Meeting on the day of the Meeting, Wednesday, April 19, 2012, 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 fixing the directors at seven (7), the election of the directors of the Board presented herein, 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 19,477,495 Common Shares and no Non-Voting Shares issued and outstanding. Each registered Shareholder has one vote for each Common Share held at the close of business on the Record Date

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

To the knowledge of the directors and officers of Alaris, as of the Record Date, no one person or entity beneficially owned,

directly or indirectly, or exercised control or direction over more than 10% of the issued and outstanding Common Shares 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	3,564,800	18%
Goodman & Company, Investment Counsel Ltd.	1,783,900	11%

Q: How will the votes be counted?

A: Each matter 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 them?

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. 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 or 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, 2011 are included in the 2011 annual report and are available under our corporate profile on SEDAR.

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 named in the enclosed Form of Proxy, if named as a 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 in accordance with the Articles and applicable law.** 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 (Chair), 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 named in the enclosed Form of Proxy, if named as a 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 Auditors

The directors propose that the firm of KPMG LLP be appointed as Auditors of Alaris for the fiscal year ending December 31, 2012. KPMG LLP has served continuously since July 31, 2008 as Alaris' sole auditing firm. **Unless otherwise instructed, the persons named in the enclosed Form of Proxy, if named as a proxy, intend to vote for the appointment of KPMG LLP as Auditors and to authorize the 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.

Directors Description

Jack C. Lee

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

Areas of Expertise

Industries:

- Financial Services
- Energy

Mr. Lee is President of Facet Resources Ltd., a private investment company. Mr. Lee is currently the Lead Director of Sprott Inc. and Chairman of Ithaca Energy Inc. He is also Chairman of two private oil and gas companies, Canera Energy Corp and Gryphon Petroleum Corp and is a director of a private company, TerraMer. 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 has Bachelors of Arts and a Bachelors of Commerce degree and holds an ICD.D designation from the Institute of Corporate Directors.

Board/Committee Membership		Attendance	Attendance Total	
Board of Directors (Chair) ⁽²⁾		11 of 12	16 of 17	94%
Audit ⁽²⁾		5 of 5		
Current Board Memberships				
Sprott Inc.	Lead Director Compensation Committee (since May, 2008) Audit Committee (since May, 2008)			
Ithaca Energy Inc.	Non-Executive Chairman Audit Committee Reserves Committee			
Securities Held ⁽⁵⁾				
Common Shares ⁽³⁾	Restricted Share Units (RSUs) ⁽⁴⁾	Total of Common Shares and RSUs		
166,750	18,750	185,500		

Clayton H. Riddell

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

Areas of Expertise

Industries:

- Energy

Mr. Riddell has been the Chairman of the Board, CEO, and a director of Paramount Resources Ltd. since 1978. Until June 2002 he was also the President. He is the Executive Chairman of the Board of Perpetual Energy Inc. (a public natural gas exploration and development company), the successor to Paramount Energy Trust. Mr. Riddell is the Chairman of the Board of Trilogy Energy Corp. (a public oil and gas exploration and development company), the successor to Trilogy Energy Trust. He is also a director and the CEO of MGM Energy Corp. (a public oil and gas exploration company). Finally, Mr. Riddell is a director of Tourmaline Oil Corp. (a public oil and gas exploration and production company).

Board/Committee Membership		Attendance	Attendance Total	
Board of Directors ⁽²⁾		10 of 12	11 of 14	79%
Compensation and Governance Committee		1 of 2		
Current Board Memberships				
Paramount Resources Ltd.	Chairman Chief Executive Officer			
Perpetual Energy Inc.	Executive Chairman			
Trilogy Energy Corp. (and its predecessor, Trilogy Energy Trust)	Chairman			
MGM Energy Corp.				
Securities Held ⁽⁵⁾				
Common Shares ⁽³⁾	Restricted Share Units (RSUs) ⁽⁴⁾	Total of Common Shares and RSUs		
3,564,800	15,000	3,579,800		

E. Mitchell Shier

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

Areas of Expertise

Industries:

- Legal
- Energy

Mr. Shier is General Counsel, Corporate Secretary and Manager, Land of Paramount Resources Ltd., which he joined in November, 2008. Prior to joining Paramount, Mr. Shier practiced oil and gas and commercial law as a partner with Heenan Blaikie LLP, and remains of counsel with that firm. Mr. Shier is also a director of Trilogy Energy Corp. (a public oil and gas exploration and development company), the successor to Trilogy Energy Trust.

Board/Committee Membership		Attendance	Attendance Total	
Board of Directors ⁽²⁾		11 of 12	13 of 14	93%
Compensation and Governance Committee (Chair, Governance Matters)		2 of 2		
Current Board Memberships				
Trilogy Energy Corp. (and its predecessor Trilogy Energy Trust)				
Securities Held ⁽⁵⁾				
Common Shares ⁽³⁾	Restricted Share Units (RSUs) ⁽⁴⁾	Total of Common Shares and RSUs		
13,500	15,000	28,500		

Mary C. Ritchie

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

Areas of Expertise

Industries:

- Financial Services

Ms. Ritchie is President and Chief Executive Officer of Richford Holdings Ltd., an accounting and investment advisory services company. Ms. Ritchie is a member of the Canadian Institute of Chartered Accountants, and a Fellow of the Institute of Chartered Accountants of Alberta. Ms. Ritchie is a member of the Board of Governors of RBCGAM Mutual Funds. She is also a member of the Board of Directors of Industrial Alliance Ltd., Softchoice and Canadian Real Estate Investment Trust. She has previously been a director of Isotechnika Inc. and 697937 Alberta Ltd. (formerly Isotechnika Inc.)

Board/Committee Membership		Attendance	Attendance Total	
Board of Directors ⁽²⁾		12 of 12	17 of 17	100%
Audit Committee		5 of 5		
Current Board Memberships				
Canadian Real Estate Investment Trust				
Softchoice				
Industrial Alliance Assurance and Financial Services Inc.				
Securities Held ⁽⁵⁾				
Common Shares ⁽³⁾	Restricted Share Units (RSUs) ⁽⁴⁾	Total of Common Shares and RSUs		
30,000	15,000	45,000		

John P.A. Budreski

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

Areas of Expertise

Industries:

- Financial Services
- Energy

Mr. Budreski is an independent businessman and an advisor on capital markets matters. From 2005 to 2007 he was the President and CEO of Orion Securities Inc. From 2009 until 2012 he was a Managing Director and a Vice Chairman with Cormark Securities Inc. Mr. Budreski currently sits on the board of Erdene Resource Development Corp., Sandstorm Metals and Energy Ltd., and Standstorm Gold Ltd.

Board/Committee Membership		Attendance	Attendance Total	
Board of Directors ⁽²⁾		12 of 12	14 of 14	100%
Compensation and Governance Committee (Chair, Compensation Matters)		2 of 2		
Current Board Memberships				
Erdene Resource Development Corp.				
Sandstorm Metals and Energy Ltd.			Audit Committee	
Sandstorm Gold Ltd.			Audit Committee	
Securities Held ⁽⁵⁾				
Common Shares ⁽³⁾		Restricted Share Units (RSUs) ⁽⁴⁾	Total of Common Shares and RSUs	
62,691		15,000	77,691	

Stephen W. King

Calgary Alberta
Canada
Director Since: 2008

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.

Board/Committee Membership		Attendance	Attendance Total	
Board of Directors ⁽²⁾		12 of 12	12 of 12	100%
Public Board Membership During the Last Five Years				
None (other than Alaris)				
Securities Held ⁽⁵⁾				
Common Shares ⁽³⁾		Restricted Share Units (RSUs) ⁽⁴⁾	Options Held	Total of Common Shares and Options
362,017		120,000	380,000	862,017

Gary Patterson

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

Areas of Expertise

Industries:

- Financial Services
- Consumer Discretionary
- Real Estate

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 was previously on the board of Seacliff Construction Corp., EarthFirst and Art in Motion Income Fund. Mr. Patterson is a Fellow of the Institute of Chartered Accountants of British Columbia.

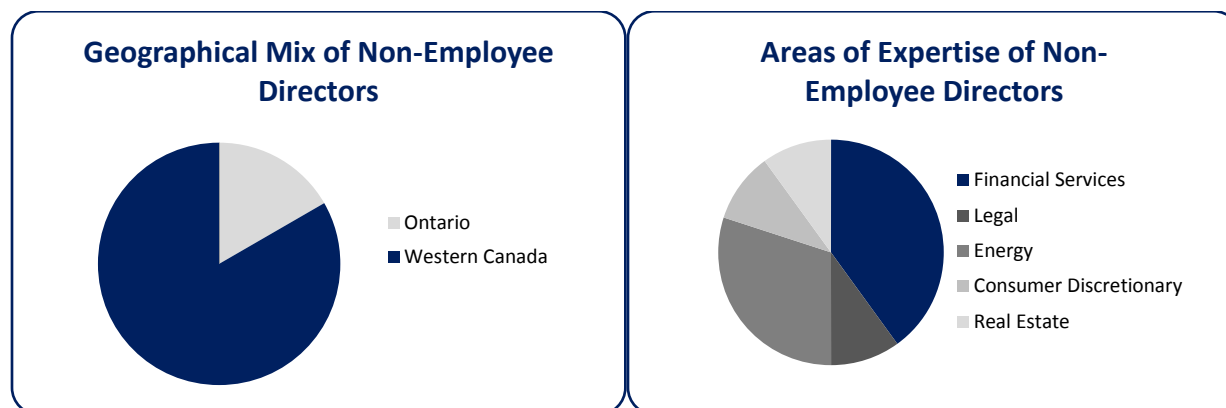
Board/Committee Membership		Attendance	Attendance Total	
Board of Directors ⁽²⁾		12 of 12	17 of 17	100%
Audit Committee		5 of 5		
Current Board Memberships				
Mr. Patterson currently does not sit on any other public boards				
Securities Held				
Common Shares		Restricted Share Units (RSUs)	Total of Common Shares and RSUs	
18,400		15,000	33,400	

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 17 meetings held by the Board of Directors & Audit Committee in fiscal 2011 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 2011. The information as to the number of securities beneficially held by each nominee is based upon information furnished to us by the nominees and public filings for each director. For Mr. Lee, 15,000 of these Common Shares are held through Facet Resources Ltd., an investment corporation controlled by Mr. Lee. For Mr. Riddell, 239,667 of these Common Shares are held through Riddell Family Charitable Foundation, a charitable foundation controlled by Mr. Riddell and his family. In addition, 3,099,133 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 RSU Plan described beginning on page 31 as of the Record Date in respect of 2011.
- (5) The number of securities held by each Director is reported as of the Record Date. None of the directors, other than Stephen King, held any unexercised options under Alaris' Option Plan. Options held by Mr. King are more particularly described in the Executive Compensation tables beginning on page 33 of this Information Circular.

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 2011, no director of Alaris served on an outside board with any other director of Alaris, other than 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, CEO or CFO of any company (including Alaris):
 - (i) subject to an order (including a cease trade order, or an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation) for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
 - (ii) subject to an order (including a cease trade order, or an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation) for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO;

- (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. in various capacities since 1978. From 1992 to 2008, Paramount was the general partner of T.T.Y. Paramount Partnership No. 5 ("TTY"), a limited partnership, which was an unlisted reporting issuer in certain provinces of

Canada. TTY was established in 1980 to conduct oil and gas exploration and development activities but had not carried on active operations since 1984 and had only nominal assets. A cease trade order against TTY was issued by the Quebec Securities Commission in 1999 for failing to file the June 30, 1998 interim financial statements in Quebec. The cease trade order was revoked on April 9, 2008. TTY was dissolved on July 21, 2008.

- (2) Until March 2, 2010, Messrs. Budreski and Patterson were directors of EarthFirst. EarthFirst was engaged in development of wind power and related generation facilities. EarthFirst obtained creditor protection under 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 was a director of Darian. Darian was 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 process has now been completed and Darian was sold to Crescent Point Energy Corp., and as a result, Darian's creditors were repaid in full and its equity holders were repaid an additional \$30 million.

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 2011?

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 beginning on page 31 of this Information Circular.

Directors' Share Ownership

As at the date of this Information Circular:

- total shares held by non-employee directors: 3,856,114
- total RSUs held by non-employee directors: 93,750
- total value of shares and RSUs held by non-employee directors: \$71,295,045 (based on the closing price of the Common Shares on the Toronto Stock Exchange as of the Record Date which was \$18.05).

Restricted Share Units Outstanding

Jack C. Lee	18,750
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

Notes:

- (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 CG 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 on October 29, 2008 have now all vested.

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).

On December 19, 2011 the following RSUs issued to non-employee directors vested and the following Common Shares were issued as a result. In addition, in accordance with the annual grant of RSUs approved by the Board,

the following additional RSUs were immediately granted to the non-employee directors to replace the vested RSUs:

Name	RSUs Vested at December 19, 2011	Common Shares Issued at December 19, 2011	Additional RSUs Granted at December 19, 2011
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

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.

Directors' Summary Compensation Table

The following table sets out for the year ended December 31, 2011, information concerning the compensation paid to our non-employee directors:

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	-	108,750	-	-	-	19,513	128,263
Clayton H. Riddell	-	87,000	-	-	-	15,600	102,600
E. Mitchell Shier	-	87,000	-	-	-	15,600	102,600
Mary C. Ritchie	-	87,000	-	-	-	15,600	102,600
John P.A. Budreski	-	87,000	-	-	-	15,600	102,600
Gary Patterson	-	87,000	-	-	-	15,600	102,600

Notes:

- (1) Based on the value of RSUs granted to the non-employee directors on the date of grant. The fair value on the grant date 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. For RSUs granted in 2011, the fair market value of the Common Shares on the date of grant was \$17.40 per Common Share, respectively, which was the closing price for the Common Shares on the TSX the date of grant of such RSUs. 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 the date of vesting 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 Equivalents 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, 2011.

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	337,500
Clayton H. Riddell	-	-	-	-	15,000	270,000
Mary C. Ritchie	-	-	-	-	15,000	270,000
E. Mitchell Shier	-	-	-	-	15,000	270,000
John P.A. Budreski	-	-	-	-	15,000	270,000
Gary Patterson	-	-	-	-	15,000	270,000

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 \$18 closing price of the Common Shares on the TSX as of December 31, 2011 and on the assumption that vesting criteria have been satisfied at December 31, 2011. 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 the date of vesting 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, 2011 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2011.

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	-	108,750	-
Clayton H. Riddell	-	87,000	-
Mary C. Ritchie	-	87,000	-
E. Mitchell Shier	-	87,000	-
John P.A. Budreski	-	87,000	-
Gary Patterson	-	87,000	-

Notes:

- (1) Non-employee directors have not been granted Options.
- (2) The following RSUs granted to non-employee directors vested during 2011 and the same number of shares were issued to non-employee directors: Jack C. Lee, 6,250; 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 \$17.40.
- (3) Alaris does not have any non-equity incentive plans for non-employee directors.

Executive Compensation

Compensation Governance

The CG Committee is a committee of the Board and 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, powers, duties and responsibilities of the CG Committee, particularly with respect to compensation matters, please refer to the discussion in Schedule 1 beginning on page 43 of this Information Circular.

The CG Committee currently consists of John P.A. Budreski (Chair, Compensation Matters), E. Mitchell Shier (Chair, Governance Matters), and Clayton H. Riddell. All members of the CG Committee are "independent" within the meaning of the relevant CSA rules and standards. For more information on the determination of independence of the CG Committee members, please refer to the discussion in Schedule 1 beginning on page 43 of this Information Circular.

All members of the CG Committee are independent. For information concerning each member's direct experience relevant to his responsibilities in executive compensation, please see the Director descriptions beginning on page 13 of this Information Circular.

Compensation Review

The CG Committee commenced a review of Alaris' compensation program in late 2009 (see Alaris' 2009 *Information Circular* for further details). During 2010, the Compensation Committee retained the services of an independent compensation consultant, Lane Caputo Compensation Inc.

As a result of such review, the Board determined that our current compensation structure is competitive from both a quantum and structure perspective, appropriately rewards long-term growth and performance, and does not encourage inappropriate risk taking. The review resulted in the CG Committee developing a set of guidelines for the Board to assist in determining compensation to be paid to Alaris employees. Such guidelines are more particularly described in the Program Components tables of this Information Circular beginning on page 27 herein. These guidelines are intended to be guidelines only, and the Board continues to have the discretion to adjust or change such guidelines as circumstances warrant. In addition to the development of these guidelines, the review further resulted in a change in philosophy concerning the compensation mix away from the grant of further RSUs and towards the grant of further share options. No changes were made to the compensation program for Alaris' directors. (See Alaris' 2010 *Information Circular* for further details).

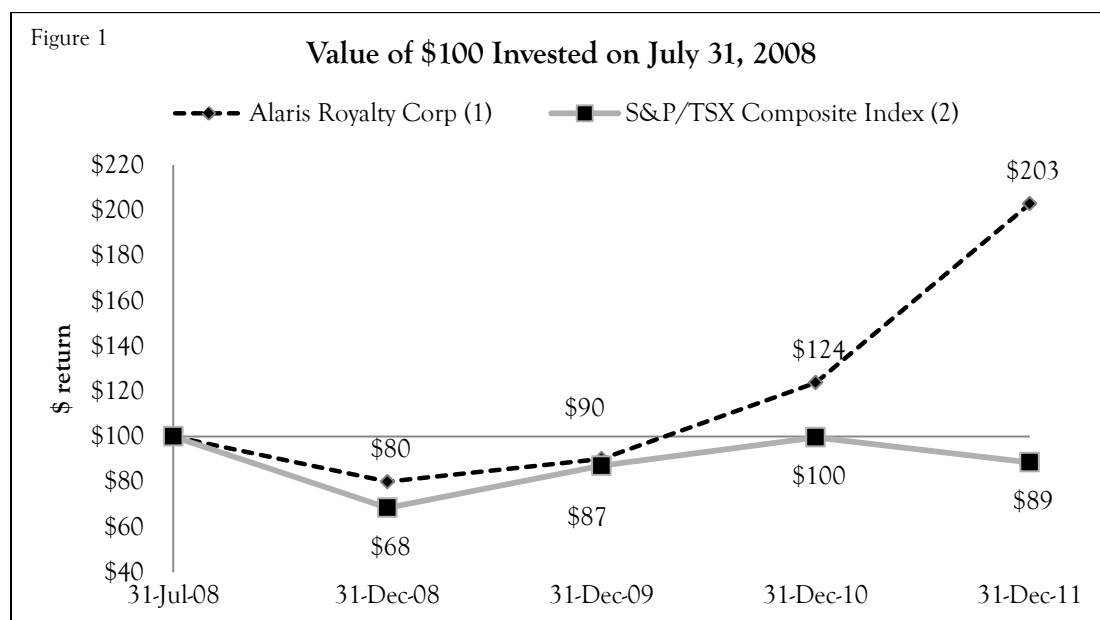
As these guidelines were only developed in 2010 and applied in 2011 in the CG Committee's regular review of Alaris' executive compensation program, no further changes to such guidelines or

philosophy were made or recommended by the CG Committee during 2011. In addition, as of the date of this Information Circular, the CG Committee has not taken any new actions, decisions or policies which would have had a material effect on Alaris' executive compensation program.

Performance Graphs & Compensation Relative to Shareholder Return

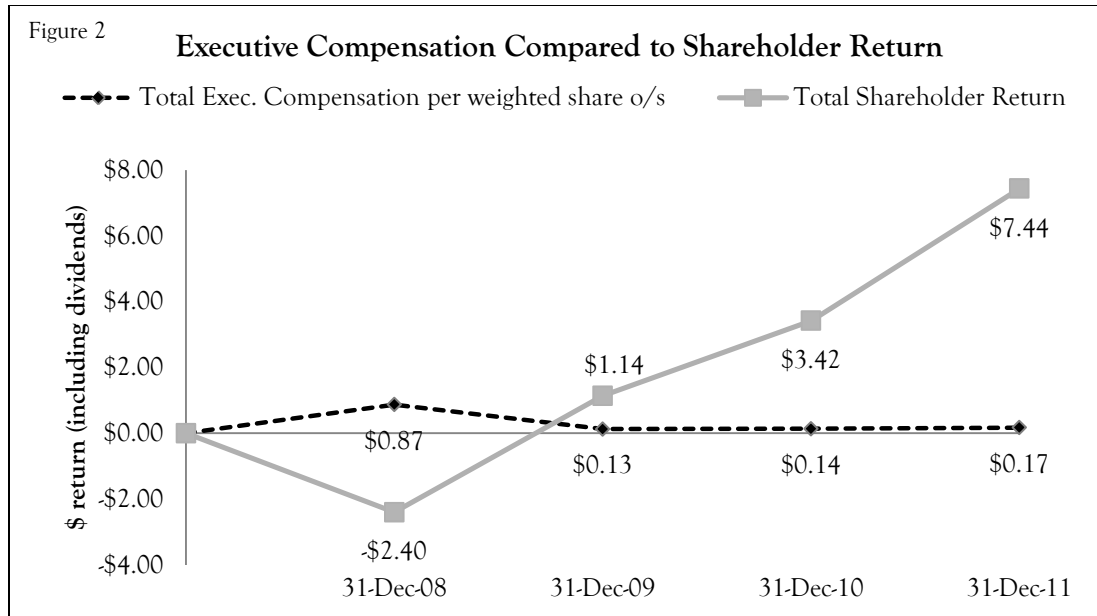
During 2011, stability slowly continued to return to financial markets and the economy began to show signs of recovery with consumer confidence increasing, although global economic recovery and growth continues to be tempered by events affecting Europe and the United States. We continued to make solid progress in advancing our strategic agenda. Our strategic priorities include adding new Private Company Partners; strengthening our relationships with our existing Private Company Partners; gradually and prudently increasing our growth with further financing; and expanding our available market by providing financing to Private Company Partners headquartered in the United States. During 2011, our performance grew significantly over the year, reflecting (i) a partial liquidity and realization of our investment in LifeMark Health and MEDiChair; (ii) the addition of two new Private Company Partners, namely Killick and Quetico, and an additional contribution to KMH; (iii) continued growth in cash flows from LifeMark, EOTR, Solowave and KMH; (iv) continued improved performance in LMS; and (v) an increase in our monthly dividend in October 2011.

The figures below depict the following information for the last four years: (1) the performance of our Common Shares relative to the S&P/TSX Composite Index (figure 1); and (2) our executive compensation relative to total returns to our Shareholders (figure 2).



Notes:

- (1) Inclusive of reinvested dividends
- (2) Not inclusive of reinvested dividends



Notes:

Alaris executive compensation was derived by dividing each segment of total compensation by the weighted number of shares outstanding for each given fiscal year end. These share numbers can be found in our December 31, 2011 annual financial statements, as filed under our profile on SEDAR. The value of the executive compensation award for 2008 reflects a one-time issuance of RSUs to Alaris' NEOs in 2008.

Our Board considers several factors in connection with its determination of appropriate levels of compensation, including, but not limited to, the Board's compensation philosophy and guidelines; the demand for and supply of skilled professionals in the financial services industry generally; individual performance; our corporate performance (which is not necessarily tied exclusively to the trading price of the shares on the TSX); and other factors discussed under "Executive Compensation Discussion and Analysis" beginning at page 26 of this Information Circular. The trading price of the Common Shares on the TSX is subject to fluctuation based on several factors (including, but not limited to global economic conditions, changes in government, legislation, and other factors), many of which are outside the control of Alaris.

As can be seen from figures 1 and 2, Alaris shares have performed well against the S&P/TSX Composite Index (the "Index") since July 31, 2008 (figure 1). Shareholders that have held shares in Alaris since that date have realized a total return (including dividends received) of 103% based on the closing price on December 30, 2011 vs a minus 11% return from the Index (excluding dividend reinvestment). On share price alone, Alaris shareholders have realized a 50% return as of December 30, 2011 on their shares purchased July 31, 2008, 61% greater than the Index.

As demonstrated in figure 2, executive compensation has been relatively stable and has increased marginally vs the total return Alaris shareholders have received since July 31, 2008. Executive compensation is largely performance based and as such it is expected to continue to be positively correlated to the return shareholders receive.

Executive Compensation- Related Fees

During 2010, Alaris paid approximately \$28,900 for services performed by Lane Caputo Compensation Inc. in respect of the CG Committee's review of Alaris' compensation program in 2009 and 2010. No fees were paid in 2011 to Lane Caputo or any other consultant or advisor in respect of Alaris' executive compensation program.

Executive Compensation Discussion and Analysis

1. Compensation Approach and Objectives

Alaris' approach to compensation is based on a "pay for performance" philosophy whereby fixed elements of pay such as salary, are positioned at, or below, market median levels, while short and long-term incentives are structured to provide above-market total compensation for high levels of corporate performance. 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 specified corporate objectives.

The governing objective of Alaris' compensation program is to motivate Alaris' employees to build a highly diversified group of Private Company Partners in North America with a conservative financial

structure and a safe and consistently increasing dividend stream to Alaris Shareholders. In meeting this objective, the intent of our compensation program is to motivate Alaris employees to: (1) pursue a series of judicious and accretive partnerships with new Private Company Partners, principally financed with debt financing and/or a equity from new issuances of Common Shares; (2) ensure a responsible use of debt; and (3) maintain relationships with our Private Company Partners for the long term. In this manner, executive and director interests are aligned with those of Alaris' Shareholders. Executives are evaluated annually and compensation awards are made annually as appropriate in light of such performance factors. Annual awards and allocations of Options, RSUs and bonuses are recommended to the Board by the CG Committee, in consultation with the CEO.

2. Risk Assessment

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

- Components of the compensation program are awarded on a discretionary basis;
- The compensation package for NEOs reviewed and assessed annually by the CG Committee and the Board;
- The compensation program consists of fixed (base salary) and variable (bonuses, options

and RSUs), which is designed to balance the level of risk taking while also focusing on generating long-term and sustainable value for Shareholders;

- RSUs and Options, which make up a significant portion of an NEO's total compensation, vest over a period of three years (in the case of RSUs) or four years, which acts to further mitigate against the potential for in appropriate short-term risk taking;
- The NEOs only receive awards of Options, RSUs or bonuses only having regard to completed transactions involving additional or new contributions to existing or new Private Company Partners. Such

transactions must be approved by the independent Board and cannot be concluded at management's discretion without such approval.

- There are no compensation policies and practices that are structured significantly differently for any NEOs; and
- An NEO that resigns or is terminated for cause forfeits their bonus and any outstanding Options or RSUs.

The CG Committee will continue to monitor compensation governance and risk assessment practices on an ongoing basis to ensure that Alaris' compensation program is appropriately structured.

3. Program Components

Compensation-Key Components

Alaris' compensation program seeks to evaluate an executive based on both corporate and individual performance. Corporate performance is measured through two primary means, namely: (1) an evaluation of financings completed by Alaris to raise funds for contributions to new and existing Private Company Partners; and (2) the concept of Total Cash Available for Distributions per Share (discussed below and further beginning on page 31 of this Information Circular). Individual performance is generally evaluated based on individual expertise and responsibilities, leadership and achievement of personal performance goals and objectives as well as individual contribution to corporate performance.

The key components and guidelines 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 available market place information, as well as an executive's experience, performance and level of responsibility. Salaries are also determined with consideration to Alaris' total compensation package. An approach of low base salaries and a higher incentive component to employee compensation continues to be appropriate to encourage long-term corporate and individual performance. It is intended that base salaries will increase as Alaris' corporate size, complexity and responsibilities, increase. All salary adjustments are at the discretion of the Board.

Option Plan	Promotes an ownership perspective among executives, encourages executive retention, encourages executives to generate sustained share price growth over the longer term (4 years) and aligns management's interests with Shareholders interests through participation in share price increases or appreciation in Private Company Partners.	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 experience, skill set and level of responsibility within Alaris. Additional grants may be made annually at the discretion of the board and are based on the individual's contribution to corporate performance, as well as the overall competitiveness of the executive compensation package. As a general guideline, Alaris employees are intended to be granted annually such number of Options under the Option Plan that are exercisable into less than 10% of Alaris' outstanding Common Shares (calculated at the time of grant of such Options). It is intended that the number of Options granted will be calculated with reference to new Common Shares issued in the previous year pursuant to financings completed by Alaris to raise funds for contributions to new and existing Private Company Partners.
Bonuses	To recognize and encourage short term efforts which are critical to the long-term success and positive performance of Alaris.	Cash, RSUs or a combination of cash and RSUs.	Bonuses are intended to be awarded annually but are discretionary in nature based on the Board's assessment of individual contribution and overall corporate performance. As a general guideline, the aggregate annual bonus paid to Alaris employees is intended to be based upon a percentage of the incremental annual increase, if any, to Alaris' "Total Cash Available for Distribution per Share" (as described beginning on page 31 of this Information Circular).
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 based on the achievement of Total Cash Available for Distribution and performance targets (described beginning on page 31 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 RSU grants may be made periodically at the discretion of the Board in lieu of cash bonuses, as determined appropriate.

Notes:

- (1) Existing RSUs granted to Alaris employees are expected to vest in March 2012, subject to any applicable trading blackouts that may be in place at the time of vesting. Once vested, the Board, in recognition of the change in compensation philosophy away from the grant of further RSUs and in favour of Options, has determined it appropriate to, on a one time basis, grant approximately 280,000 share options to Alaris' employees in lieu of further RSU grants, subject to applicable securities laws and regulatory requirements.

Compensation- Ancillary Components

Benefits

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

Perquisites

All employees including executives are entitled to an additional health spending account of \$2,000 per year and a paid parking stall.

Equity Incentive Plans

The tables below provide a description of the material features of each plan. The first table below sets out information about the equity plans as at December 31, 2011.

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))
1,314,175	13.55	1,384,403

Alaris' Share 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 & that May be Reserved for Issuance	Under the Option Plan, the maximum number of Common Shares issuable under the Option Plan and the RSU Plan (and that may be reserved by Alaris for issuance under the Option Plan and RSU Plan at any given time) is limited to 10% of the total number of outstanding Shares at such time. As at March 15, 2012, 1,688,087 Common Shares have been reserved for issuance under the Option Plan (representing 8.7 % of issued and outstanding Shares as at March 15, 2012).
Currently Issued (dilution)	929,775 Common Shares to be issued upon exercise of outstanding options (representing 4.8 % of Alaris' issued and outstanding Common Shares).
Available for Issue	As at March 15, 2012, 758,312 Common Shares remained available for issuance (representing 3.9 % of Alaris' issued and outstanding Shares as of March 15).
Other Limits	Maximum number of Common Shares reserved for issuance in any one year period under Options to any one participant cannot exceed 5% of the Common Shares then issued and outstanding. Maximum number of Common Shares issuable to insiders at any time pursuant to all security-based compensation arrangements of Alaris cannot exceed 10% of all Common Shares then issued and outstanding. Maximum number of Common Shares issued to insiders within any one year period under all security-based compensation arrangements of Alaris cannot exceed 10% of all Common Shares then issued and outstanding. Maximum number of Common Shares issuable at any time pursuant to Options granted to Alaris' directors who are not officers or employees of Alaris is limited to 0.5% of all 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 10 business days after the end of the black-out period.
Exercise price	·Equal to 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. The currently issued and outstanding Options vest at 25% per year over four years ·The CG 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 cessation 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. Within 90 days of termination in such circumstance, the participant may exercise all currently vested Options and any Options that would vest within 18 months of termination, within 90 days of termination.
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.
Surrender Option	A participant is entitled to make a surrender offer to Alaris at any time to dispose of and surrender his Options to the Corporation, for an amount (not to exceed fair market value) specified by the participant. Subject to any required regulatory approval, Alaris may accept such offer but is not obligated to do so. Options surrendered under a surrender offer that is accepted are deemed to be terminated and cancelled and upon payment of the surrender amount to the participant, all further rights to the participant under the Options cease.
Anti-Dilution Provisions	The Board has authority to make appropriate adjustments in the number of Common Shares optioned and in the exercise price under any granted Options to give effect to adjustments in the number of Common Shares of Alaris resulting from subdivisions, consolidations or reclassifications of the Common Shares, the payment of stock

	dividends by Alaris, or other relevant changes in the capital of Alaris.
Plan changes	<p>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:</p> <ul style="list-style-type: none"> (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. <p>During 2010 and 2011, the following amendments were made to the Option Plan:</p> <p>(i) <u>July 2010 amendments:</u></p> <ul style="list-style-type: none"> a. Clarifying that Alaris has the power and right to deduct or withhold, or require (as a condition of exercise) an optionee to remit to Alaris, the required withholding tax as and when due on the grant or exercise of Options. b. Allowing the withholding tax obligation to be met by Alaris by any one of the following methods or a combination of these methods, at Alaris' discretion: <ul style="list-style-type: none"> i. Tendering by the optionee of a cash payment (in addition to the exercise price) to Alaris at the time of exercise; ii. Withholding by Alaris from the shares otherwise due to the optionee (and the authority to sell such withheld shares on behalf of the optionee); or iii. Withholding by Alaris from any cash payment otherwise due to the optionee. c. Confirming that with respect to cash payments that may be made in a takeover bid situation, Alaris has the sole discretion to determine whether or not the optionee may claim any deductions from his or her taxable income as a result of such cash payment. <p>(ii) <u>November 2010 amendments:</u></p> <ul style="list-style-type: none"> a. Allowing an optionee, at his or her sole discretion, to choose to receive cash instead of Common Shares in certain circumstances (including the surrender of Options). In such event, Alaris has the sole discretion to determine whether or not the optionee may claim any deductions from his or her taxable income as a result of such cash payment. <p>(iii) <u>March, 2011 amendments:</u></p> <ul style="list-style-type: none"> a. Clarifying that the maximum number of Common Shares issuable under the Option Plan and the RSU Plan is limited to 10% of the total number of outstanding Shares. b. With respect to the insider limits, removing the language which indicates that an entitlement granted prior to the participant becomes an insider may be excluded in determining the number of securities issuable to insiders. The TSX does not permit such grants to be excluded for these purposes and as such, this language has been removed.

Alaris RSU Plan

Date of Implementation	July 31, 2008 (for further Shareholder approval at the Meeting)
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>The CG Committee has full discretion to determine the vesting conditions for any RSUs that are granted. All currently outstanding RSUs granted to employees vest in accordance with the following (see page 19 of this Information Circular for the vesting conditions for RSUs granted to non-employee directors):</p> <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 the Private Company Partners; (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 & that May be Reserved	<p>Under the RSU Plan, the maximum number of Common Shares issuable under the RSU Plan and Option Plan (and that may be reserved by Alaris for issuance under the Option Plan and RSU Plan at any given time) is limited to 10% of the total number of outstanding Shares at such time.</p> <p>As of March 15, 2012, 1,010,491 Common Shares have been reserved for issuance under the RSU Plan (representing 5.2 % of issued and outstanding Common Shares)</p>
Currently Issued (dilution)	384,400 Common Shares to be issued upon vesting of outstanding RSUs (representing 2.0 % of Alaris' issued and outstanding Common Shares as at March 15, 2012).
Available for Issue	As of March 15, 2012, 626,091 Common Shares remaining available for issuance (representing 3.2 % of Alaris' issued and outstanding Common Shares).
Restrictions on Vesting	The Board has sole discretion to permit all unvested RSUs to vest immediately.
Other Limits	Maximum number of Common Shares reserved for issuance in any one year period under RSUs to any one participant cannot exceed 5% of the Common Shares then issued and outstanding. Maximum number of Common Shares issuable to insiders at any time pursuant to all security-based compensation arrangements of Alaris cannot exceed 10% of all Common Shares then issued and outstanding. Maximum number of Common Shares issued to insiders within any one year period under all security-based compensation arrangements of Alaris cannot exceed 10% of all Common Shares then issued and outstanding.
RSU Terms	RSUs earn Dividend Equivalents in the form of cash, Common Shares, or a combination thereof. The Board has full discretion to determine the Dividend Entitlement for 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.
Surrender Option	<p>A participant is entitled to make a surrender offer to Alaris at any time to dispose of and surrender his RSUs to the Corporation, for an amount (not to exceed fair market value) specified by the participant. Subject to any required regulatory approval, Alaris may accept such offer but is not obligated to do so. RSUs surrendered under a surrender offer that is accepted are deemed to be terminated and cancelled and upon payment of the surrender amount to the participant, all further rights to the participant under the RSUs cease.</p>
Anti-Dilution Provisions	<p>The Board has authority to make appropriate adjustments in the number of Common Shares under any granted RSUs to give effect to adjustments in the number of Common Shares of Alaris resulting from subdivisions, consolidations, exchanges or reclassifications of the Common Shares, the payment of stock dividends by Alaris, or other relevant changes in the capital of Alaris.</p>
Assignment of RSUs	<p>RSUs are not assignable or otherwise transferrable.</p>
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>During 2010 and 2011, the following amendments were made to the RSU Plan:</p> <ul style="list-style-type: none"> (i) <u>July 2010 amendments:</u> <ul style="list-style-type: none"> a. Clarifying that Alaris has the power and right to deduct or withhold, or require (as a condition of exercise) an participant to remit to Alaris, the required withholding tax as and when due on the vesting of RSUs. b. Allowing the withholding tax obligation to be met by Alaris by any one of the following methods or a combination of these methods, at Alaris' discretion: <ul style="list-style-type: none"> i. Tendering by the participant of a cash payment (in addition to the exercise price) to Alaris at the time of vesting; ii. Withholding by Alaris from the shares otherwise due to the participant (and the authority to sell such withheld shares on behalf of the participant); or iii. Withholding by Alaris from any cash payment otherwise due to the participant. (ii) <u>November 2010 amendments:</u> <ul style="list-style-type: none"> a. Allowing a participant, at his or her sole discretion, to choose to elect to receive cash instead of Common Shares in certain circumstances. In such event, Alaris has the sole discretion to determine whether or not the participant may claim any deductions from his or her taxable income as a result of such cash payment. b. Where RSUs have vested, those shares may be delivered to the plan participant beyond 3 years after the grant of RSUs. c. If there is any change in Common Shares as a result of the declaration of stock dividends or subdivisions, consolidations or exchanges of Common Shares or otherwise, the number of Common Shares available for issuance following the vesting of granted RSUs will be adjusted as required by the Board. (iii) <u>April 2011 amendments:</u> <ul style="list-style-type: none"> a. Clarifying that if vesting of an RSU falls during an Alaris trading black-out period, the term is extended by 10 business days following the end of the black-out period.

Executive Compensation Tables

Summary Compensation Table

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

Name and principal position	Year	Salary (\$)	Share-based award (RSUs) ⁽¹⁾ (\$)	Option-based awards ⁽²⁾ (\$)	Annual Incentive Plans (Bonus) (\$)		Pension value (\$)	All other compensation ⁽³⁾⁽⁴⁾ (\$)	Total compensation ⁽⁵⁾ (\$)
					Bonuses	Long-term incentive plans			
Stephen King Chief Executive Officer	2011	210,000	-	350,795	550,000	-	-	132,800	1,243,600
	2010	210,000	-	388,650	100,000	-	-	119,600	818,250
	2009	210,000	-	55,063	25,000	-	-	126,800	416,863
Darren Driscoll Chief Financial Officer	2011	183,750	-	262,287	225,000	-	-	101,600	772,650
	2010	183,750	-	155,460	45,000	-	-	91,700	475,910
	2009	183,750	-	41,633	32,500	-	-	97,100	354,983
Stephen Reid Vice President Business Development	2011	125,000	-	258,363	50,000	-	-	45,440	478,740
	2010	106,000 ⁽⁶⁾	-	75,139	27,500	-	-	41,800	250,439
	2009	105,000	-	16,116	15,000	-	-	43,640	179,756
Rachel Colabella General Counsel & Corporate Secretary	2011	125,000	-	175,102	125,000	-	-	29,320	454,420
	2010	125,000	-	77,730	27,500	-	-	23,965	254,195
	2009	125,000	80,000	14,773	27,500	-	-	24,995	272,268

Notes:

- (1) The amount shown is based on the fair value of RSUs awarded under the RSU Plan on the date of grant to the executive officers noted above. RSUs were only granted to Rachel Colabella in 2009. The fair value on the grant date of RSUs granted to Rachel Colabella in 2009 for compensation purposes was calculated based upon the actual 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 to Rachel Colabella in 2009 was \$8.00. 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, none of the RSUs granted to the NEOs have vested.
- (2) The amount shown is based on the fair value of Options granted under the Option Plan on the date of grant to the executive officers noted above. The fair value on the grant date 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 1.16% (2010-2.15%; 2009 - 2.74%); a dividend yield of 6.8% (2010- 8.7%; 2009 - 12%); and a 52% (2009- 56%) volatility in share price. This methodology was selected due to its acceptance as an appropriate evaluation methodology for companies of similar size as Alaris. The value of the Options disclosed in the table above can fluctuate from the imputed value derived under the Black Scholes method of evaluation.
- (3) The value of perquisites received by each of the NEOs, including property or other personal benefits provided to the NEOs that are not generally available to all employees, were not in the aggregate greater than \$50,000 or 10% of the NEO's total salary for the financial year.

- (4) This amount represents the value of perquisites and Dividend Entitlements received by the NEO during the fiscal years ending December 31, 2009, December 31, 2010, and December 31, 2011 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.
- (5) No compensation paid to Mr. King reflected in this column was paid to him in his capacity as a Director of the Corporation.
- (6) This amount represents the total salary paid to Mr. Reid in the fiscal year ending December 31, 2010. On December 10, 2010, the Board resolved to increase Mr. Reid's annual salary to \$125,000, effective December 10, 2010.

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, 2011 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	December 12, 2011	64,000	16.87	December 12, 2016	72,320	-	-
	August 5, 2011	25,000	15.48	August 5, 2016	88,200	-	-
	December 22, 2010	150,000	11.56	December 22, 2015	966,000	-	-
	November 2, 2009	41,000	7.27	November 2, 2014	439,930	-	-
	October 29, 2008	90,000	12.00	October 29, 2013	540,000	120,000	2,160,000
Darren Driscoll	December 12, 2011	49,000	16.87	December 12, 2016	55,370	-	-
	August 5, 2011	15,000	15.48	August 5, 2016	63,000	-	-
	December 22, 2010	60,000	11.56	December 22, 2015	386,400	-	-
	November 2, 2009	31,000	7.27	November 2, 2014	332,630	-	-
	October 29, 2008	67,500	12.00	October 29, 2013	405,000	90,000	1,620,000
Stephen Reid	December 12, 2011	47,900	16.87	December 12, 2016	54,127	-	-
	August 5, 2011	25,000	15.48	August 5, 2016	63,000	-	-
	December 22, 2010	29,000	11.56	December 22, 2015	186,780	-	-
	November 2, 2009	12,000	7.27	November 2, 2014	128,780	-	-
	October 29, 2008	27,000	12.00	October 29, 2013	162,000	36,000	648,000
Rachel Colabella	December 12, 2011	27,500	16.87	December 12, 2016	31,075	-	-
	August 5, 2011	22,000	15.48	August 5, 2016	55,440	-	-
	December 22, 2010	30,000	11.56	December 22, 2015	193,200	-	-
	November 2, 2009	11,000	7.27	November 2, 2014	118,030	10,000	180,000
	October 29, 2008	10,500	12.00	October 29, 2013	63,000	10,500	189,000

Notes:

- (1) Calculated based on the difference between the market price of the securities underlying the Options at December 31, 2011 and the exercise price of the Options.
- (2) Calculated based on the market price of the Common Shares on the TSX as of December 31, 2011. The payout value of RSUs that have not vested assumes that the performance targets have 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, 2011.

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	412,108	Nil	550,000
Darren Driscoll	236,583	Nil	225,000
Stephen Reid	100,623	Nil	50,000
Rachel Colabella	80,608	Nil	125,000

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.
- (2) Other than the RSU Plan, the Corporation does not have any share based awards.
- (3) The Corporation does not have 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 2011.

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 four termination scenarios.

Compensation Element	Retirement 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 (as such term is defined in the employee's employment agreement) are paid as a lump sum.	Pro rata base salary, vacation pay and expenses earned or due, but not yet paid, up to and including the Termination Date are paid as a lump sum.	Pro rata base salary, vacation pay and expenses earned or due, but not yet paid, up to and including the Termination Date are paid as a lump sum.	No incremental payment
Bonus	Forfeited	Forfeited	Forfeited	No incremental payment
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	Cease	Cease	Cease	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 and will be entitled to receive the payments set forth above.
- (3) The following terms apply with respect to the RSUs granted to the NEOs in 2008 (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 beginning on page 31 of this Information Circular.):
 - (a) 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.

As of the date of this Information Circular, none of the current RSUs issued to the NEOs have vested. Should the Board grant additional RSUs to the NEOs in the future, the Board has the discretion to determine the terms that will apply to such RSUs upon a termination of an NEO without cause.
- (4) This is the retiring allowance for Mssrs. King, Driscoll and Reid. For Ms. Colabella, if termination is after her two year anniversary, the payment is equal to (i) one (1) times the annual salary; plus (ii) one (1) times the most recent annual bonus paid, and (iii) 15% of the sum of (i) and (ii).

Termination Payments as of December 31, 2011

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, 2011.

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⁾	1,311,000 ⁽³⁾	0	1,311,000 ⁽³⁾
	Accelerated Vesting of Options	867,215 ⁽⁵⁾	1,394,578 ⁽⁵⁾	0	0 ⁽⁴⁾
	Accelerated Vesting of RSUs	0	2,160,000 ⁽⁶⁾	0	0 ⁽⁴⁾
	Total	867,215	4,865,578	0	1,311,000
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⁾	705,094 ⁽³⁾	0	705,094 ⁽³⁾
	Accelerated Vesting of Options	566,965 ⁽⁵⁾	877,865 ⁽⁵⁾	0	0 ⁽⁴⁾
	Accelerated Vesting of RSUs	0	1,620,000 ⁽⁶⁾	0	0 ⁽⁴⁾
	Total	566,965	3,202,959	0	705,094
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⁾	267,375 ⁽³⁾	0	267,375 ⁽³⁾
	Accelerated Vesting of Options	232,715 ⁽⁵⁾	381,522 ⁽⁵⁾	0	0 ⁽⁴⁾
	Accelerated Vesting of RSUs	0	648,000 ⁽⁶⁾	0	0 ⁽⁴⁾
	Total	232,715	1,296,897	0	267,375
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⁾	215,625 ⁽³⁾	0	267,375 ⁽³⁾
	Accelerated Vesting of Options	154,715 ⁽⁵⁾	270,051 ⁽⁵⁾	0	0 ⁽⁴⁾
	Accelerated Vesting of RSUs	0	369,000 ⁽⁶⁾	0	0 ⁽⁴⁾
	Total	154,715	854,676	0	267,375

Notes:

- (1) Assumes all payments have been made up to and including December 31, 2011.
- (2) Bonuses paid in 2011 are as more particularly detailed above in the table entitled "Summary Compensation Table". This assumes all bonus payments have been made up to and including December 31, 2011.
- (3) A retiring allowance is only payable on a termination without cause or on a change of control.
- (4) Options and RSUs only accelerate at the discretion of the Board.
- (5) At December 31, 2011 three quarters of all Options granted to NEOs in 2008 vested. At December 31, 2011, one half of all options granted to NEOs in 2009 vested. In addition, at December 31, 2011, one quarter of all Options granted to NEOs in 2010 vested.
- (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.

Securities Authorized for Issuance Under Equity Compensation Plans

The table below provides additional information relating to our equity compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, RSUs and rights (a)	Weighted-average exercise price of outstanding options, RSUs and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	1,314,175	13.55	1,384,403
Equity compensation plans not approved by security holders	0	0	0
Total	1,314,175	13.55	1,384,403

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, 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 the Exchange 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;

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. John P.A. Budreski declared his interest in the October 2009 Offering, the May 2010 Offering, the December 2010 Offering and the December 2011 Offering as a result of being Vice Chairman of Cormark Securities Inc., a member of the underwriting syndicate. Mr. Budreski abstained from voting in respect of each such transaction as a result of his declared interest. The total fees paid by Alaris to Cormark Securities Inc. were \$63,850 during 2010 and \$579,767 during 2011. In addition, Stephen W. King declared his interest in the LifeMark Transaction as a result of being a director of both Alaris and the general partner of LifeMark Health. Mr. King abstained from voting in respect of such transaction as a result of his declared interest.

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, 2012 and has no deductible.

Premiums paid by Alaris for this policy are approximately \$ 36,340 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, 2011. Additional information about Alaris is available at www.alarisroyalty.com and on Alaris' corporate profile on SEDAR on SEDAR.

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, 2011, together with the accompanying report of the Auditor thereon and any interim financial statements of Alaris for periods subsequent to December 31, 2011 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 March 15, 2012.

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 website is also available in print to any shareholder upon request to the Corporate Secretary’s Department at the address set out on page 42 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 April 19, 2012 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.

On an annual basis, the CG 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 April 19, 2012 are “independent” within the meaning of the relevant CSA rules and standards, with the exception of Stephen King who is considered to have a material relationship with Alaris and its subsidiaries by virtue of his position as the President and CEO of Alaris since 2008. The Board has also

determined that all members of the Audit Committee meet the additional Canadian independence requirements for membership on public company audit committees (as set out in *National Instrument 52-110-Audit Committees*).

Additional information relating to each 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 2011 can be found beginning on page 13 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 CEO 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 in partnership with but 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 to facilitate the achievement of the goals of Alaris, and leads the Board in the execution of its responsibilities to shareholders. The Chairman further sets Board agendas, oversees the quality and process of information sent to directors concerning Alaris' activities, and reviews any comments or requests made by an independent director. In

addition, the Chairman is charged with the responsibility of assisting the independent directors with fulfilling their governance responsibilities and overseeing the governance obligations of the Board and each Board Committee generally.

At each regularly scheduled quarterly Board meeting, 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. At each regularly scheduled Board Committee meeting, each Board Committee also has a session without management present during the course of each of its meetings.

Information to be conveyed and actions undertaken as a result of the sessions are communicated by the Chairman 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 CG 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 April 19, 2012, 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 Schedule 3 on page 56 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. The Board reviews the Board Mandate at least annually. The Board has determined that the Board Mandate continues to sufficiently outline the Board's responsibilities and expectations, and as such, no material amendments were made to the Board Mandate during 2011.

Meetings of Independent Directors

The Board and Board Committees regularly hold meetings of independent directors.

After each Board meeting held to consider interim and annual financial statements, the Board is scheduled to meet without management and non-independent directors. In addition, the Board has the opportunity to hold ad hoc meetings independently of management and non-independent directors at the request of any independent director, or may excuse members of management and non-independent directors from all or a portion of any meeting where a potential conflict of interest arises or where otherwise

appropriate. In 2011, the Board met without management and non-independent directors at each of the four regularly scheduled quarterly meetings.

After each Audit Committee meeting held to consider interim and annual financial statements, the Audit Committee is scheduled to meet without management or non-independent directors and without auditors. In addition, the Audit Committee members have the opportunity to hold ad hoc meetings independent of management, non-independent directors and auditors at their entire discretion, whenever they deem necessary. In 2011, the Audit Committee met without management and non-independent directors, and without auditors at each of the four regularly scheduled quarterly meetings.

At each regularly scheduled CG Committee meeting, the CG Committee is scheduled to meet without management and non-independent directors during the compensation portion of such meeting. In addition, the CG Committee members have the opportunity to hold ad hoc meetings independent of management and non-independent directors at their entire discretion, whenever they deem necessary. In 2011, the CG Committee met without management and non-independent directors during the compensation portion of each of the two regularly scheduled meetings. In addition, the CG Committee met on an ad hoc basis on several other occasions for the purpose of the compensation review.

Position Descriptions

The Board has adopted Chairman of the Board, Committee Chairs and Director and CEO position descriptions, which are available on our website.

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 website. 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 CEO, which is also available on our website. The Board reviews these positions at least annually. The Board has determined that these position descriptions continue to sufficiently outline the responsibilities and expectations of each position, and as such, no material amendments were made to these position descriptions during 2011.

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

Orientation and Continuing Education

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

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

- a detailed briefing with the Chairman of the Board;
- a detailed briefing with the chair of the CG Committee, Governance Matters;
- a detailed briefing on the role and expectations of the director in Alaris and other matters by Alaris' general counsel;
- a detailed briefing on the legal duties and obligations required of a director of a publicly-traded company, as well as Alaris' governance model, principles and practices;
- a detailed briefing on Alaris and its business; and
- a tour of Alaris' head office.

New directors are also provided with a Directors' Manual containing:

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

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

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

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.

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

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

- **Internal educational seminars and materials.** On an ongoing basis, as part of regular Board meetings, directors receive presentations on various aspects of Alaris' operations. In particular, during fiscal 2011, 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;

- case law review concerning insider trading matters;
- executive compensation, trends, issues and disclosure;
- tax and corporate laws in The Netherlands, the United States and Canada as they relate to the business activities and structure of Alaris and its subsidiaries;
- new and pending changes in tax and securities legislation;
- economic outlooks for Canada and the United States.

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

- **Annual Alaris Conference.** During 2011, Alaris hosted its first annual conference for the purpose of bringing together its directors and Management with the senior management teams of the Private Company Partners. The conference provided Alaris' directors the opportunity to obtain a more indepth working knowledge of the business and affairs of each of the Private Company Partners, as well as the impact thereof on Alaris.

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

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

Ethical Business Conduct

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

The Board has adopted a Comprehensive Code of Business Conduct (the “Code”), which provides a framework for 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 website. At least annually, 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 CG 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, CG Committee. Once received, concerns are forwarded to the General Counsel or to the CFO in the case of

issues involving the CEO or the General Counsel. Accounting, internal control or auditing concerns are dealt with by both General Counsel and the CFO. The General Counsel or CFO 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, legal, internal accounting controls or auditing matters, and the Chairman of the Board is notified if such concern involves the CEO, and that individual determines the appropriate investigation to be carried out and any action to be taken at the conclusion of the investigation. In the case of concerns not relating to accounting, internal accounting controls or auditing matters, the 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 CG Committee has responsibility for recruiting and recommending new candidates for appointment or election to the Board. At present, the CG 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 CG 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 CG 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 CG Committee conducts a periodic review of directors' compensation having regard to recommendations from an independent compensation consultant and various governance reports on current trends in directors' compensation and compensation data for directors of reporting issuers of

comparative size to Alaris. The CG Committee and the Board determined that director compensation is sufficient and continues to appropriately align director and Shareholder interests. As such, director compensation was not a part of the scope of review by the CG Committee when reviewing Alaris' compensation strategy in 2010 or in 2011.

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 Committee and CG Committee. Both of 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 website. These mandates are reviewed annually to reflect best practices as well as applicable regulatory requirements.

CG Committee

The CG 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 CG 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 CG Committee does the following:

- (i) review Alaris' compensation program and 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 CEO, evaluate the CEO 's performance in light of those corporate goals and objectives, and make recommendations to the Board with respect to the CEO 's compensation level based on such evaluation;
- (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 CG 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, 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, energy and resources 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 CG 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* and under CSA standards. The definition of "financially literate" adopted by the Board pursuant to these rules and standards are set forth in the

Audit Committee's Mandate, which may be found on our website and in our 2011 AIF.

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

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

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

Additional information relating to the composition of the Audit Committee, the Committee Mandate, and the relevant education and experience of its members is set out under the heading "Audit Committee Information" in our AIF. 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 CG Committee annually conducts a peer evaluation process to provide feedback to individual directors on their effectiveness. Assessment forms are annually approved by the Board, and then provided to each director and the results are compiled by the Chair, Governance Matters, of the CG Committee and discussed with the Board. 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 CG Committee also conducts an annual evaluation of the effectiveness of the Board

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

Annual Assessment of the Audit Committee

Individual Members of the Audit Committee evaluate the Audit Committee as a Whole.

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

Matters of the CG Committee, and discussed with the Audit Committee and the Board.

Communication Policy

A disclosure committee comprised of the CEO, CFO and General Counsel/Corporate Secretary 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. The guidelines and procedures outlined in this policy form the basis for how Alaris employees carryout Alaris' disclosure practices.

Pursuant to the terms of the External Communication Policy, Alaris has formed a Disclosure Committee comprised of the CEO, the CFO and the General Counsel and Corporate Secretary. This Disclosure Committee is responsible for reviewing all annual and interim filings, corporate presentations and marketing materials, and ensuring the timely public release of material information relating to Alaris. The CEO, together with the CFO, makes the final determination as to what information is material and must be publicly disclosed.

Alaris seeks to communicate with its shareholders and other stakeholders through a variety of channels, including the annual report, information circular, quarterly reports, annual information form, news releases, and website. 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 42 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.

Schedule 2- Description of Capital Structure

Alaris is authorized to issue an unlimited number of Common Shares and Non-Voting Shares for unlimited consideration. As of the Record Date, 19,477,495 Common Shares and no Non-Voting Shares were outstanding as fully paid and non-assessable. In addition, as of the date hereof, there were stock options outstanding to acquire 929,775 Common Shares pursuant to the Option Plan, and there were restricted share units outstanding entitling the holders thereof to receive an aggregate of 384,400 Common Shares pursuant to the RSU Plan upon the satisfaction of certain vesting criteria.

The following describes the material provisions of our Common Shares.

Common Shares

The material characteristics of the Common Shares are as follows:

- a) Each Common Share carries the right to attend at Shareholder meetings and to one vote on each resolution voted on at a Shareholders' meeting;
- b) holders of Common Shares are entitled to receive dividends when declared by the Board. However, no dividend may be declared on the Common Shares unless the same dividend is also declared concurrently on the Non-Voting Shares; and
- c) in the event of liquidation, dissolution or winding-up, or any other distribution of our assets among our Shareholders, holders of Common Shares are entitled to share rateably in such assets as are available for distribution.

ALARIS ROYALTY CORP.

Schedule 3- 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 of the Company, in conjunction with the Chief Executive Officer (**CEO**)

Strategy & Operations

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

CEO

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

Succession and Compensation

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

Corporate Social Responsibility, Ethics and Integrity

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

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

Governance

16. 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.
17. 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) CFO Position Description; and
 - (k) Secretary Position Description.
18. With the CG Committee, ensure that the Company's governance practices and policies are appropriately disclosed.
19. At the recommendation of the CG Committee, annually determine those individual Directors to be designated as independent and ensure appropriate disclosures are made.
20. 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

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

Board Chair

25. Annually appoint the Chair of the Board.

Committees

26. Appoint an Audit Committee comprised of at least three members, all of whom are independent 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.
27. 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.

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

Delegations and Approval Authorities

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

Risk Management

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

Orientation / Education

42. With the 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.
43. 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

44. 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.
45. Participate in an annual evaluation of Board performance by the CG Committee.
46. 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

47. Meet at least four times annually and as many additional times as needed to carry out its duties effectively. The Board may in appropriate circumstances hold meetings by telephone conference call.
48. Meet in separate non-management and independent Director only in camera sessions at each regularly scheduled meeting.
49. 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

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

Other

- 52. To 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.
- 53. 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

25,

2011

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