

IMPORTANT INFORMATION FOR SHAREHOLDERS

Notice of Annual General & Special Meeting of Common Voting Shareholders and Information Circular **April 18, 2013**

Your participation is important.

Please take a minute to vote.



Your Vote Counts...

Registered Shareholders

If your Common Shares are registered in your own name and you have a share certificate, you are a registered shareholder.

You will have received a form of proxy from Alaris' transfer agent, Computershare Investor Services Inc. Please vote using the proxy control number provided online at www.investorvote.com or via the phone Toll Free 1-866-732-VOTE (8683). Alternatively, please 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 or appoint someone else to attend and vote as your proxyholder at the meeting, see pages 20 & 21 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 or Computershare, if you are a non-objecting beneficial owner. 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. If you plan to attend the meeting and wish to vote in person, please follow the instructions on the enclosed voting form to appoint yourself instead of the management nominees to vote at the meeting. Non-registered holders must take the necessary steps to appoint themselves if they wish to vote at the meeting in person. For more information, please refer to the information on pages 20 through 23 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 & Special Meeting of Shareholders on April 18, 2013. It will take place at the Hotel Le Germain, 899 Centre Street SW, in Calgary, Alberta at 3:00 p.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. Please vote in sufficient time to ensure your vote is received prior to the proxy cut off of 3:00 p.m. on April 16, 2013.

Following the meeting, you will find the full text of the 2012 Annual Report, the Information Circular and Annual Information Form for the year ended December 31, 2012, 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 18th.

Sincerely,

(Signed) "Jack Lee"
Jack Lee
Chairman of the Board

(Signed) "Stephen King"
Stephen King
President and Chief Executive Officer

March 20, 2013

LETTER TO SHAREHOLDERS REGARDING PLAN OF ARRANGEMENT

Dear Shareholders:

At the Meeting, in addition to a number of other matters set forth in the accompanying Notice, you will be asked to consider, and, if thought advisable, to approve the Arrangement. The Arrangement will result in Shareholders exchanging their Common Shares for New Common Shares on a one-for-one basis. Under the terms of the Arrangement, and in accordance with applicable United States securities law, Shareholders who are located in the United States or are U.S. Persons will only receive New Common Shares if they are "Qualified U.S. Shareholders".

Alaris is proposing the Arrangement as a means to (1) ensure that we comply with certain requirements of applicable U.S. securities law (primarily the U.S. Investment Company Act and ERISA); and (2) to provide Alaris with the greatest flexibility to access U.S. capital markets to fund our future growth and expand our business in Canada and the United States. For more information concerning the need for the Arrangement, please refer to "Background to and Reasons for the Arrangement" in Schedule 5 to this Information Circular.

For the purposes of the Arrangement "Qualified U.S. Shareholder" means a Shareholder that is located in the United States or a U.S. Person, and is:

- (a) a "qualified purchaser" within the meaning of Section 2(a)(51)(A) of the U.S. Investment Company Act (Please see Appendices D and E to Schedule 5 of the Information Circular for the definition of a Qualified Purchaser within the meaning of Section 2(a)(51)(A) of the U.S. Investment Company Act; and
- (b) not or is not acting on behalf of:
 - (i) an "employee benefit plan" (within the meaning of Section 3(3) of ERISA) that is subject to Title I of ERISA;
 - (ii) a plan, individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Tax Code or Similar U.S. Laws; or
 - (iii) an entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement pursuant to ERISA, the U.S. Tax Code, any applicable Similar U.S. Law or otherwise.

If you are either:

- (a) located in the United States or a U.S. Person but not a Qualified U.S. Shareholder; or

- (b) a Qualified U.S. Shareholder but do not provide a "Qualified U.S. Shareholder Certification (QIB)" or "Qualified U.S. Shareholder Certification (Non-QIB)", as applicable, to the Depositary at or prior to the Certification Deadline;

You will be a Non-Qualified U.S. Shareholder for the purposes of the Arrangement and you will not receive new Common Shares under the Arrangement. Instead, any New Common Shares that would otherwise be issuable to you will be issued and delivered to the Sale Trustee for sale in the market on behalf of the Non-Qualified U.S. Shareholders (over the applicable stock exchange or by private sale). If you are a Non-Qualified U.S. Shareholder, you will receive your pro rata share of the cash proceeds from the sale of the New Common Shares sold by the Sale Trustee (less any applicable withholding taxes) in lieu of New Common Shares. None of Alaris, the Depositary, the Sale Trustee or any other person will be liable for any loss arising out of any such sales or the remittance of the proceeds thereof except for losses arising out of its gross negligence or willful misconduct.

All Shareholders who are U.S. Persons or located in the United States are encouraged to read the enclosed Information Circular, Form of Proxy and letter of transmittal and should consult with their counsel regarding the Arrangement and their ability to receive New Common Shares under the Arrangement.

If the Arrangement is approved by the requisite majority of Shareholders at the Meeting, the Effective Date is expected to be May 8, 2013. The Effective Date may vary depending on circumstances. Alaris will press release the effective date if there is any change.

All capitalized terms in this letter shall have the meaning set forth in the accompanying Information Circular.

To be effective, the Arrangement and the Arrangement Resolution must be approved by at least 66 2/3% of the votes cast, in person or by proxy, at the Meeting. The Arrangement is also subject to approval by the Court of Queen's Bench of Alberta. **The Board has unanimously approved the Arrangement, determined that the Arrangement is in the best interests of Alaris and its shareholders, and recommends that Shareholders vote IN FAVOUR of the Arrangement Resolution.**

If you have any questions or need assistance to vote or tender your Common Shares for the New Common Shares or the cash proceeds from the sale thereof (less any applicable withholding taxes), please contact the Corporation's solicitation agent **Laurel Hill, by email at assistance@laurelhill.com, or by telephone at 416-304-0211 (banks, brokers or collect calls) or 1-877-452-7184 (North American toll-free number).**

Enclosed with the Information Circular and Form of Proxy is a letter of transmittal containing complete instruction on how to exchange your Common Shares for New Common Shares as well as a Non-U.S. Shareholder Certification, a Qualified U.S. Shareholder Certification (QIB), a Qualified U.S. Shareholder Certification (Non-QIB), and a Non-Qualified U.S. Shareholder Certification. The Letter of Transmittal will only be sent to Registered Shareholders. Beneficial Shareholders should contact their brokers, custodian, nominee or other intermediary to tender their shares on their behalf. The applicable Shareholder Certification must be delivered to the Depositary prior to the Certification Deadline. You will not actually receive your New Common Shares or the proceeds (less any applicable withholding taxes) from the sale of the New Common Shares (if you are or deemed to be a Non-Qualified U.S. Shareholder), as applicable, until the Arrangement is completed and you have returned your properly completed documents, including the letter of transmittal and certificates representing your Common Shares.

The Information Circular contains a detailed description of the Arrangement, as well as detailed information regarding Alaris. Please give this material your careful consideration and, if you require assistance, we urge you to consult your financial, legal, tax or other professional advisors. If you are unable to attend the Meeting in person, please complete and deliver the applicable form of proxy which is enclosed in order to ensure your representation at the Meeting. All capitalized terms not otherwise defined in this letter shall have the meaning ascribed thereto in the accompanying Information Circular.

On behalf of Alaris, I would like to thank all Shareholders for their ongoing support as we work towards completion of this important transaction.

Yours very truly,

(signed) "Stephen King"

Stephen King

President and Chief Executive Officer

March 20, 2013

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

The annual general and special meeting of shareholders (the "**Meeting**") of Alaris Royalty Corp. will be held the 18th day of April, 2013 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, 2012 and the Auditor's report on those statements (the "**Financial Statements**");
2. To fix the number of directors to be elected at six (6) members;
3. To elect the Board of Directors for 2013;
4. To appoint the Auditor of Alaris for 2013;
5. To receive and consider By-Law No. 2 regarding advance notice required for the nomination of directors by shareholders, and if determined appropriate, to ratify and approve the decision of the Board of Directors to implement such By-Law No. 2;
6. To consider pursuant to an order of the Court of Queen's Bench of Alberta dated March 20, 2013, (the "**Interim Order**") and, if thought advisable, to pass, with or without variation, a special resolution (the full text of which is set forth in Appendix H to Schedule 5 of the accompanying Information Circular) to approve the Arrangement (the "**Arrangement Resolution**"); and
7. 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 & Special 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 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 14, 2013 (the "**Record Date**") will be entitled to vote at the meeting. The number of eligible votes that may be cast at the Meeting is 25,209,113 being the total number of Common Shares of Alaris outstanding on March 14, 2013.

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

Common Shares or otherwise establishing that he or she owns such Common Shares, requests at least 10 days before the Meeting that the transferee's name be included in the list of Shareholders entitled to vote, in which case such transferee shall be entitled to vote such shares at the Meeting.

Pursuant to the Interim Order, only registered Shareholders have the right to dissent with respect to the Arrangement Resolution and, if the Arrangement becomes effective, to be paid the fair value of their Common Shares in accordance with the provisions of Section 190 of the CBCA, as modified by the Interim Order. A registered Shareholder wishing to exercise rights of dissent with respect to the Arrangement must send to Alaris a written objection to the Arrangement Resolution. Such written objection must be received by Alaris c/o its counsel Burnet, Duckworth & Palmer LLP, 2400, 525-8 Avenue SW, Calgary, Alberta, Canada T2P 1G1, Attention: Daniel J. McDonald, by 5:00 p.m. (Calgary time) on the second last business day prior to the Meeting. A Shareholder's right to dissent is more particularly described in the Information Circular and a copy of the Interim Order and the text of Section 190 of the CBCA are set forth in Appendices H and F, respectively, to Schedule 5, of the Information Circular.

Failure to strictly comply with the requirements set forth in Section 190 of the CBCA, as modified by the Interim Order, may result in the loss of any right of dissent. Persons who are beneficial owners of Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only the registered holder of Common Shares are entitled to dissent. Accordingly, a beneficial owner of Common Shares desiring to exercise this right must make arrangements for the Common Shares beneficially owned by such Shareholder to be registered in the Shareholder's name prior to the time the written objection to the Arrangement Resolution is required to be received by Alaris or, alternatively, make arrangements for the registered holder of such Common Shares to dissent on the Shareholder's behalf. It is strongly suggested that any Shareholder wishing to dissent seek independent legal advice, as the failure to comply strictly with the provisions of the CBCA, as modified by the Interim Order, may prejudice such Shareholder's right to dissent.

Whether or not you plan to attend the Meeting in person, please vote using the enclosed Form of Proxy or voting instruction in accordance with the instructions provided. For your vote to be recorded, your proxy must be received by Computershare Investor Services Inc., no later than 3:00 PM (Calgary Time) on April 16, 2013.

If you have any questions or need assistance to vote or tender your Common Shares for the New Common Shares or the cash proceeds from the sale thereof (less any applicable withholding taxes), please contact the Corporation's solicitation agent **Laurel Hill**, by email at assistance@laurelhill.com, or by telephone at 416-304-0211 (banks, brokers or collect calls) or 1-877-452-7184 (North American toll-free number).

Registered holders should complete, sign, date and return by hand, courier or registered mail the enclosed form of letter of transmittal, together with the certificate(s) representing your Common Shares, and applicable Shareholder Certification in the enclosed envelope addressed to Computershare Investor Services Inc., Attention: Corporate Actions, 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1. Beneficial Shareholders should contact their financial intermediary to tender their shares on their behalf.

IN THE COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL DISTRICT OF CALGARY

IN THE MATTER OF SECTION 192 OF THE CANADA BUSINESS CORPORATIONS ACT, R.S.C. 1985, c. C-44, AS AMENDED AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING ALARIS ROYALTY CORP. AND THE SHAREHOLDERS OF ALARIS ROYALTY CORP.

NOTICE OF APPLICATION

NOTICE IS HEREBY GIVEN that an application (the "**Application**") has been filed with the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") on behalf of Alaris Royalty Corp. ("**Alaris**") with respect to a proposed arrangement (the "**Arrangement**") under section 192 of the *Canada Business Corporations Act* (Alberta), R.S.C. 1985, c. C-44, as amended (the "**CBCA**"), involving Alaris and the holders ("**Shareholders**") of common voting shares (the "**Common Shares**") of Alaris, which Arrangement is described in greater detail in the information circular and proxy statement of Alaris dated March 20, 2013 (the "**Information Circular**"), accompanying this Notice of Application. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the accompanying Information Circular. At the hearing of the Application, Alaris intends to seek:

- (a) a declaration that the terms and conditions of the Arrangement and the procedures relating thereto are fair to Shareholders and other affected persons, both from a substantive and procedural perspective;
- (b) an order approving the Arrangement pursuant to the provisions of section 192 of the CBCA;
- (c) a declaration that registered Shareholders shall have the right to dissent in respect of the Arrangement pursuant to section 190 of the CBCA as modified by the interim order of the Court dated March 20, 2013;
- (d) a declaration that the Arrangement will, upon the filing of Articles of Arrangement pursuant to the provisions of section 192 of the CBCA, become effective in accordance with its terms and will be binding; and
- (e) such other and further orders, declarations and directions as the Court may deem just.

AND NOTICE IS HEREBY GIVEN that the Court has been advised that its order approving the Arrangement, if granted, will constitute the basis for an exemption from the registration requirement of the *United States Securities Act* of 1933, as amended, pursuant to Section 3(a)(10) thereof, with respect to the issuance of the new common shares of Alaris issuable to the Shareholders pursuant to the Arrangement.

AND NOTICE IS FURTHER GIVEN that the said Application was directed to be heard before a Justice of the Court of Queen's Bench of Alberta, Calgary Courts Centre, 601 - 5th Street S.W., Calgary, Alberta, T2P 5P7, on the 19th day of April, 2013 at 9:30 a.m. (Calgary time) or as soon thereafter as counsel may be heard. Any Shareholder or any other interested party desiring to support or oppose the Application, may appear at the time of the hearing in person or by counsel for that purpose. **Any Shareholder or any other interested party desiring to appear at the hearing is required to file with the Court of Queen's Bench of**

Alberta, Judicial District of Calgary, and serve upon Alaris on or before 12:00 p.m. (Calgary time) on April 12, 2013 (or the Business Day that is five (5) Business Days prior to the date of the Meeting if it is not held on April 18, 2013), a notice of intention to appear, including an address for service in the Province of Alberta, together with any evidence or materials which are to be presented to the Court. Service on Alaris is to be effected by delivery to the solicitors for Alaris at the address below. If any Shareholder or any other interested party does not attend, either in person or by counsel, at that time, the Court may approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, without any further notice.

AND NOTICE IS FURTHER GIVEN that no further notice of the Application will be given by Alaris and that in the event the hearing of the Application is adjourned, only those persons who have appeared before the Court for the application at the hearing shall be served with notice of the adjourned date.

AND NOTICE IS FURTHER GIVEN that the Court, by Order dated March 20, 2013 (the "Interim Order") has given directions as to the calling and holding of the meeting of Shareholders for the purpose of such holders voting upon the special resolution to approve the Arrangement and has directed that registered Shareholders shall have the right to dissent with respect to the Arrangement in accordance with the provisions of section 190 of the CBCA, as amended by the Interim Order.

AND NOTICE IS FURTHER GIVEN that a copy of the said Application and other documents in the proceedings will be furnished to any Shareholder or other interested party requesting the same by the under mentioned solicitors for Alaris upon written request delivered to such solicitors as follows:

Burnet, Duckworth & Palmer
Barristers & Solicitors
Suite 2400, 525 - 8th Avenue S.W.
Calgary, Alberta T2P 1G1

Attention: Daniel J. McDonald

DATED at the City of Calgary, in the Province of Alberta, this 20 day of March, 2013.

BY ORDER OF THE BOARD OF DIRECTORS
OF ALARIS ROYALTY CORP.

(signed) "Stephen King"
Stephen King
President and Chief Executive Officer

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).

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

"**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 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.

"**Applicable Canadian securities laws**" means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder, as such may be amended from time to time prior to the Effective Date;

"**Arrangement**" means the arrangement under the provisions of 192 of the CBCA, on the terms and conditions set forth in the Plan of Arrangement, as supplemented, modified or amended.

"**Arrangement Resolution**" means a special resolution regarding the Arrangement to be passed by at least 66 2/3 % of the votes cast, in person or by proxy, at the Meeting, the full text of which is set forth in Appendix H to Schedule 5 of this Information Circular.

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

"**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required in Subsection 192(b) of the CBCA to be filed with the Registrar after the final Order has been granted, giving effect to the Arrangement.

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

"**Auditor**" means KPMG LLP.

"**Beneficial Shareholder**" means Shareholders who hold their Common Shares through an intermediary such as a bank, trust company, securities broker or trustee or who otherwise do not hold their Common Shares in their own name.

"**Board**" or "**Board of Directors**" means the board of directors of Alaris as it may be comprised from time to time.

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

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

"**By-Law No. 2**" means By-Law No. 2 adopted as part of the Corporation's By-Laws by the Board on March 13, 2013 with respect to advance notice provisions required for the nomination of directors for election by the Corporation's shareholders.

"**CBCA**" means the *Canada Business Corporations Act* (Alberta), R.S.C. 1985, c. C-44, including the regulations promulgated thereunder, as amended.

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

"**CDS**" means CDS Clearing and Depository Services Inc.

"**CDS Participants**" has the meaning ascribed thereto under the heading "*Procedure for Exchange of Common Shares – Beneficial Holders*" in Schedule 5 to this Information Circular.

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

"**Certification Deadline**" means 5:00 p.m. (Calgary time) on the day immediately prior to the Effective Date.

"**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.

"**Computershare**" means Computershare Investor Services Inc., who is the depositary agent under the Arrangement.

"**Corporation**" means Alaris Royalty Corp., a corporation subsisting under the CBCA.

"**Court**" means the Court of Queen's Bench of Alberta, Judicial District of Calgary.

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

"**Darian**" means Darian Resources Ltd.

"**Deferred Plan**" means a DPSP, RESP, RRIF, RRSP or TFSA.

"**Depositary**" means Computershare, or such other person that may be appointed by Alaris for the purpose of receiving deposits of certificates formerly representing Common Shares.

"**Director**" means the Director duly appointed under Section 260 of the CBCA.

"**Dissent Rights**" mean the rights of dissent granted in favour of registered Shareholders in respect of the Arrangement as described in the Interim Order and the Plan of Arrangement.

"**Dissenting Shareholders**" mean registered Shareholders who validly exercise the Dissent Rights.

"**Dividend Entitlement**" means dividend entitlements earned on each issued & outstanding RSU as more particularly described beginning on page 43 of this Information Circular under the description of Alaris' RSU Plan.

"**DPSP**" means a trust governed by a "deferred profit sharing plan" as defined in the ITA.

"**EarthFirst**" means EarthFirst Canada Inc.

"**Effective Date**" means the date upon which the Plan of Arrangement becomes effective pursuant to the CBCA.

"**Effective Time**" means the time the Arrangement becomes effective on the Effective Date pursuant to the CBCA.

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

"**ERISA**" means the *United States Employment Retirement Income Security Act of 1974*, as amended from time to time.

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

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

"**Final Order**" means the final order of the Court approving the Arrangement pursuant to Subsection 192(4) of the CBCA in respect of Alaris, as such order may be affirmed, amended or modified by any court of competent jurisdiction.

"**Financial Statements**" means the financial statements of Alaris for the year ended December 31, 2012 & the Auditor's report of those statements.

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

"**Government Authority**" means any: (i) multinational, federal, provincial, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency; (ii) any subdivision, agent, commission, board or authority of any of the foregoing; (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

"**Information Circular**" means this management information circular and proxy statement of Alaris, together with all schedules and appendices hereto to be mailed or otherwise distributed by Alaris to the Shareholders or such other securityholders of Alaris as may be required pursuant to the Interim Order in connection with the Meeting.

"**Interim Order**" means an order of the Court dated March 20, 2013 relating to the Arrangement and a copy of which is attached as Appendix I to Schedule 5 of this Information Circular.

"**Intermediary**" has the meaning ascribed thereto under the heading "*Procedure for Exchange of Common Shares – Beneficial Holders*" in Schedule 5 of this Information Circular.

"**ITA**" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.), as amended, including the regulations promulgated thereunder, as amended from time to time.

"**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.

"**Labstat**" means Labstat International LP.

"**Laurel Hill**" means Laurel Hill Advisory Group.

"**Letter of Transmittal**" means the letter of transmittal accompanying this Information Circular sent to Registered Shareholders in respect of the exchange of their Common Shares for New Common Shares or the proceeds (net of any applicable withholding taxes) from the sale of New Common Shares in the case of Non-Qualified U.S. Shareholders.

"**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.

"**Meeting**" means the annual and special meeting of Shareholders to be held at 3:00 p.m. (Calgary time) on April 18, 2013 at Hotel le Germain, 899 Centre Street SW, Calgary, Alberta to consider, among other things, the Arrangement Resolution and certain matters, and any adjournment(s) thereof.

"**Meeting Date**" means April 18, 2013.

"**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.

"**New Common Shares**" means the new class of common shares authorized for issuance pursuant to the Arrangement.

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

"**Non-Qualified U.S. Shareholder**" means (i) a person located in the United States or a U.S. person that is not a Qualified U.S. Shareholder; or (ii) a Qualified U.S. Shareholder that does not provide the Qualified U.S. Shareholder Certification (QIB) or Qualified U.S. Shareholder Certification (Non-QIB), as applicable, to the Depository by 5:00 p.m. (Calgary time) on the day immediately preceding the Effective Date.

"**Non-Qualified U.S. Shareholder Certification**" means the certification attached as Appendix F to Schedule 5 of this Information Circular;

"**Non-Resident Holder**" has the meaning ascribed thereto under the heading "*Principals Canadian Income Tax Considerations – Shareholders Not Resident in Canada*" in Schedule 5 of this Information Circular.

"**Non-U.S. Shareholder**" means a Shareholder that is not a U.S. Shareholder.

"**Non-U.S. Shareholder Certification**" means the certification attached as Appendix C to Schedule 5 of this Information Circular;

"**Notice**" means the Notice of Annual General and Special 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.

"**Option Plan**" means Alaris' share option plan, as more particularly described beginning on page 41 of this Information Circular under the heading "Equity Incentive Plans".

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

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

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

"**Plan Asset Rules**" mean the principles for identifying the assets of an ERISA Plan as set forth in the Plan Asset Regulations and Section 3(42) of ERISA and described below under the heading "*Background and Reasons for the Arrangement – ERISA Considerations*" in Schedule 5 of this Arrangement Circular.

"**Plan of Arrangement**" means the plan of arrangement under the CBCA substantially in the form set out in Schedule "A" to the Arrangement Agreement as such plan of arrangement may be amended or supplemented from time to time in accordance with the terms thereof.

"**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, Labstat and Agility.

"**Qualified Institutional Buyer**" means a "qualified institutional buyer" as defined in Rule 144A.

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

"**Qualified U.S. Shareholder**" means a qualified U.S. Shareholder that is (i) a Qualified Purchaser, and (ii) not an ERISA Person.

"**Qualified U.S. Shareholder Certification (Non-QIB)**" means a certification provided by a person located in the United States or U.S. Person confirming his or her status as a Qualified U.S. Shareholder that is not also a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act, which is attached as Appendix E to Schedule 5 of this Information Circular.

"**Qualified U.S. Shareholder Certification (QIB)**" means a certification provided by a person located in the United States or U.S. Person confirming his or her status as a Qualified U.S. Shareholder that is also a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act, which is attached as Appendix D to Schedule 5 of this Information Circular.

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

"**Record Date**" means March 14, 2013.

"**Regulation S**" means Regulation S under the U.S. Securities Act.

"**Resident Holder**" has the meaning ascribed thereto under the heading "*Principal Canadian Income Tax Considerations – Shareholders Resident in Canada*" in Schedule 5 of this Information Circular.

"**RSU Plan**" means Alaris RSU plan, as more particularly described beginning on page 43 of this Information Circular under the heading "*Equity Incentive Plans*".

"RSUs" mean restricted share units issued or authorized for issuance pursuant to the RSU Plan.

"Sale Trustee" means such person as Alaris may select prior to the Effective Date, provided the Sale Trustee must be duly registered with the appropriate and relevant category of registration under applicable Canadian security laws.

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

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

"Shareholder Certifications" means collectively the Non-U.S. Shareholder Certification, the Qualified U.S. Shareholder Certification (QIB), the Qualified U.S. Shareholder Certification (Non-QIB) and the Non-Qualified U.S. Shareholder Certification and each is a Shareholder Certification.

"Shareholders" means the holders of Common Shares.

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

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

"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.

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

"U.S. Exchange Act" means the *United States Securities Exchange Act of 1934*, as amended, and the rules, regulations and orders promulgated thereunder.

"U.S. Holder" has the meaning given to that term under "*Certain United States Federal Income Tax Considerations*" in Schedule 5 of this Information Circular.

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

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

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

"U.S. Shareholder" means a registered or beneficial holder of Common Shares located in the United States or who is a U.S. Person.

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

"VWAP" means 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.

CURRENCY AND EXCHANGE RATES

All dollar references in this Information Circular (and in the documents incorporated by reference in the Information Circular) are in Canadian dollars, unless otherwise indicated. The following table describes: (i) the rates of exchange for Canadian dollars, expressed in United States dollars, in effect at the end of each of the periods indicated; (ii) the average of exchange rates in effect on the last day of each month during such period; and (iii) the high and low exchange rates during each such period, in each case based on the noon buying rate in the City of New York for cable transfers in Canadian dollars as certified for customs purposes by the Federal Reserve Bank of New York.

	YEAR ENDED DECEMBER 31,		
	2012	2011	2010
Rate at End of Period	1.0042	0.9835	0.9991
Average Rate During Period	1.0007	1.0121	0.9714
High	1.0299	1.0584	1.0040
Low	0.9600	0.9430	0.9280

The noon Buying rate set by the Federal Reserve Bank of New York on March 15, 2013 was CAD \$1.00 = US \$0.9802.

Forward-looking Statements

This Information Circular, including the Schedules and Appendices hereto, contains forward-looking statements and forward-looking information (collectively, "**forward-looking statements**") as defined under applicable Canadian securities law. Statements other than statements of historical fact contained in this Information Circular may be forward looking statements, including, without limitation, statements regarding: (a) the impact and benefits of the Arrangement; (b) the timing of the Final Order and Effective Date; (c) the timing of the delisting of the Common Shares and the listing of the New Common Shares; (d) the satisfaction of the conditions to listing the New Common Shares; (e) declaration and payment of the May Dividend; and (f) the designation of any dividends paid as eligible dividends.

Many of these statements can be identified by looking for words such as "believe", "expects", "will", "should", "plan", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof.

In addition to other factors and assumptions which may be identified in this Information Circular (including the documents incorporated by reference), assumptions have been made in respect of such forward-looking statements regarding, among other things: (a) the receipt of required approvals; (b) satisfaction of the conditions to listing the New Common Shares; (c) general economic conditions in Canada, the United States and globally; (d) the performance and financial condition of Alaris' Private Company Partners; and (e) their ability to continue to pay distributions to Alaris.

Alaris cannot guarantee future results, levels of activity, performance or achievement. **Accordingly, readers are cautioned not to place undue reliance on any forward-looking statements contained in this Information Circular.** Forward-looking statements reflect management's current beliefs and assumptions based on information in its possession on the date of this Information Circular and although Alaris believes the intentions and expectations reflected in such forward looking statements are reasonable, no assurance can be given that these intentions and expectations will prove to be correct. Forward-looking statements by their nature involve numerous assumptions and significant known and unknown facts and uncertainties of both a general and a specific nature. The actual results of the Company could differ

materially from those anticipated in the forward looking statements contained herein as a result of certain risk factors, including, without limitation, the following risk factors, and those contained elsewhere in this Information Circular: (a) a failure to obtain required Court, Shareholder and regulatory approvals for the Arrangement; (b) a failure to realize the benefits of the Arrangement; (c) a failure to satisfy the conditions for listing the New Common Shares on the TSX; (d) the general economic conditions in Canada, the United States and globally; (e) the dependence of Alaris on the Private Company Partners; (f) failure to complete or realize the anticipated benefits of Alaris' arrangements with the Private Company Partners; (g) a change in the financial condition of a Private Company Partner; (h) availability of future financing; changes government regulation and legislation or the way the foregoing are interpreted; (i) the ability of the Private Company Partners to terminate their agreements with the Company; (j) risks relating to the Private Company Partners and their businesses; (k) fluctuations of dividends; restrictions on the potential growth of Alaris as a consequence of the payment by Alaris of substantially all of its operating cash flow; (l) income tax related risks; and (m) ability to recover from the Private Company Partners for defaults under the agreements with Alaris.

The information contained in this Information Circular, including the information set forth under "Risk Factors" in Schedule 5 attached hereto and in the Corporation's annual information form for the year ended December 31, 2012, identifies additional factors that could affect the operating results and performance of the Company and other forward-looking statements contained herein.

Alaris has included the above summary of assumptions and risks related to forward looking statements in this Information Circular and in the documents incorporated by reference herein in order to provide investors with a more complete perspective on Alaris' current and future operations. Such information is not exhaustive and may not be appropriate for other purposes. Alaris does not undertake to update any forward-looking statements, whether written or oral, that may be made, from time to time, by the organization or on its behalf, except as required by law.

Shareholders should consult their tax advisors with respect to the tax consequences of the Arrangement, including any associated filing requirements and the effects of owning and disposing of New Common Shares.

INFORMATION FOR UNITED STATES SHAREHOLDERS

THE SECURITIES TO BE ISSUED PURSUANT TO THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE PASSED UPON THE ADEQUACY OR ACCURACY OF THIS INFORMATION CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

New Common Shares will only be distributed to Shareholders located in the United States and U.S. Persons who are Qualified U.S. Shareholders. All New Common Shares that would have otherwise been delivered to Shareholders who are Non-Qualified U.S. Shareholders will be sold in the market and those holders will be entitled to receive a *pro rata* portion of the cash proceeds of such sales (less any applicable withholding taxes). See "*Schedule 5 – Treatment of Shareholders Located in the United States or U.S. Persons*".

The New Common Shares to be issued under the Arrangement have not been registered under the U.S. Securities Act, as amended, and are being distributed to Qualified U.S. Shareholders in reliance on the exemption from registration set forth in Section 3(a)(10) of that Act based on the approval of the Court, which will consider, among other things, the fairness of the Arrangement to holders of Common Shares. See "*Schedule 5 – United States Securities Law Matters*".

Any New Common Shares issued to Qualified U.S. Shareholders under the Arrangement will be subject to resale restrictions imposed in accordance with the U.S. Investment Company Act and the regulations issued thereunder and may not be resold in the United States or to a U.S. Person. Any Qualified U.S. Shareholder should obtain the advice of his, her or its legal counsel concerning the application of these restrictions to the offer or sale of the New Common Shares by that person.

Dealers will be notified of the need to prevent purchases by persons located in the United States or U.S. Persons that are not Qualified U.S. Shareholders during the 40-days following closing. These procedures are intended to prevent existing U.S. holders who are Non-Qualified U.S. Shareholders and are cashed out, from circumventing the reorganization by purchasing New Common Shares in the secondary markets.

While we expect that for Canadian federal income tax purposes Non-Resident Holders of Common Shares will not realize a gain or loss upon the exchange of Common Shares for New Common Shares, and for U.S. federal income tax purposes the Arrangement will qualify for tax-free treatment in most circumstances, holders of Common Shares should be aware that the exchange of the securities described herein may have tax consequences both in the United States and Canada; See "*Schedule 5 – Principal Canadian Income Tax Considerations*" and "*Schedule 5 – Certain U.S. Federal Income Tax Considerations*". Shareholders should consult their own tax advisors concerning their own particular circumstances.

The Solicitation of proxies hereby is not subject to the proxy requirements of Section 14(a) of the U.S. Exchange Act, by virtue of an exemption for proxy solicitations by foreign private issuers as defined in Rule 3b-4 under the U.S. Exchange Act. Accordingly, this Information Circular has been prepared in accordance with the disclosure requirements in Canada. Shareholders in the United States should be aware that these Canadian requirements are different than those of the United States.

Financial information included or incorporated by reference herein have been prepared in accordance with generally accepted accounting principles in Canada, and are subject to auditing and auditor independence standards in Canada, and thus may not be comparable to financial statements of United States companies.

The enforcement by U.S. Shareholders of civil liabilities under the U.S. federal securities laws may be affected adversely by the fact that Alaris is incorporated and organized outside the United States, that some or all of its officers, directors and trustees and the experts named herein are residents of a foreign country, and that all or a substantial portion of the assets of Alaris and those persons are located outside the United States. As a result, it may be difficult or impossible for U.S. Shareholders to effect service of process within the United States upon Alaris, its officers, directors and trustees or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or the securities laws of any state within the United States. Additionally, U.S. Shareholders should not assume that the courts of Canada: (a) would enforce judgments of U.S. courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or the securities laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or the securities laws of any state within the United States.

Q&A ON PROXY VOTING

This Information Circular is dated March 20, 2013 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 2013; the appointment of the Auditor for 2013; the adoption of By-Law No. 2; and the approval of the Arrangement.

Q: Who is entitled to vote?

A: Shareholders of record as at the "record date" of March 14, 2013 are entitled to vote. **Only Shareholders whose names have been entered in the register of Common Shares on the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.** Holders of Common Shares who acquire Common Shares after the Record Date will not be entitled to vote such Common Shares at the Meeting unless, after the Record Date, a holder of record transfers his or her Common Shares and the transferee, upon producing properly endorsed certificates evidencing such Common Shares or otherwise establishing that he or she owns such Common Shares, requests at least 10 days before the Meeting that the transferee's name be included in the list of Shareholders entitled to vote, in which case such transferee shall be entitled to vote such shares at the Meeting.

Each holder of a Common Share of Alaris is entitled to one vote on those items of business identified in the Notice of Annual General and Special 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 using one of the voting methods on the enclosed proxy. You may

use the enclosed Form of Proxy appointing the persons named in the proxy or some other person you choose, who need not be a Shareholder, to represent you as proxyholder and vote your Common Shares at the Meeting. If your Common Shares are held in the name of a nominee, please see the information beginning on page 23 for voting instructions.

If you have any questions or need assistance to vote or tender your Common Shares for the New Common Shares or the cash proceeds from the sale thereof (less any applicable withholding taxes), please contact the Corporation's solicitation agent **Laurel Hill**, by email at assistance@laurelhill.com, or by telephone at 416-304-0211 (banks, brokers or collect calls) or 1-877-452-7184 (North American toll-free number).

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 18, 2013 and wish to vote your Common 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 Investor Services Inc., upon arrival at the Meeting.

Only registered holders are entitled to vote at the meeting. If your Common Shares are held in the name of a nominee and you wish to vote in person at the meeting, please see the box on page 23 for voting instructions on how to appoint yourself or someone else to attend the meeting and vote in person.

Q: Who is soliciting my proxy?

A: The enclosed Form of Proxy is being solicited on behalf of management of Alaris. Alaris has retained Laurel Hill to assist it in connection with communicating to Shareholders in respect

of the Arrangement. In connection with these services, the solicitation agent expects to receive an aggregate base fee of \$35,000 plus a per-call fee in the range of \$6.00 to \$8.00, in addition to reasonable out-of-pocket expenses, and additional fees as determined from time to time. In addition, Alaris may retain the services of a managing solicitor dealer to form and manage a soliciting dealer group or other solicitation agents to solicit proxies in connection with the Meeting on terms and conditions, including the payment of fees and reimbursement of expenses, as are customary in such retainer agreements. All costs of the solicitation for the Meeting will be borne by Alaris. As at the date hereof, other than Laurel Hill, Alaris has not made a decision to engage soliciting dealers or other proxy solicitation agents to encourage the return of completed proxies and to solicit proxies in favour of the matters to be considered at the Meeting. Alaris may however do so and, if it does, the costs in respect of such services would be paid by Alaris in respect of the Meeting. Alaris will not reimburse Shareholders, nominees or agents for the cost incurred in obtaining authorization to execute forms of proxy from their principals.

No Person, other than Laurel Hill, has been authorized to give any information or make any representation in connection with the Arrangement or any other matters to be considered at the Meeting other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

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

A: Signing or using one of the other voting methods listed on the enclosed Form of Proxy gives authority to Stephen W. King or Darren Driscoll, each of whom is an officer of Alaris, or to another person who need not be a Shareholder, you have appointed, to vote your Common 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 Common Shares. Proxyholders should, upon arrival at the Meeting, present themselves to a representative of Computershare Investor Services Inc.**

Q: What do I do with my completed proxy?

A: Return it to Alaris' transfer agent, Computershare Investor Services Inc., in accordance with the instructions on the enclosed Form of Proxy, so that it arrives no later than 3:00 p.m. (Calgary Time) on Tuesday, April 16, 2013. 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. Only Registered Shareholders may revoke a proxy, beneficial shareholders will need to contact their financial intermediary and follow their instructions to revoke their vote. You may also submit a later dated proxy to revoke any prior vote received. This statement must be delivered to the Corporate Secretary of Alaris at the following address no later than 3:00 p.m. (Calgary Time) on Tuesday, April 16, 2013 or to the chairman of the Meeting on the day of the Meeting, Thursday, April 18, 2013, 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 Common 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 six (6); the individual election of each of the directors of the Board presented herein; the appointment of the Auditors; the adoption of By-Law No. 2; and the approval of the Arrangement Resolution.**

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 Common Shares are entitled to vote?

A: As of the Record Date, there were 25,209,113 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 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	2,652,867	10.5%

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 Investor Services Inc., 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 Investor Services Inc.
 100 University Avenue
 9th Floor, North Tower
 Toronto, Ontario M5J 2Y1

or by telephone:

within Canada and the United States at
 1-800-564-6253 and from all other countries
 at 514-982-7555

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, which acts as nominee for many Canadian brokerage firms).

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

The Corporation is taking advantage of the provisions of National Instrument 54-101 "Communication with Beneficial Owners of Securities of a Reporting Issuer" that permit it to directly deliver proxy-related materials to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("VIF") from our transfer agent, Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contain complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Corporation. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

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.** Common shares are held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the brokers' clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the**

appropriate person well in advance of the Meeting.

The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by Alaris to the registered shareholders. However, its purpose is limited to instructing the registered shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge typically prepares a machine readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote common shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of common shares must be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted.**

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting common shares registered in

the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote the common shares in that capacity.

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. You can indicate on the Form how you wish your shares to be voted. If you wish to give voting discretion, do not otherwise complete the form as your vote will be taken at the Meeting. Please register with the transfer agent, Computershare Investor Services Inc., 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 Investor Services Inc. 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, 2012 are included in the 2012 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 six (6). **Unless otherwise instructed, the persons named in the enclosed Form of Proxy, if named as a proxy, intend to vote for an ordinary resolution fixing the number of directors to be elected at the Meeting at six (6), 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 six (6) must be approved by a simple majority of votes cast at the Meeting in person or by proxy.

3. Election of Directors

The six (6) nominees proposed for election as directors of Alaris are: Jack C. Lee (Chair), E. Mitchell Shier, Mary C. Ritchie, John P.A. Budreski, Stephen King and Gary Patterson. Clayton H. Riddell will be retiring from the Board and as such, has indicated that he will not stand for re-election to the Board at the Meeting. Please see the director descriptions starting at page 27 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. As required pursuant to the policies of the TSX, the election of directors will be conducted on an individual basis rather than as a slate.

Unless otherwise instructed, the persons named in the enclosed Form of Proxy, if named as a proxy, intend to vote for the individual election of each of the nominees listed beginning on page 27. 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 each of the individual directors must be approved by a simple majority of the votes cast at the Meeting in person or by proxy.

The Corporation has not adopted a majority voting policy for the election of directors at this time. The proposals issued by the TSX in respect of majority voting are subject to further comment and change. As such, the Board would like to understand the impact of implementing the proposals, and has determined it appropriate to wait to adopt a majority voting policy until such time as such proposals are implemented in their final form.

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, 2013. 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.

5. Adoption of By-Law No. 2

On March 13, 2013, the Board adopted By-Law No. 2. The full text of By-Law No. 2 is attached to this Information Circular as Schedule 4. Among other things, this By-Law No. 2 provides for advance notice of nominations of directors in circumstances where the nominations are made by Shareholders other than: (i) pursuant to a requisition of a meeting made pursuant to the provisions of the CBCA; or (ii) a Shareholder proposal made pursuant to the provisions of the CBCA.

This by-law allows Alaris and Shareholders to receive adequate prior notice of director nominations as well as sufficient information on the nominees. It also provides Shareholders, directors and management with a clear framework for the nomination of directors and facilitates an orderly and efficient meeting process. Alaris and Shareholders will thus be able to properly evaluate the proposed nominees' qualifications and suitability as directors. In addition, By-Law No. 2 is intended to treat all Shareholders fairly, by ensuring that all Shareholders, including those participating in a meeting by proxy rather than in person, receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. The deadlines included in By-Law No. 2 with respect to nominations of directors made by Shareholders, other than (i) pursuant to a requisition of a meeting made pursuant to the provisions of the CBCA or (ii) a Shareholder proposal made pursuant to the provisions of the CBCA, are also within the range of recommended deadlines of Institutional Shareholder Services' 2013 Canadian Proxy Voting Guidelines for TSX Listed Companies.

The foregoing is a partial review of the provisions contained in By-Law No. 2. Shareholders are urged to review By-Law No. 2 in its entirety, attached hereto as Schedule 4.

At the meeting, Shareholders will be asked to review and, if deemed appropriate, to adopt the following resolution in order to ratify By-Law No. 2:

A. By-Law No. 2, substantially in the form attached to the Information Circular as Schedule 4 is hereby approved, ratified and confirmed as a by-law of Alaris; and

B. any one director or officer of Alaris is hereby authorized and directed, acting for, in the name of and on behalf of Alaris, to execute or cause to be executed, under the seal of Alaris or otherwise and to deliver or cause to be delivered, all such other deeds, documents, instruments and assurances, and to do or cause to be done all such other acts as in the opinion of such director or officer of Alaris may be necessary or desirable to carry out the terms of the foregoing.

Unless otherwise instructed, the persons named in the enclosed form of proxy, if named as proxy, intend to vote for the ratification of By-Law No. 2.

The adoption of By-Law No. 2 must be approved by a simple majority of the votes cast at the meeting in person or by proxy.

6. Arrangement

The Arrangement is described in detail in Schedule 5 to this Information Circular. **Unless otherwise instructed, the Persons named in the enclosed form of proxy, intend to vote for the Arrangement Resolution, which is set forth in Appendix H to Schedule 5 of this Information Circular.**

Shareholders are encouraged to read Schedule 5 and the accompanying appendices in detail in order to understand the details of the Arrangement and the impact on them.

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 Lead Director of Sprott Inc., and Chairman of Ithaca Energy Inc. both TSX listed companies. Mr. Lee is also on the Chairman of the board of CanEra Energy Inc. and Gryphon Petroleum Corp., both private oil and gas companies and he sits on the board of a TerraMer Inc., a private oil and gas service company. Prior thereto he was Vice Chairman of Penn West Energy Trust, Chairman of Canetic Resources Trust and Chairman, 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	11 out of 11	100%
Audit ⁽²⁾		6	6 out of 6	
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 ⁽⁶⁾		Restricted Share Units (RSUs) ⁽⁴⁾	Total of Common Shares and RSUs	
173,000		18,750	191,750	

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 spent over 24 years in private practice where he specialized in oil and gas and commercial law. He is also on the board of Trilogy Energy Corp.

Board/Committee Membership		Attendance	Attendance Total	
Board of Directors ⁽²⁾		9	9 out of 11	85%
Compensation and Governance Committee (Chair, Compensation Matters)		2	2 out of 2	
Current Board Memberships				
Trilogy Energy Corp. (and its predecessor Trilogy Energy Trust)				
Securities Held ⁽⁵⁾				
Common Shares ⁽⁶⁾		Restricted Share Units (RSUs) ⁽⁴⁾	Total of Common Shares and RSUs	
10,000		15,000	25,000	

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 the Chairman of the Financial Advisory Committees of RBC Funds Inc. and RBC Advisor Global Fund Inc. She is also a member of the Board of Directors of Industrial Alliance Ltd.

Board/Committee Membership		Attendance	Attendance Total	
Board of Directors ⁽²⁾		10	10 out of 11	94%
Audit Committee		6	6 out of 6	
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	
	35,000	15,000	50,000	

John P.A. Budreski

Toronto, Ontario
Canada

Director Since: 2008

Independent (1)

Areas of Expertise

Industries:

- Financial Services
- Energy

Mr. Budreski has been the President and Chief Executive Officer of Morien Resources Corp. since November 2012. Previously, he was a Managing Director and a Vice Chairman with Cormark Securities Inc. from 2009 to 2012. He was the President and Chief Executive Officer of Orion Securities Inc. from 2005 to 2007. Prior to this, he filled the roles of a Managing Director of Equity Capital Markets and Head of Investment Banking for Scotia Capital Inc. from March 1998 to February 2005 after starting out as a Managing Director of US Institutional Equity Group for Scotia Capital. He also held senior management roles in investment banking and equity sales and trading for RBC Dominion Securities and worked for Toronto Dominion Bank. He holds an MBA from the University of Calgary and a Bachelor of Engineering from TUNS/Dalhousie.

Board/Committee Membership		Attendance	Attendance Total	
Board of Directors ⁽²⁾		11	11 out of 11	100%
Compensation and Governance Committee (Chair, Compensation Matters)		2	2 out of 2	
Current Board Memberships				
Sandstorm Metals and Energy Ltd.		Audit Committee		
Sandstorm Gold Ltd.		Audit Committee		
Securities Held ⁽⁵⁾				
	Common Shares ⁽⁶⁾	Restricted Share Units (RSUs) ⁽⁴⁾	Total of Common Shares and RSUs	
	67,691	15,000	82,691	

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 Chartered Financial Analyst. Mr. King is a director of Gold Corp. Royalties, a public corporation, and is a director of Metropolitan Investment Corporation, a private investment company.

Board/Committee Membership		Attendance	Attendance Total	
Board of Directors ⁽²⁾		11	11 out of 11	100%
Current Board Memberships				
Gold Corp. Royalties				
Securities Held ⁽⁵⁾				
Common Shares ⁽⁶⁾	Restricted Share Units (RSUs) ⁽⁴⁾	Options Held	Total of Common Shares and RSUs	
450,298	42,713	492,011	985,022	

Gary Patterson

Kelowna, B.C.
Canada
Director Since: 2008
Independent ⁽¹⁾

Areas of Expertise

Industries:

- Financial Services
- Consumer Discretionary
- Real Estate

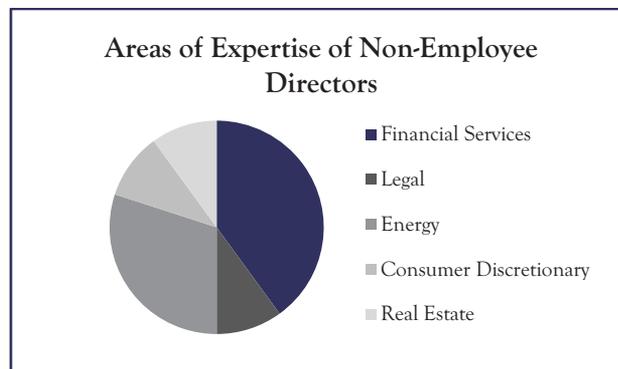
Since June 2003 Mr. Patterson has been the President and Chief Executive Officer of GAP Financial Ltd., a British Columbia based company which provides financial and business advisory services to corporations. Mr. Patterson was previously on the board of trustees of Art In Motion Income Fund and SUMMIT Real Estate Investment Trust and the board of directors of EarthFirst Canada Inc. and Sealiff Construction Corp. Mr. Patterson is a Fellow of the Institute of Chartered Accountants of British Columbia.

Board/Committee Membership		Attendance	Attendance Total	
Board of Directors ⁽²⁾		9	9 out of 11	
Audit Committee		5	5 out of 6	88%
Current Board Memberships				
Mr. Patterson currently does not sit on any other public boards				
Securities Held ⁽⁵⁾				
Common Shares ⁽⁶⁾	Restricted Share Units (RSUs) ⁽⁴⁾	Total of Common Shares and RSUs		
15,000	15,000	30,000		

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 9 meetings held by the Board of Directors & the 5 meetings held by the Audit Committee in fiscal 2012 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 2012. 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.
- (4) "RSUs" refers to the number of Restricted Share Units held by the nominee under the RSU Plan described beginning on page 43 as of the Record Date.
- (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 45 of this Information Circular.
- (6) The information as to the number of Common Shares beneficially held by each director nominee is based upon information furnished to us by the nominees.

Areas of Expertise of Non-Employee Nominees for the Board of Directors



Additional Disclosure Relating to Directors

In fiscal 2012, 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. Clayton H. Riddell has indicated he will not stand for re-election to the Board at the Meeting.

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) 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.
- (2) 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 2012?

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 43 of this Information Circular.

Directors' Share Ownership

As at the date of this Information Circular:

- total Common Shares held by non-employee directors: 2,953,558.
- total RSUs held by non-employee directors: 93,750
- total value of Common Shares and RSUs held by non-employee directors: \$10,939,284 (based on the closing price of the Common Shares on the Toronto Stock Exchange as of the Record Date which was \$28.83).

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.

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.

On January 15, 2013 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	January 15, 2013	January 15, 2013	January 15, 2013
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, 2012 and updated to January 15, 2013, 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	-	158,938	-	-	-	21,938	180,876
Clayton H. Riddell	-	127,150	-	-	-	17,550	144,700
E. Mitchell Shier	-	127,150	-	-	-	17,550	144,700
Mary C. Ritchie	-	127,150	-	-	-	17,550	144,700
John P.A. Budreski	-	127,150	-	-	-	17,550	144,700
Gary Patterson	-	127,150	-	-	-	17,550	144,700

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 on January 15, 2013, the fair market value of the Common Shares on the date of grant was \$25.43 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, 2012 (and updated January 15, 2013).

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	475,313
Clayton H. Riddell ⁽³⁾	-	-	-	-	15,000	380,250
Mary C. Ritchie	-	-	-	-	15,000	380,250
E. Mitchell Shier	-	-	-	-	15,000	380,250
John P.A. Budreski	-	-	-	-	15,000	380,250
Gary Patterson	-	-	-	-	15,000	380,250

Notes:

- (1) Non-employee directors have not been granted Options. The only remuneration they receive is in the form of RSUs and Dividend Entitlements.
- (2) Calculated based on the \$25.35 closing price of the Common Shares on the TSX as of January 15, 2013 and on the assumption that vesting criteria have been satisfied at January 15, 2013. 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.

- (3) Mr. Riddell has indicated that he will be retiring from the Board and as such will not stand for re-election to the Board at the Meeting. Pursuant to the terms of the RSU Plan and pursuant to the determination of the Board, any RSUs held by Mr. Riddell will automatically vest effective as of the Meeting Date.

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, 2012 and updated for January 15, 2013 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2012 and updated for January 15, 2013.

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	-	158,938	-
Clayton H. Riddell	-	127,150	-
Mary C. Ritchie	-	127,150	-
E. Mitchell Shier	-	127,150	-
John P.A. Budreski	-	127,150	-
Gary Patterson	-	127,150	-

Notes:

- (1) Non-employee directors have not been granted Options.
- (2) The following RSUs granted to non-employee directors vested on January 15, 2013 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 five day volume weighted average price on the day of vesting is \$25.43.
- (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 53 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. As Mr. Riddell will not be standing for re-election to the Board at the Meeting, he will cease to be a member of the CG Committee as of the Meeting date. The Board will look to fill the vacancy on the CG Committee left by Mr. Riddell's retirement with another independent member of the Board. 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 53 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 27 of this Information Circular.

Compensation Review

The CG Committee conducted a review of Alaris' compensation program in 2012. As part of this process, the CG Committee retained the services of an independent compensation consultant, Lane Caputo Compensation Inc.

As a result of such review, the Board determined that certain changes were required to our current compensation structure to ensure it continues to be 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 refining its 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 39 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 such that compensation will include an appropriate combination of RSUs, share options, cash bonuses and base salaries. No changes were made to the compensation program for Alaris' directors.

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 2012, 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 both in Canada and the United States; strengthening our relationships with our existing Private Company Partners by providing additional funding where required in furtherance of their growth programs; and gradually and prudently increasing our growth with further financing; During 2012, our performance grew significantly over the year, reflecting (i) the addition of two new Private Company Partners, namely Labstat and Agility, and additional contributions to KMH and Killick; (ii) continued growth in cash flows from LifeMark, EOTR, Solowave, KMH, Quetico, LMS and Killick; (iii) continued improved performance in LMS; and (iv) two increases in our monthly dividend in June and November, 2012.

The figures below depict the following information for the last five 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).

Figure 1: Total Return- \$100 Investment on July 31, 2008

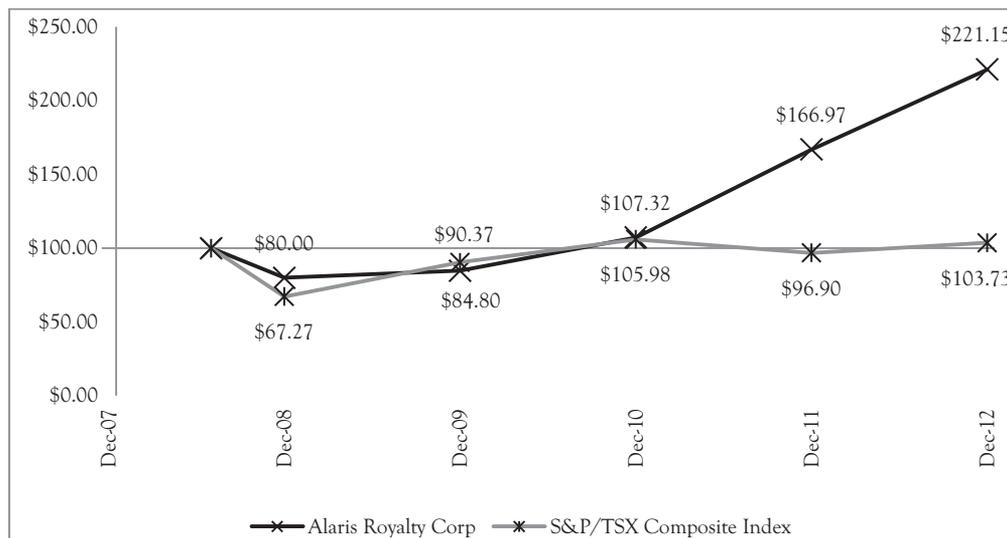
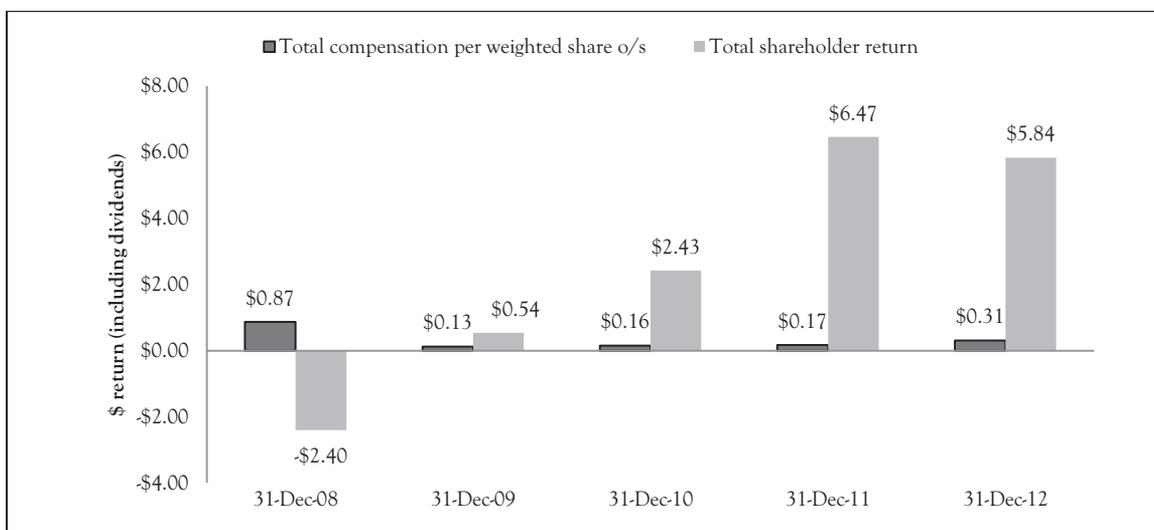


Figure 2: Executive Compensation Compared to Shareholder Return



Note:

- (1) 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, 2012 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 38 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, the Common 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 121% based on the closing price on December 30, 2012 versus a 4% return from the Index (including dividend re-investment). On share price alone, Shareholders have realized a 98% return as of December 30, 2012 on their Common Shares purchased July 31, 2008, 107% greater than the Index.

As demonstrated in figure 2, executive compensation has been relatively stable and has increased marginally vs the total return 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 2012, Alaris paid approximately \$24,000 for services performed by Lane Caputo Compensation Inc. in respect of the CG Committee's review of Alaris' compensation program in 2012.

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 continues to be 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 an 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), and this is purposely designed to balance the level of risk taking while also focusing on generating long-term and sustainable value and growth for 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 (in the case of Options), which acts to further mitigate against the potential for in appropriate short-term risk taking;
- The NEOs primarily receive awards of Options and RSUs 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 members 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 unvested, 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 Distribution per Common Share (discussed below and further beginning on page 43 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 6% 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

Component	Purpose	Form	How it is Determined
			Company Partners. New options will be issued once options have expired to ensure the 6% threshold is maintained.
Bonuses	To recognize and encourage short term efforts which are critical to the long-term success and positive performance of Alaris.	Cash	<p>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.</p> <p>As a general guideline, the aggregate annual bonus paid to Alaris employees is intended to be based upon 20% of the incremental annual increase, if any, to Alaris' "Total Cash Available for Distribution per Share" (as described beginning on page 43 of this Information Circular).</p>
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)	<p>RSU vesting is based on the achievement of Total Cash Available for Distribution and performance targets (described beginning on page 43 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.</p> <p>As a general guideline, Alaris' employees are intended to be granted annually, such number of RSUs under the RSU Plan that are exercisable into 0.5% of Alaris' outstanding Common Shares (calculated at the time of grant of such RSUs). It is intended that the number of RSUs 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.</p>

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, 2012.

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))
1,406,161	\$16.92	101,554

Alaris' Share Option Plan

Date of Implementation Eligibility	July 31, 2008 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 20, 2013, 1,809,503 Common Shares have been reserved for issuance under the Option Plan (representing 7.2% of issued and outstanding Shares as at March 20, 2013).
Currently Issued (dilution) Available for Issue	1,226,511 Common Shares to be issued upon exercise of outstanding options (representing 4.9% of Alaris' issued and outstanding Common Shares). As at March 20, 2013, 582,992 Common Shares remained available for issuance (representing 2.3% of Alaris' issued and outstanding Shares as of March 20).
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

	<p>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.</p>
<p>Plan changes</p>	<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. <p>(iv) <u>March, 2013 amendments:</u></p> <ul style="list-style-type: none"> a. Providing Optionees the right (the "Cashless Exercise Right") to request the Corporation to issue Common Shares in exchange for all or any part of the Options of the Participant. Upon exercise of the Cashless Exercise Right, for each Option held for which a cashless exercise notice is delivered, Alaris will issue such number of Common Shares to the Participant as is equal to the number determined as follows: <ul style="list-style-type: none"> (i) dividing the difference between the Market Price and the Exercise Price of such Options by the Market Price; <p>multiplied by</p> <ul style="list-style-type: none"> (ii) the number of Options specified in the cashless exercise notice. <p>Alaris may accept such offer but is not obligated to do so. Options surrendered under the Cashless Exercise Right are deemed to be terminated on the issuance of Common Shares thereunder, and all further rights to the participant under the Options cease.</p>

	<p>b. Clarifying the surrender option available to Optionees, specifically to address withholding tax that may be payable pursuant to an accepted surrender offer.</p> <p>c. Clarifying that if Alaris accepts a surrender offer made by an Optionee, then the Corporation will allow the participant to claim any deductions from his or her taxable income as a result of such acceptance.</p>
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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 3 years from the date the RSUs are granted in accordance with the following conditions (see page 32 of this Information Circular for the vesting conditions for RSUs granted to non-employee directors):</p> <p>(i) ¼ of the RSUs vest automatically;</p> <p>(ii) ¼ of the RSUs vest if Total Cash Available for Distribution per Share remains flat or increases slightly (as specified by the Board at the time of the RSU grant);</p> <p>(iii) ¼ of the RSUs vest if Total Cash Available for Distribution per Share increases by 4% compounded annually;</p> <p>(iv) ¼ of the RSUs vest if Total Cash Available for Distribution per Share increases by 7.5% compounded annually;</p>
Definition of "Total Cash Available for Distribution"	<p>"Total Cash Available for Distribution per Share" means Alaris':</p> <p>(A) ongoing revenues from Private Company Partners less cash compensation (including cash and non-cash bonuses), overhead expenses, out-of-pocket expenses and general expenses;</p> <p>Divided by:</p> <p>(B) the weighted average shares outstanding for the period.</p> <p>Such amounts are to be determined with reference to the audited or reviewed financial statements of Alaris for the trailing twelve month period ending June 30 for the particular period in question. For simplicity, the calculation of "Total Cash Available for Distribution per Share" can be calculated with reference to the "Cash-Flows from Operating Activities" line of the "Condensed Consolidated Statement of Cash Flows" statement being made for non-cash compensation, interest payments and cash taxes.</p>
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 20, 2013, 689,636 Common Shares have been reserved for issuance under the RSU Plan (representing 2.8% of issued and outstanding Common Shares)</p>
Currently Issued (dilution)	205,181 Common Shares to be issued upon vesting of outstanding RSUs (representing 0.9% of Alaris' issued and outstanding Common Shares as at March 20, 2013).
Available for Issue	As of March 20, 2013, 484,455 Common Shares remaining available for issuance (representing 1.9% 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	<ul style="list-style-type: none"> ·RSUs earn Dividend Equivalents in the form of cash, Common Shares, or a combination thereof. The Board has full discretion to determine the Dividend Equivalent for each participant. Under the terms of Alaris' RSU agreements with its directors & employees, Dividend Equivalent payments to non-employee directors and to employees are made entirely in cash. ·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, at 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	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.
Anti-Dilution Provisions	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.
Assignment of RSUs	RSUs are not assignable or otherwise transferrable.
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) a 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) (\$)			All other compensation ⁽³⁾⁽⁴⁾ (\$)	Total compensation ⁽⁵⁾ (\$)	
					Bonuses		Long-term incentive plans			Pension value (\$)
Stephen King Chief Executive Officer	2012	226,667 ⁽⁷⁾	1,000,766	951,391	325,000			114,032	2,617,856	
	2011	210,000	-	350,795	550,000	-	-	132,800	1,243,600	
	2010	210,000	-	388,650	100,000	-	-	119,600	818,250	
Darren Driscoll Chief Financial Officer	2012	196,771 ⁽⁷⁾	589,522	560,442	185,000			83,396	1,615,132	
	2011	183,750	-	262,287	225,000	-	-	101,600	772,650	
	2010	183,750	-	155,460	45,000	-	-	91,700	475,910	
Stephen Reid Vice President Business Development	2012	129,167 ⁽⁷⁾	326,966	310,834	100,000			40,496	907,462	
	2011	125,000	-	258,363	50,000	-	-	45,440	478,740	
	2010	106,000 ⁽⁶⁾	-	75,139	27,500	-	-	41,800	250,439	
Rachel Colabella General Counsel & Corporate Secretary	2012	151,042 ⁽⁷⁾	495,404	470,960	150,000			34,440	1,301,846	
	2011	125,000	-	175,102	125,000	-	-	29,320	454,420	
	2010	125,000 ⁽⁶⁾	-	77,730	27,500	-	-	23,965	254,195	

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. 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 1.27% (2011-1.16%; 2010-2.15%); a dividend yield of 5.1% (2011-6.8%; 2010- 8.7%); and a 38% (2011-52%) 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, 2010, December 31, 2011, and December 31, 2012 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.
- (7) This amount represents the total salary paid to the NEO's in the fiscal year ending December 31, 2012. On September 4, 2012, the Board resolved to increase each NEO's annual salary as follows, effective August 1, 2012: Mr. King: \$250,000, Mr. Driscoll: \$215,000, Mr. Reid: \$135,000 and Ms. Colabella: \$187,500.

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, 2012 for each of the NEOs.

		Option-based Awards				Share-based Awards	
Name	Grant Date	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	September 4, 2012	202,011	23.53	September 4, 2017	–	42,713	1,012,725
	December 12, 2011	64,000	16.87	December 12, 2016	109,440		
	August 5, 2011	35,000	15.48	August 15, 2016	72,013		
	December 22, 2010	150,000	11.56	December 22, 2015	912,750		
	November 2, 2009	41,000	7.27	November 2, 2014	505,530		
	October 29, 2008	90,000	12.00	October 29, 2013	1,053,900		
Darren Driscoll	September 4, 2012	119,000	23.53	September 4, 2017	–	25,161	596,567
	December 12, 2011	49,000	16.87	December 12, 2016	83,790		
	August 5, 2011	25,000	15.48	August 5, 2016	51,438		
	December 22, 2010	60,000	11.56	December 22, 2015	365,100		
	November 2, 2009	31,000	7.27	November 2, 2014	382,230		
	October 29, 2008	16,875	12.00	October 29, 2013	197,606		
Stephen Reid	September 4, 2012	66,000	23.53	September 4, 2017	–	13,955	330,873
	December 12, 2011	47,900	16.87	December 12, 2016	81,909		
	August 5, 2011	25,000	15.48	August 5, 2016	51,438		
	December 22, 2010	29,000	11.56	December 22, 2015	176,465		
	November 2, 2009	12,000	7.27	November 2, 2014	147,960		
	October 29, 2008	27,000	12.00	October 29, 2013	316,170		
Rachel Colabella	September 4, 2012	100,000	23.53	September 4, 2017	–	21,144	501,324
	December 12, 2011	27,500	16.87	December 12, 2016	47,025		
	August 5, 2011	22,000	15.48	August 5, 2016	45,265		
	December 22, 2010	30,000	11.56	December 22, 2015	182,550		
	November 2, 2009	11,000	7.27	November 2, 2014	135,630		
	October 29, 2008	10,500	12.00	October 29, 2013	122,955		

Notes:

- (1) Calculated based on the difference between the market price of the securities underlying the Options at December 31, 2012 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, 2012. 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, 2012.

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	1,011,233	2,628,000	\$325,000
Darren Driscoll	471,453	1,971,000	\$185,000
Stephen Reid	330,018	788,400	\$100,000
Rachel Colabella	246,899	448,950	\$150,000

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 2012.

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 2012 (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 45 of this Information Circular.):
If the Executive's employment is terminated during the first year after the grant of the RSUs, unless forfeited prior to such date:
 - (i) one-third (1/3) of the First Quarter of RSUs granted to the Executive shall vest on the Termination Date and shares of the Company corresponding to such vested RSUs shall be delivered to the Executive within twenty (20) business days of the Termination Date;

- (ii) All of the Second Quarter of RSUs granted to the Executive shall vest on the Termination Date provided the Corporation's Total Cash Available for Distribution per Share is at least \$1.0807 at June 30, 2013, and shares of the Company corresponding to such vested RSUs shall be delivered to the Executive within twenty (20) business days of June 30, 2013; and
- (iii) All other RSUs which do not vest in accordance with this paragraph shall terminate and become null and void;

If the Executive's employment is terminated during the second year after the grant of the RSUs, unless forfeited prior to such date:

- (i) two-thirds (2/3) of the First Quarter of RSUs granted to the Executive shall vest on the Termination Date and shares of the Company corresponding to such vested RSUs shall be delivered to the Executive within twenty (20) business days of the Termination Date;
- (ii) All of the Second Quarter of RSUs granted to the Executive shall vest on the Termination Date provided the Corporation's Total Cash Available for Distribution per Share is at least \$2.1614 at June 30, 2014, and shares of the Company corresponding to such vested RSUs shall be delivered to the Executive twenty (20) business days of June 30, 2014;
- (iii) All of the Third Quarter of RSUs granted to the Executive shall vest on the Termination Date provided the Corporation's Total Cash Available for Distribution per Share is at least \$2.2490 at June 30, 2014, and shares of the Company corresponding to such vested RSUs shall be delivered to the Executive within twenty (20) business days of June 30, 2014; and
- (iv) All other RSUs which do not vest in accordance with this paragraph shall terminate and become null and void;

If the Executive's employment is terminated during the third year after the grant of the RSUs, unless forfeited prior to such date:

- (i) all of the First Quarter of RSUs granted to the Executive shall vest on the Termination Date and shares of the Company corresponding to such vested RSUs shall be delivered to the Executive within twenty (20) business days of the Termination Date;
- (ii) All of the Second Quarter of RSUs granted to the Executive shall vest on the Termination Date provided the Corporation's Total Cash Available for Distribution per Share is at least \$3.2421 at June 30, 2015, and shares of the Company corresponding to such vested RSUs shall be delivered to the Executive twenty (20) business days of June 30, 2015;
- (iii) All of the Third Quarter of RSUs granted to the Executive shall vest on the Termination Date provided the Corporation's Total Cash Available for Distribution per Share is at least \$3.3735 at June 30, 2015, and shares of the Company corresponding to such vested RSUs shall be delivered to the Executive within twenty (20) business days of June 30, 2015;
- (iv) All of the Fourth Quarter of RSUs granted to the Executive shall vest on the Termination Date provided the Corporation's Total Cash Available for Distribution per Share is at least \$3.4914 at June 30, 2015, and shares of the Company corresponding to such vested RSUs shall be delivered to the Executive within twenty (20) business days of June 30, 2015; 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 Messrs. 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, 2012

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, 2012.

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⁾	951,626 ⁽³⁾	0	951,626 ⁽³⁾
	Accelerated Vesting of Options	2,653,633 ⁽⁵⁾	3,459,970 ⁽⁵⁾	0	0 ⁽⁴⁾
	Accelerated Vesting of RSUs	0	1,012,725 ⁽⁶⁾	0	0 ⁽⁴⁾
	Total	2,653,633	5,424,321	0	951,626
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⁾	658,555 ⁽³⁾	0	658,555 ⁽³⁾
	Accelerated Vesting of Options	1,080,164 ⁽⁵⁾	1,525,351 ⁽⁵⁾	0	0 ⁽⁴⁾
	Accelerated Vesting of RSUs	0	596,567 ⁽⁶⁾	0	0 ⁽⁴⁾
	Total	1,080,164	2,780,473	0	658,555
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⁾	395,313 ⁽³⁾	0	395,313 ⁽³⁾
	Accelerated Vesting of Options	773,942 ⁽⁵⁾	1,044,841 ⁽⁵⁾	0	0 ⁽⁴⁾
	Accelerated Vesting of RSUs	0	330,873 ⁽⁶⁾	0	0 ⁽⁴⁾
	Total	773,942	1,771,027	0	395,313
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⁾	259,649 ⁽³⁾	0	259,649 ⁽³⁾
	Accelerated Vesting of Options	533,425 ⁽⁵⁾	762,200 ⁽⁵⁾	0	0 ⁽⁴⁾
	Accelerated Vesting of RSUs	0	501,324 ⁽⁶⁾	0	0 ⁽⁴⁾
	Total	533,425	1,523,173	0	259,649

Notes:

- (1) Assumes all payments have been made up to and including December 31, 2012.
- (2) Bonuses paid in 2012 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, 2012.
- (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, 2012 all of the Options and RSUs granted to NEOs in 2008 vested. In addition, at December 31, 2012: (i) three-quarters of all options granted to NEOs in 2009 vested; (ii) one half of all Options granted to NEOs in 2010 vested; (iii) one-quarter of the Options granted to NEO's on August 5, 2011 and December 12, 2011 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	(a) Number of securities to be issued upon exercise of outstanding options, RSUs and rights	(b) Weighted-average exercise price of outstanding options, RSUs and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	1,611,342	16.92	617,259
Equity compensation plans not approved by security holders	0	0	0
Total	1,611,342	16.92	617,259

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

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.

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, 2013 and has no deductible.

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

MANAGEMENT CONTRACTS

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

OTHER MATTERS

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual General and Special 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, 2012. 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, 2012, together with the accompanying report of the Auditor thereon and any interim financial statements of Alaris for periods subsequent to December 31, 2012 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 20, 2013.

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 52 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 18, 2013 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 18, 2013 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 2012 can be found beginning on page 27 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 18, 2013, 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 64 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 2012.

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 2012, 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 2012, 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 2012, 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 2012.

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 2012, the Board and its Committees also received educational information and/or materials on a variety of matters and topics, such as:

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

Educational materials on economic matters and other topics relevant to the private equity

industry are also included from time to time in the materials provided to directors in advance of meetings.

Annual Alaris Conference. During 2012, Alaris hosted its second 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 in-depth 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.

During 2012, the Code was amended to include comprehensive conflict of interest provisions. The full text of the Code can be found at:

www.alarisroyalty.com/investors/governance/policies

The Board has also adopted whistle-blower procedures which allow officers and employees who feel that a violation of the Code has occurred to report this violation on a confidential and anonymous basis. The procedures allow concerns regarding accounting, internal accounting controls or auditing matters to be reported on a confidential and anonymous basis, as well. Concerns may be raised by 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 2012.

The compensation of Alaris' directors is described in this Information Circular under the heading "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 52 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, 25,209,113 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 1,226,511 Common Shares pursuant to the Option Plan, and there were restricted share units outstanding entitling the holders thereof to receive an aggregate of 205,181 Common Shares pursuant to the RSU Plan upon the satisfaction of certain vesting criteria.

The following describes the material provisions of our Common Shares:

- 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.

Please see Appendix B to Schedule 5 for details in respect of the New Common Shares to be issued pursuant to the Arrangement.

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 13, 2013

SCHEDULE 4 – BY-LAW NO. 2

A by-law relating generally to the advance notice of nomination of directors of the Corporation.

BE IT ENACTED as a by-law of the Corporation as follows:

ADVANCE NOTICE OF NOMINATION OF DIRECTORS

1. Subject to the provisions of the *Canada Business Corporations Act* (the "**Act**"), only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board of directors of the Corporation (the "**Board**") may be made at any annual meeting of shareholders or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:
 - (a) by or at the direction of the Board in accordance with the Articles of the Corporation and the Act, including, without limitation, pursuant to a notice of meeting;
 - (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or
 - (c) by any person (a "**Nominating Shareholder**"): (A) who, at the close of business on the date of the giving of the notice provided for below in this By-Law 2 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this By-Law 2.
2. In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation.
3. To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must be made:
 - (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 60 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
 - (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later

than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

4. To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Corporation must set forth:
 - (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
 - (b) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

5. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this By-Law No. 2; provided, however, that nothing in this By-Law No. 2 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
6. For purposes of this By-Law No. 2:
 - (a) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and

- (b) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.
7. Notwithstanding any other provision of this By-Law No. 2, notice given to the Corporate Secretary of the Corporation pursuant to this By-Law No. 2 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Corporate Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Calgary time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
8. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this By-Law No. 2.

EFFECTIVE DATE. This by-law is approved and adopted by the Board in accordance with the Act as of March 13, 2013.

SCHEDULE 5 – THE ARRANGEMENT

General Details of the Arrangement

If approved, the Arrangement will result in a reorganization of the Corporation's share capital, pursuant to which each Common Share will be exchanged for a New Common Share, except in limited circumstances where Common Shares are held by Non-Qualified U.S. Shareholders. The terms of the New Common Shares are set forth in Appendix B to this Schedule 5 and are substantially similar to the rights of the current Common Shares, except that the terms of the New Common Shares include certain provisions that are designed to ensure the Corporation's compliance with the U.S. Investment Company Act and the Plan Asset Rules. Specifically, the terms of the New Common Shares provide Alaris with the ability to require a holder of New Common Shares to sell such shares if they were acquired in contravention of the U.S. Investment Company Act and the ERISA restrictions set forth below in this Schedule 5. See Sections 1.6 through 1.12 of Appendix B to this Schedule 5 for the full text of the terms of the New Common Shares.

Under applicable U.S. Securities Laws and the terms of the New Common Shares, the Corporation cannot distribute New Common Shares to any U.S. Shareholders that are not Qualified U.S. Shareholders. Consequently, New Common Shares otherwise distributable to a Non-Qualified U.S. Shareholder under the Arrangement will be issued and delivered on their behalf to the Sale Trustee, as agent for such U.S. Shareholder (and without liability, except for gross negligence or willful misconduct). Such New Common Shares will be sold on behalf of such Non-Qualified U.S. Shareholders over the facilities of the TSX or by private sale. Each Non-Qualified U.S. Shareholder will receive a *pro-rata* share of the cash proceeds from the sale of such New Common Shares sold by the Sale Trustee (less any applicable withholding taxes) in lieu of New Common Shares. None of the Corporation, the Sale Trustee or the Depositary will have any liability for any such proceeds received or the remittance thereof to such Shareholders.

Dealers will be notified of the need to prevent purchases by persons located in the United States or U.S. Persons that are not Qualified U.S. Shareholders during the 40-days following closing. These procedures are intended to prevent existing U.S. holders who are Non-Qualified U.S. Shareholders and cashed out from circumventing the reorganization by purchasing New Common Shares in the secondary markets.

If the Arrangement is approved by the requisite majority of Shareholders at the Meeting, the Effective Date is expected to be May 8 2013.

Effect on Dividends

The Arrangement will not have an effect on the Corporation's current dividend policy. Notwithstanding the foregoing, the amount of dividends payable, if any, by the Corporation will remain at the discretion of the Board.

Any dividends declared and payable with respect to a record date prior to the Effective Time shall be payable for the benefit of the former holders of Common Shares, including any Non-Qualified U.S. Shareholders. Such amounts shall be held by the Depositary on behalf of such former holders of Common Shares, until such time as the registered holder has submitted the Letter of Transmittal and certificates representing its Common Shares.

Any dividends declared and payable with respect to a record date after the Effective Time shall be payable for the benefit of the holders of New Common Shares, including the purchasers of any New Common Shares sold on behalf of Non-Qualified U.S. Shareholders. Such amounts will be held by the Depositary on

behalf of the holders of New Common Shares until such time as a certificate representing the New Common Shares has been issued to the registered holder thereof.

If the Effective Date occurs on May 8, 2013, as currently anticipated, holders of New Common Shares, including the purchasers of any New Common Shares sold on behalf of Non-Qualified U.S. Shareholders, will be entitled, provided they continue to hold the New Common Shares received under the Arrangement on May 31, 2013, to receive the monthly dividend expected to be paid on or around June 15, 2013 to the Corporation's shareholders of record on May 31, 2013 (the "May Dividend"). Furthermore, Non-Qualified U.S. Shareholders will not be entitled to receive the May Dividend.

Background to and Reasons for the Arrangement

U.S. Investment Company Act Considerations

Based on its current assets, and absent an exemption provided under the U.S. Investment Company Act, the Corporation may be deemed to be an "investment company" as defined in the U.S. Investment Company Act and subject to the rules and regulations thereof, including a requirement to register with the SEC. The U.S. Investment Company Act, among other things, prohibits foreign investment companies from publicly offering their securities in the United States. However, the Corporation intends to rely on the exemption provided in Section 3(c)(7) of the U.S. Investment Company Act, which provides that a company is excluded from the definition of an "investment company", and therefore excluded from regulation under the U.S. Investment Company Act, if its securities have only been issued to persons located in the United States or U.S. Persons that are Qualified Purchasers and it does not make a public offering of its securities in the United States. The Corporation has proposed the Arrangement as a means of ensuring that the Corporation complies with the foregoing exemption and is not subject to regulation under U.S. Investment Company Act. Under the Plan of Arrangement, New Common Shares shall only be issued to Shareholders that are Qualified Purchasers and that are not ERISA Persons. New Common Shares that would otherwise have been issuable to Non-Qualified U.S. Shareholders will be issued and delivered to the Sale Trustee and will be sold, on behalf of such Non-Qualified U.S. Shareholders, over the facilities of the TSX or by private sale. See "*United States Securities Law Matters*" in this Schedule 5.

ERISA Considerations

If an ERISA Plan holds Common Shares, the Corporation may be subject to the Plan Asset Rules and certain restrictions may be placed on the Corporation's operations. The Plan Asset Rules generally provide that when an ERISA Plan acquires an equity interest in an entity that is neither a "publicly-offered security" (as defined in the Plan Asset Regulations) nor a security issued by an investment company registered under the U.S. Investment Company Act, the ERISA Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity unless it is established either that equity participation in the entity by "benefit plan investors" is not significant or that the entity is an "operating company," in each case as defined in the Plan Asset Regulations. For purposes of the Plan Asset Rules, equity participation in an entity by benefit plan investors will not be significant if they hold, in the aggregate, less than 25% of the value of each class of equity interests of such entity, excluding equity interests held by any person (other than a benefit plan investor) who has discretionary authority or control with respect to the assets of the entity or who provides investment advice for a fee (direct or indirect) with respect to the assets, and any affiliates of such person. For purposes of this 25% test, "benefit plan investors" include "employee benefit plans" (within the meaning of Section 3(3) of ERISA) subject to Part 4 of Subtitle B of Title I of ERISA, plans (including individual retirement accounts and other arrangements)

subject to Section 4975 of the U.S. Tax Code, and any entity whose underlying assets are deemed to include "plan assets" under the Plan Asset Rules.

If under the Plan Asset Rules or Similar U.S. Law, the Corporation's assets are deemed to be "plan assets" of an ERISA Plan, whose assets were invested in the Corporation, this would result, among other things, in (i) the application of the prudence and other fiduciary responsibility standards of ERISA to investments made by the Corporation, and (ii) the possibility that certain transactions that the Corporation or its subsidiaries have entered into, or may enter into, in the ordinary course of business might constitute non-exempt prohibited transactions under Section 406 of ERISA and/or Section 4975 of the U.S. Tax Code or Similar U.S. Law and as such, might be subject to fines and penalties and have to be rescinded. A non-exempt prohibited transaction may also result in the imposition of a penalty tax under the U.S. Tax Code or the tax disqualification of an individual retirement account.

For the purposes of the Plan Asset Rules: (i) the Common Shares and the New Common Shares to be issued pursuant to the Arrangement are not and will not be "publicly offered securities"; and (ii) the Corporation is not, and does not intend to become a registered investment company under the U.S. Investment Company Act; and (iii) Alaris will not qualify as an operating company within the meaning of the Plan Asset Regulations. In addition, although the Corporation intends to prohibit the acquisition and holding of New Common Shares by ERISA Plan investors, the Corporation does not intend to monitor whether investments in New Common Shares following the Arrangement by any plan investors will be "significant" for purposes of the Plan Asset Regulations. As such, the Corporation has proposed the Arrangement as a means to ensure the Corporation does not become subject to regulation under the Plan Asset Rules or Similar U.S. Law and provide the Corporation with greater flexibility in expanding its business in Canada and the United States. Pursuant to the Arrangement and the terms of the New Common Shares, New Common Shares will not be issued to any ERISA Person or any other U.S. Shareholder who purchased their Common Shares with the assets of an ERISA Plan. Instead, New Common Shares that would otherwise have been issuable to such persons will be issued and delivered to the Sale Trustee and will be sold, on behalf of such shareholders, over the facilities of the TSX.

United States Ownership

Based on geographic reports received from the Corporation's transfer agent and Broadridge, the Corporation has approximately 449 U.S. Shareholders holding 4,471,772 Common Shares (approximately 17.76% of the issued and outstanding Common Shares as at March 7, 2013). As Alaris is unable to confirm whether all such holders are Qualified Purchasers or whether any ERISA Plan holds Common Shares in violation of the Plan Asset Rules, the Arrangement is being proposed as a means of ensuring that Alaris complies with the requirements of the U.S. Investment Company Act and avoids regulation under the Plan Asset Rules. In addition, the Arrangement will provide Alaris with flexibility of accessing the U.S. capital markets to assist in funding its future growth.

Treatment of Shareholders Located in the United States or U.S. Persons

U.S. Regulatory Matters

The New Common Shares to be distributed or transferred pursuant to the Arrangement have not been registered under the U.S. Securities Act in reliance upon the exemption from registration set forth in Section 3(a)(10) of the U.S. Securities Act. See "*United States Securities Law Matters*" in this Schedule 5.

New Common Shares will only be distributed to persons located in the United States or U.S. Persons that are Qualified U.S. Shareholders. See "*Qualified U.S. Shareholders*" below. All Non-Qualified U.S. Shareholders will receive a cash payment in lieu of receiving New Common Shares, as described in further detail below in "*Non-Qualified U.S. Shareholders*".

Any New Common Shares issued to Qualified U.S. Shareholders under the Arrangement will be subject to resale restrictions imposed in accordance with the provisions of the U.S. Investment Company Act and may not be resold in the United States or to a U.S. Person. Any Qualified U.S. Shareholder should obtain the advice of legal counsel concerning the application of these restrictions and the U.S. Investment Company Act to the offer or sale of the New Common Shares by such person.

Dealers will be notified of the need to prevent purchases by persons located in the United States or U.S. Persons that are not Qualified U.S. Shareholders during the 40-days following closing. These procedures are intended to prevent existing U.S. holders who are Non-Qualified U.S. Shareholders and cashed out from circumventing the reorganization by purchasing New Common Shares in the secondary markets.

Qualified U.S. Shareholders

A U.S. Shareholder who otherwise meets the requirements for treatment as a Qualified U.S. Shareholder will only be treated as such under the Arrangement once the U.S. Shareholder submits (and does not withdraw), a properly completed and executed Qualified U.S. Shareholder Certification (QIB) or Qualified U.S. Shareholder Certification (Non-QIB), as applicable, confirming the U.S. Shareholder's status as a Qualified U.S. Shareholder and electing to receive New Common Shares. Qualified U.S. Shareholder Certification forms, for both QIBs and Non-QIBs, for registered U.S. Shareholders have been included with this Information Circular. The Qualified U.S. Shareholder Certification (QIB) or Qualified U.S. Shareholder Certification (Non-QIB), as applicable, should be returned to the Depository by mail, hand or courier to 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 (Attention: Corporate Actions), so that it is received no later than the Certification Deadline. Each Qualified U.S. Shareholder who completes a Qualified U.S. Shareholder Certification (QIB) or Qualified U.S. Shareholder Certification (Non-QIB) prior to the Certification Deadline shall receive New Common Shares as part of the Arrangement as described in this Information Circular. Any registered Qualified U.S. Shareholder that does not submit a Qualified U.S. Shareholder Certification (QIB) or Qualified U.S. Shareholder Certification (Non-QIB), as applicable, prior to the Certification Deadline will be treated as a Non-Qualified U.S. Shareholder. See "*Procedure for Exchange of Common Shares*" in this Schedule 5.

Non-Qualified U.S. Shareholders

Non-Qualified Shareholders should submit a Non-Qualified U.S. Shareholder Certification to the Depository prior to the Certification Deadline. Under the U.S. Investment Company Act, the Corporation cannot distribute New Common Shares to U.S. Shareholders who are not Qualified U.S. Shareholders. Consequently, New Common Shares that would otherwise be distributable to Non-Qualified U.S. Shareholders under the Arrangement will be issued and delivered on their behalf to the Sale Trustee, as agent of such Non-Qualified U.S. Shareholder (and without liability, except for gross negligence or willful misconduct), for sale through the facilities of the TSX or by private sale. Each such Non-Qualified U.S. Shareholder will be entitled, upon delivery of certificates representing such Non-Qualified U.S. Shareholder's Common Shares to the Depository or as directed by Alaris, to receive a cash payment in lieu of New Common Shares representing such Non-Qualified U.S. Shareholder's pro rata share of the sale proceeds from the New Common Shares (less any applicable withholding taxes).

All New Common Shares that are to be sold for Non-Qualified U.S. Shareholders (or Qualified U.S. Shareholders who fail to submit the applicable Qualified U.S. Shareholder Certification prior to the Certification Deadline) as described above will be sold as soon as practicable after the completion of the Arrangement. Any such sale of New Common Shares shall be affected through a registered investment dealer on the stock exchange on which the New Common Shares are then listed or by private sale. As soon as reasonably possible after the sale of all such New Common Shares, a payment will be forwarded (or held for pick-up) to each Non-Qualified U.S. Shareholder (or Qualified U.S. Shareholders who fail to submit the applicable Qualified U.S. Shareholder Certification prior to the Certification Deadline) in an amount equal to that Non-Qualified U.S. Shareholder's pro rata share of the proceeds (net of any applicable withholding taxes) received as a result of all such sales. The sale price of the New Common Shares sold on behalf of such Non-Qualified U.S. Shareholder (or Qualified U.S. Shareholders who fail to submit the applicable Qualified U.S. Shareholder Certification prior to the Certification Deadline) will fluctuate with the market price of the New Common Shares and no assurances can be given that any particular price will be received upon such date. None of the Corporation, the Sale Trustee, the Depositary or any other person will be liable for any loss arising out of any such sales of New Common Shares, except for losses arising out of its gross negligence or wilful misconduct.

BOARD APPROVAL AND RECOMMENDATION

On March 13, 2013 after considering, among other things, the foregoing U.S. legal requirements, the consequences of non-compliance therewith and the advice of the Corporation's legal counsel, the Board determined to proceed with the Arrangement and that the Arrangement was fair to Shareholders, and that the Arrangement is in the best interests of the Corporation and the Shareholders. The Board then proceeded to unanimously approve the Arrangement. The Board unanimously recommends that Shareholders vote in favour of the Arrangement Resolution.

Management of Alaris understands that all of the directors and officers of Alaris presently intend to vote the Common Shares owned, or over which control and direction is exercised, by them in favour of the Arrangement Resolution. As of March 14, 2013, the directors and officers of Alaris owned, or exercised control and direction over, approximately 15.5% of the issued and outstanding Common Shares.

PROCEDURAL STEPS

The Arrangement is proposed to be carried out pursuant to Section 192 of the CBCA. The following procedural steps must be taken in order for the Arrangement to become effective:

- the Arrangement Resolution must be approved by the Shareholders at the Meeting in the manner set forth in the Interim Order;
- the Court must grant the Final Order approving the Arrangement; and
- the Final Order and Articles of Arrangement in the form prescribed by the CBCA must be filed with the Director appointed under Section 260 of the CBCA.

Arrangement Steps

The following summarizes the steps that will occur under the Plan of Arrangement on the Effective Date if all conditions to the completion of the Arrangement have been satisfied or waived. The following

description of steps is qualified in its entirety by reference to the full text of the Plan of Arrangement attached which is attached as Appendix A to Schedule 5 of this Information Circular.

Commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following order without any further act or formality except as otherwise provided in the Plan of Arrangement:

- (a) the Articles of the Corporation will be amended to authorize the Corporation to issue an unlimited number of New Common Shares;
- (b) each issued Common Share held by a Dissenting Shareholder will be, and be deemed to be, purchased for cancellation by the Corporation for an amount to be determined and paid in the manner described in Article 5 of the Plan of Arrangement;
- (c) each issued and outstanding Common Share (other than any such shares in respect of which the holder has exercised the Dissent Rights) shall be exchanged for one (1) New Common Share. Each Shareholder shall cease to be the holder of the Common Shares so exchanged and shall become the holder of the number of New Common Shares issued to such Shareholder. The name of such Shareholder shall be removed from the register of members of the Common Shares with respect to the Common Shares so exchanged and shall be added to the registers of members of New Common Shares as the holder of the number of New Common Shares so issued to such holder of New Common Shares;
- (d) the stated capital of the New Common Shares issued pursuant to sub-paragraph (c) above shall be equal to the stated capital of the Common Shares exchanged for New Common Shares pursuant to sub-paragraph (c) above;
- (e) the Common Shares exchanged for New Common Shares pursuant to sub-paragraph (c) above shall be cancelled; and
- (f) the Articles of the Corporation will be amended by cancelling the Common Shares from the share capital which the Corporation is authorized to issue and to rename the New Common Shares as "**Common Shares**".

Notwithstanding the foregoing:

- (a) A U.S. Shareholder who wishes to receive New Common Shares as part of the Arrangement must be a Qualified U.S. Shareholder and must submit, amongst other things, a properly completed Qualified U.S. Shareholder Certification (QIB) or a Qualified U.S. Shareholder Certification (Non-QIB) as applicable, copies of which have been provided by the Corporation along with this Information Circular, confirming such Shareholder's status as a Qualified U.S. Shareholder. Such form must be submitted to the Depository so that it is received no later than the Certification Deadline. Each Qualified U.S. Shareholder who completes the applicable Qualified U.S. Shareholder Certification and delivers it to the Depository prior to the Certification Deadline shall receive the applicable number of New Common Shares as part of the Arrangement pursuant to Section 3.1 of the Plan of Arrangement; and
- (b) Non-Qualified U.S. Shareholders (including Qualified U.S. Shareholders who fail to submit the applicable Qualified U.S. Shareholder Certification prior to the Certification Deadline) shall not

receive New Common Shares. Instead, New Common Shares that would otherwise be distributable to such Shareholders will be delivered to the Sale Trustee for sale in the market on behalf of such shareholders (over the TSX or by private sale).

Any New Common Shares delivered to the Sale Trustee pursuant to Section 3.2(b) of the Plan of Arrangement, will be pooled and sold as soon as practicable after the Effective Date, on such dates and at such prices as the Sale Trustee determines in its sole discretion, acting reasonably. The Sale Trustee shall not be obligated to seek or obtain a minimum price for any of the New Common Shares sold by it. Each Non-Qualified U.S. Shareholder referred to in Section 3.2(b) of the Plan of Arrangement will receive such person's pro rata share of the cash proceeds from the sale of the New Common Shares sold by the Sale Trustee (less any applicable withholding taxes) in lieu of New Common Shares. None of the Corporation, the Sale Trustee or any other person will be liable for any loss arising out of any such sales or the remittance of the proceeds thereof except for losses arising out of its gross negligence or willful misconduct.

Dealers will be notified of the need to prevent purchases by persons located in the United States or U.S. Persons that are not Qualified U.S. Shareholders during the 40-days following closing. These procedures are intended to prevent existing U.S. holders who are Non-Qualified U.S. Shareholders and cashed out from circumventing the reorganization by purchasing New Common Shares in the secondary markets.

Stock Exchange Listing

The TSX has conditionally approved the substitutional listing of the New Common Shares, subject to Corporation fulfilling the requirements of such exchange as soon as possible after the Effective Time. After the Effective Date, the New Common Shares will trade on the on the TSX under the same symbol as the Common Shares currently trade under, "AD". It is currently anticipated that the Common Shares will be delisted prior to market open on the Effective Date and that the New Common Shares will begin trading at the market open on the Effective Date.

SHAREHOLDER APPROVAL

Pursuant to the Interim Order, the number of votes required to approve the Arrangement Resolution shall be not less than two-thirds of the votes cast by Shareholders, either in person or by proxy, at the Meeting.

Unless otherwise instructed, the Persons named in the enclosed form of proxy, intend to vote for the Arrangement.

APPROVALS

Court Approvals

Interim Order

On March 20, 2013, the Court granted the Interim Order directing the calling of the Meeting and prescribing the conduct of the Meeting and other matters. The Interim Order is attached as Appendix I to Schedule 5 of this Information Circular.

Final Order

Section 192 of the CBCA provides that a plan of arrangement requires Court approval. If the Arrangement Resolution is approved by Shareholders at the Meeting in the manner required by the Interim Order, the Corporation will make an application to the Court for the Final Order.

The application for the Final Order approving the Arrangement is scheduled for April 19, 2013 at 9:30 a.m. (Calgary time), or as soon thereafter as counsel may be heard, at the Calgary Courts Centre, 601 – 5th Street S.W., Calgary, Alberta. At the hearing, any Shareholder and any other interested party who wishes to participate or to be represented or to present evidence or argument may do so, subject to filing with the Court and serving upon the Corporation a Notice of Intention to Appear including an address for service in the Province of Alberta and indicating whether such Shareholder or other interested party intends to support or oppose the Originating Application or make submissions thereat, together with a summary of the position that holder or person intends to advance before the Court and any evidence or materials which are to be presented to the Court **on or before 12:00 p.m. (Calgary time) on April 12, 2013 (or the Business Day that is five (5) Business Days prior to the date of the Meeting if it is not held on April 18, 2013)**. Service of such notice shall be effected by service upon the solicitors for Corporation: **Burnet, Duckworth & Palmer LLP, Suite 2400, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1, Attention: Daniel J. McDonald**. See the Notice of Originating Application accompanying this Information Circular.

The Plan of Arrangement will be implemented pursuant to Section 192 of the CBCA, which provides that, where it is not practicable to effect an arrangement under any other provision of the CBCA, a corporation may apply to the Court for an order approving the arrangement proposed by such corporation. Pursuant to this section of the CBCA, such an application will be made by the Corporation for approval of the Arrangement. Prior to the hearing on the Final Order, the Court will be informed that the Final Order will constitute the basis for an exemption from registration under the U.S. Securities Act for the New Common Shares to be issued to holders of Common Shares under the Arrangement pursuant to Section 3(a)(10) of the U.S. Securities Act.

The Corporation has been advised by its counsel, Burnet, Duckworth & Palmer LLP, that the Court has broad discretion under the CBCA when making orders with respect to plans of arrangement and that the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit. Depending upon the nature of any required amendments, the Corporation may determine not to proceed with the Arrangement.

Although there have been a number of judicial decisions considering, Section 192 of the CBCA and applications to various arrangements, there have not been, to the knowledge of the Corporation, any recent significant decisions which would apply in this instance. **Shareholders should consult their legal advisors with respect to the legal rights available to them in relation to the Arrangement.**

Other Approvals

To the best knowledge of the Corporation, there are no filings, consents, waiting periods or approvals required to be made with, applicable to, or required to be received from any Governmental Authority in connection with the Arrangement except as described herein.

TIMING OF COMPLETION OF THE ARRANGEMENT

If the Meeting is held as scheduled and is not adjourned and the Arrangement Resolution is approved, the Corporation intends to apply for the Final Order approving the Arrangement on April 19, 2013, at 9:30 a.m. (Calgary time). If the Final Order is obtained in form and substance satisfactory to the Corporation, acting reasonably, the Effective Date is expected to be May 8, 2013. The Corporation will issue a press

release confirming the Effective Date following the approval of the Arrangement Resolution and receipt of the Final Order.

PROCEDURE FOR EXCHANGE OF COMMON SHARES

General

The Arrangement will result in the automatic exchange of all outstanding Common Shares for New Common Shares. As such, from and after the Effective Time, certificates formerly representing Common Shares exchanged under the Plan of Arrangement will cease to represent Common Shares and will instead be treated as an entitlement to the New Common Shares for the former holders of Common Shares or, in the case of Non-Qualified U.S. Shareholders, as an entitlement to receive the *pro rata* portion of the cash proceeds (less any applicable withholding taxes) from the sale of the New Common Shares pursuant to the Arrangement.

In order to exchange Common Share certificates for share certificates representing New Common Shares on the completion of the Arrangement, registered Shareholders must deposit with the Depository (at one of the addresses specified on the last page of the Letter of Transmittal) a duly completed Letter of Transmittal together with the certificates representing the holder's Common Shares in accordance with the instructions contained in the Letter of Transmittal.

Registered Shareholders must also deposit one of the following Shareholder Certifications with the Depository prior to the Certification Deadline in connection with the Arrangement:

- (a) **Non-U.S. Shareholder Certification:** registered Shareholders that are not U.S. Shareholders must deposit a completed Non-U.S. Shareholder Certification, in the form attached as Appendix C to this Schedule 5 (or Appendix A to the Letter of Transmittal), with the Depository prior to the Certification Deadline. Such Shareholders will be entitled to receive New Common Shares pursuant to the terms of the Arrangement.
- (b) **Qualified U.S. Shareholder Certification (QIB):** registered Shareholders who are Qualified U.S. Shareholders that are also "qualified institutional buyers" as defined under Rule 144A under the U.S. Securities Act must complete a Qualified U.S. Shareholder Certification (QIB), in the form attached hereto as Appendix D to this Schedule 5 (or Appendix B to the Letter of Transmittal), with the Depository prior to the Certification Deadline. Such Shareholders will be entitled to receive New Common Shares pursuant to the terms of the Arrangement, and if they elect to do so, to have such New Common Shares held in the book-based system maintained by CDS.
- (c) **Qualified U.S. Shareholder Certification (Non-QIB):** registered shareholders who are Qualified U.S. Shareholders but who are not "qualified institutional buyers" as defined under Rule 144A under the U.S. Securities Act and must complete a Qualified U.S. Shareholder Certification (Non-QIB), in the form attached as Appendix E to this Schedule 5 (or Appendix C to the Letter of Transmittal) with the Depository prior to the Certification Deadline. Such Beneficial Shareholders will be entitled to receive New Common Shares pursuant to the terms of the Arrangement, but will only be entitled to receive definitive physical certificates for the New Common Shares received.
- (d) **Non-Qualified U.S. Shareholder Certification:** registered U.S. Shareholders who are not Qualified U.S. Shareholders must complete a Non-Qualified U.S. Shareholder Certification, in the form attached hereto as Appendix F to this Schedule 5 (or Appendix D to the Letter of Transmittal),

with the Depository prior to the Certification Deadline. Such Shareholders will be entitled to receive the *pro rata* portion of the cash proceeds (less any applicable withholding taxes) from the sale of the New Common Shares to which such Shareholders would otherwise have been entitled under the Arrangement.

Any registered Shareholder that is (based on the address of such holder on the list of registered holders maintained by Alaris' transfer agent or other information available to Alaris) a U.S. Shareholder that does not deliver the applicable Qualified U.S. Shareholder Certification prior to the Certification Deadline, will be deemed to be a Non-Qualified U.S. Shareholder and any New Common Shares that would otherwise be issuable to such Shareholders will be issued and delivered to the Sale Trustee and will be sold by the Sale Trustee, on behalf of such Shareholders, over the facilities of the TSX or by private sale. Any registered Shareholder that is not (based on the address of such holder on the list of registered holders maintained by Alaris' transfer agent) a U.S. Shareholder and does not provide a Non-U.S. Shareholder Certification prior to the Certification Deadline will be deemed to have provided such certification at the Certification Deadline and will receive New Common Shares pursuant to the Arrangement.

Notwithstanding the foregoing, if, subsequent to the Arrangement becoming effective, Alaris reasonably determines, based on information obtained by Laurel Hill, a review of the non-objecting beneficial owners lists or any other information obtained by Alaris in accordance with Applicable Canadian securities laws, that a registered U.S. Shareholder who receives New Common Shares pursuant to the Arrangement is not a Qualified U.S. Shareholder, Alaris intends to exercise its rights pursuant to the terms of the issuance of the New Common Shares to compel such registered Shareholder to sell such New Common Shares or interest therein.

Registered Shareholders may request additional copies of the Letter of Transmittal by contacting the Depository. The Letter of Transmittal will also be available on the Depository's website at www.computershare.com.

The use of the mail to transmit certificates representing Common Shares, the Letter of Transmittal and the applicable Shareholder Certification is at each holder's risk. We recommend that such certificates and documents be delivered by hand to the Depository and a receipt therefor be obtained or that registered mail be used.

If (i) the Letter of Transmittal is executed by a person other than the registered holder(s) of the Common Shares being deposited, or (ii) the certificates representing the New Common Shares issuable in exchange for Common Shares or the cheque for the proceeds (less any applicable withholding taxes) from the sale of New Common Shares, as applicable, are to be issued to a person other than such registered owner(s) or sent to an address other than the address of the registered holder(s) as shown on the register of Shareholders maintained by the Corporation's registrar and transfer agent, the signature on the Letter of Transmittal must be medallion guaranteed by an Eligible Institution. If the Letter of Transmittal is executed by a person other than the registered owner(s) of the Common Shares deposited therewith, and in certain other circumstances as set forth in the Letter of Transmittal, then the certificate(s) must be endorsed or be accompanied by an appropriate transfer power of attorney duly and properly completed by the registered owner(s). The signature(s) on the endorsement panel or transfer power of attorney must correspond exactly to the name(s) of the registered owner(s) as registered or as appearing on the certificate(s) and must be medallion guaranteed by an eligible institution (as defined in the Letter of Transmittal).

Upon surrender to the Depositary for cancellation of certificate(s) that immediately prior to the Effective Time represented one or more Common Shares (or shares of the Corporation's predecessor companies), together with the Letter of Transmittal and other documents required by the Letter of Transmittal, the holder of such surrendered certificate(s) shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder, (i) a share certificate issued by the Corporation representing the number of New Common Shares that such holder is entitled under the Arrangement, or (ii) a cheque for the proceeds from the sale of the New Common Shares (less any applicable withholding taxes) and the Common Share certificate(s) as the case may be (or predecessor company share certificate) so surrendered shall forthwith be cancelled.

If there is a transfer of ownership of Common Shares prior to the Effective Time that is not registered in the transfer records of the Corporation prior to completion of the Arrangement, after completion of the Arrangement a certificate representing the proper amount of Common Shares or a cheque for the proceeds (less any applicable withholding taxes) from the sale of the New Common Shares, as applicable, may be delivered to the transferee if the certificate representing such Common Shares is presented to the Depositary, accompanied by all documents required to evidence and effect such transfer prior to the Effective Time as specified in more detail in the Letter of Transmittal.

Unless otherwise directed in the Letter of Transmittal, the certificate representing New Common Shares issued under the Arrangement or cheque for the proceeds (less any applicable withholding taxes) of the sale of any New Common Shares, as applicable, will be issued in the name of the former holder of the Common Shares represented by Common Share certificates so deposited. Unless the person who deposits the certificate(s) representing the Common Shares instructs the Depositary to hold the New Common Share certificate or the cheque for the proceeds (less any applicable withholding taxes) of the sale of any New Common Shares, as applicable, for pick up by checking the appropriate box in the Letter of Transmittal, a New Common Share certificate or cheque for the proceeds (less any applicable withholding taxes) of the sale of any New Common Shares, as applicable, will be forwarded by first class mail to the address supplied in the Letter of Transmittal. If no address is provided, a New Common Share certificate or cheque for the proceeds (less any applicable withholding taxes) of the sale of any New Common Shares, as applicable, will be forwarded to the address of the holder as shown on the register of Shareholders maintained by Computershare, the Corporation's registrar and transfer agent.

The use of the mail to transmit certificates representing New Common Shares or cheque for the proceeds (less any applicable withholding taxes) of the sale of any New Common Shares, as applicable, will be at your risk. We recommend that you take the opportunity to pick up your New Common Share certificate(s) or cheque for the proceeds (less any applicable withholding taxes) of the sale of any New Common Shares, as applicable, from the Depositary or Sale Trustee, as applicable.

Shareholders will not receive certificates for New Common Shares, or a cheque for the proceeds (less any applicable withholding taxes) from the sale of any New Common Shares in the case of a Non-Qualified U.S. Shareholder, until they submit the certificates for their Common Shares to the Depositary along with a duly completed Letter of Transmittal.

The Depositary and Sale Trustee will receive reasonable and customary compensation for its services in connection with the Arrangement, will be reimbursed for certain out-of-pocket expenses and will be indemnified by the Corporation against certain liabilities under applicable securities laws and related expenses.

The Corporation, the Depositary and the Sale Trustee will be entitled to deduct and withhold from any consideration otherwise payable to a Shareholder such amounts as the Corporation, the Depositary or the Sale Trustee (if different from the Depositary) is required to deduct and withhold with respect to such payment under applicable laws.

If any certificate which immediately prior to the Effective Time represented an interest in outstanding Common Shares that were exchanged or cancelled pursuant to the Plan of Arrangement has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to have been lost, stolen or destroyed, the Depositary will issue and deliver in exchange for such lost, stolen or destroyed certificate the consideration to which the holder is entitled pursuant to the Arrangement (and any dividends or distributions with respect thereto) as determined in accordance with the Arrangement. Unless otherwise agreed to by the Corporation, the person who is entitled to receive such consideration shall, as a condition precedent to the receipt thereof, give a bond to the Corporation and its transfer agent, in a form and substance satisfactory to the Corporation and its transfer agent, or shall otherwise indemnify the Corporation and its transfer agent against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

Beneficial Holders

If your Common Shares are held through a broker, dealer, bank, trust company or other registered nominee (collectively referred to herein as an "**Intermediary**") that administers your account, you should contact your account administrator for information about how the exchange of your Common Shares will be effected, as the procedures will be different than those set forth above under "*Procedure for Exchange of Common Shares – General*" of this Schedule 5, as the Intermediary will be required to make an election on your behalf. In Canada, the vast majority of shares held by Intermediaries are registered under the name CDS & Co., the registration name for CDS, which acts as nominee for many Canadian Intermediaries. In connection with the Arrangement, CDS will issue a bulletin to all of the Intermediaries for which it holds Common Shares ("**CDS Participants**"), requiring such CDS Participants to make an election on behalf of the Beneficial Shareholders they represent. Pursuant to the bulletin CDS Participants will be required to elect one of the following four options:

- (a) **Option 1 – Non-U.S. Shareholders:** pursuant to this election, CDS Participants representing Beneficial Shareholders who are not U.S. Shareholders shall complete a Non-U.S. Person Certification, in the form attached as Appendix C to this Schedule 5, prior to the Certification Deadline. Such Beneficial Shareholders will be entitled to receive New Common Shares pursuant to the terms of the Arrangement.
- (b) **Option 2 – Qualified U.S. Shareholder (QIB):** pursuant to this election, CDS Participants representing Beneficial Shareholders who are Qualified U.S. Shareholders that are also "qualified institutional buyers" as defined under Rule 144A under the U.S. Securities Act shall complete on behalf of its clients a Qualified U.S. Shareholder Certification (QIB), in the form attached as Appendix D to this Schedule 5 prior to the Certification Deadline. Such Beneficial Shareholders will be entitled to receive New Common Shares pursuant to the terms of the Arrangement and will be entitled to continue to hold such New Common Shares in the book-based system maintained by CDS.
- (c) **Option 3 – Qualified U.S. Shareholder (Non-QIB):** pursuant to this election, CDS Participants representing Beneficial Shareholders who are Qualified U.S. Shareholders but who are not "qualified institutional buyers" as defined under Rule 144A under the U.S. Securities Act shall

complete on behalf of its clients a Qualified U.S. Shareholder Certification (Non-QIB), in the form attached as Appendix E to this Schedule 5 prior to the Certification Deadline. Such Beneficial Shareholders will be entitled to receive New Common Shares pursuant to the terms of the Arrangement, but will not be entitled to continue to have such shares held in the book-based system maintained by CDS and will instead receive definitive physical certificates representing their New Common Shares.

- (d) **Option 4 – Non-Qualified U.S. Shareholder:** pursuant to this election, CDS Participants representing Beneficial Shareholders who are Non-Qualified U.S. Shareholders shall complete on behalf of its clients a Non-Qualified U.S. Shareholder Certification, in the form attached as Appendix F to this Schedule 5 prior to the Certification Deadline. Such Beneficial Shareholders will be entitled to receive the net cash proceeds (less any applicable withholding taxes) from the sale of the New Common Shares to which such Shareholders would otherwise have been entitled under the Arrangement.
- (e) **Default:** Any Common Shares remaining in CDS after the Certification Deadline for which no election has been made will be deemed to have made an election on the basis of the residency of the CDS Participant holding such Common Shares, with such residency being determined by Alaris based on:
 - (i) Information contained in the lists of non-objecting beneficial owners of Common Shares provided by Broadridge;
 - (ii) any information obtained in accordance with Applicable Canadian securities laws by Laurel Hill in respect of such Beneficial Shareholder's residency; and
 - (iii) any other information obtained by Alaris in accordance with Applicable Canadian laws with respect to the residency of a Beneficial Shareholder,

Provided that, for greater certainty, any such Common Shares held by a CDS Participant or its affiliates resident or registered in the United States, or a holder who is deemed to be located in the United States or a U.S. Person, based on the information set forth above, for which the default applies will be deemed to be held by a Non-Qualified U.S. Shareholder and will automatically receive the pro rata share of the cash proceeds (less any applicable withholding taxes) from the sale of the New Common Shares to which such Shareholders would otherwise have been entitled under the Arrangement.

For greater certainty, if a CDS Participant makes an election through the electronic election system maintained by CDS, then the CDS Participant will be deemed to have read and complied with the terms of the applicable Shareholder Certification and will be further deemed to have delivered to the Depository, at the Certification Deadline, a copy of such Shareholder Certification.

The foregoing election structure is necessary to ensure that Alaris complies with the U.S. Investment Company Act and the Plan Asset Rules. **Shareholders holding their shares through an Intermediary should contact such Intermediary as soon as possible to provide it with instructions for the exchange of their Common Shares. Failure to provide these instructions on a timely basis could jeopardize their right to receive New Common Shares under the Arrangement, if applicable.**

Notwithstanding anything else in this Information Circular, if, subsequent to the Arrangement becoming effective, Alaris reasonably determines, based on a review of the non-objecting beneficial owners lists,

information obtained by Laurel Hill, or any other information obtained in accordance with Applicable Canadian securities laws, that a beneficial U.S. Shareholder who receives New Common Shares pursuant to the Arrangement is not a Qualified U.S. Shareholder, Alaris intends to exercise its rights pursuant to the terms of the New Common Shares to compel such registered or Beneficial Shareholder to sell such New Common Shares or interest therein.

Cancellation of Rights

From and after the Effective Time, certificates formerly representing Common Shares shall represent only the right to receive the New Common Shares or the proceeds from the sale of New Common Shares (less any applicable withholding taxes), as applicable, or as to those held by Dissenting Shareholders, to receive the fair value of the Common Shares represented by such certificates.

Subject to applicable law, any certificate formerly representing Common Shares that is not deposited with all other documents as required by this Plan of Arrangement on or before the day that is one business day prior to the third anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature and, for greater certainty, the right of the holder of such Common Shares to receive certificates representing New Common Shares or the proceeds (less any applicable withholding taxes) from the sale of New Common Shares in the case of a Non-Qualified U.S. Shareholder shall be deemed to be surrendered to the Corporation together with all dividends, distributions or cash payments thereon held for such holder.

RIGHT TO DISSENT

The following description of the rights of Dissenting Shareholder is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of such holder's Common Shares and is qualified in its entirety by the reference to the full text of the Interim Order, which is attached to this Information Circular as Appendix I to Schedule 5, and the text of Section 190 of the CBCA, which is attached to this Information Circular as Appendix G to Schedule 5. A Dissenting Shareholder who intends to exercise the right to dissent should carefully consider and comply with the provisions of Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement. Failure to comply with the provisions of that section, as modified by the Interim Order and the Plan of Arrangement and to adhere to the procedures established therein may result in the loss of all rights thereunder.

A Court hearing the Application for the Final Order has the discretion to alter the Dissent Rights described herein based on the evidence presented at such hearing. Subject to certain tests as described below, pursuant to the Interim Order, Dissenting Shareholders are entitled, in addition to any other right such Dissenting Shareholder may have, to dissent and to be paid by the Corporation the fair value of the Common Shares held by such Dissenting Shareholder in respect of which such Dissenting Shareholder dissents, determined as of the close of business on the last Business Day before the day on which the Arrangement Resolution was adopted. **A Dissenting Shareholder may dissent only with respect to all of the Common Shares held by such Dissenting Shareholder or on behalf of any one Beneficial Shareholder and registered in the Dissenting Shareholder's name. Only registered holders of the Common Shares may dissent. Persons who are Beneficial Shareholders registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that they may only do so through the registered holder of such Common Shares. A registered holder, such as a broker, who holds Common Shares as nominee for Beneficial Shareholders, some of whom wish to dissent, must exercise the Dissent Right on behalf of such Beneficial Shareholders with respect to all of the Common Shares**

held for such Beneficial Shareholders. In such case, the demand for dissent should set forth the number of the Common Shares covered by it.

Dissenting Shareholders must provide a written objection to the Arrangement Resolution to the Corporation c/o Burnet, Duckworth and Palmer LLP, 2400, 525 – 8rd Avenue S.W., Calgary, Alberta, T2P 1G1, Attention: Daniel McDonald, by 5:00 p.m. (Calgary time) on the second last Business Day prior to the Meeting. The filing of a written objection does not deprive a Dissenting Shareholder of the right to vote; however, the CBCA provides, in effect, that a **Dissenting Shareholder who has submitted a written objection to the Arrangement Resolution and who votes in favour of the Arrangement Resolution will no longer be considered a Dissenting Shareholder with respect to the Common Shares voted in favour of the Arrangement Resolution.** The CBCA does not provide, and the Corporation will not assume, that a vote against the Arrangement Resolution constitutes a written objection to the Arrangement Resolution. **There is no right of partial dissent and, accordingly, a Dissenting Shareholder may only exercise the Dissent Rights with respect to all of the Common Shares held by it on behalf of any one Beneficial Shareholder and registered in the name of the Dissenting Shareholder.**

The Corporation is required, within ten (10) days after the adoption of the Arrangement Resolution, to notify each Dissenting Shareholder that the Arrangement Resolution has been adopted, but such notice is not required to be sent to any Dissenting Shareholder who voted for the Arrangement Resolution or who has withdrawn its written objection to the Arrangement Resolution.

A Dissenting Shareholder must, within twenty (20) days after the Dissenting Shareholder receives notice that the Corporation Arrangement Resolution has been adopted or, if the Dissenting Shareholder does not receive such notice, within twenty (20) days after the Dissenting Shareholder learns that the Arrangement Resolution has been passed, send to the Corporation a written notice (a "**Payment Demand**") containing the Dissenting Shareholder's name and address, the number of the Common Shares in respect of which the Dissenting Shareholder dissented and a demand for payment of the fair value of such securities. Within thirty (30) days after a Payment Demand, the Dissenting Shareholder must send to the Depositary, at Corporation Actions, 9th Floor, 100 University Avenue, Toronto, M5J 2Y1, the certificates representing the Common Shares that are the subject of the Payment Demand. A Dissenting Shareholder who fails to send the certificates representing the Common Shares that are the subject of the Payment Demand forfeits its right to make a claim under Section 190 of the CBCA. The Depositary will endorse on the certificates received from a Dissenting Shareholder a notice that the holder is a Dissenting Shareholder and will forthwith return the certificates to the Dissenting Shareholder.

On filing a Payment Demand, a Dissenting Shareholder ceases to have any rights as a Shareholder, other than the right to be paid the fair value of the Common Shares in respect of which the Dissenting Shareholder dissented as determined under Section 190 of the CBCA, except where:

- the Dissenting Shareholder withdraws its Payment Demand before the Corporation makes an offer (as hereinafter described) to such Shareholder;
- the Corporation fails to make an offer and the Dissenting Shareholder withdraws its Payment Demand; or
- the Board revokes the Arrangement Resolution.

Upon the occurrence of any of the events in paragraphs (a), (b) and (c), a Dissenting Shareholder's rights as a Shareholder will be reinstated.

The Corporation is required, not later than seven (7) days after the later of the Effective Date or the date on which it received the Payment Demand of a Dissenting Shareholder, to send to each Dissenting Shareholder who has sent it a Payment Demand, a written offer to pay ("**Offer to Pay**") for the Common Shares in respect of which the Dissenting Shareholder dissented in an amount considered by the Board to be the fair value thereof, accompanied by a statement showing the manner in which the fair value was determined. Every Offer to Pay with respect to the Common Shares must be on the same terms. The Corporation must pay for the Common Shares of a Dissenting Shareholder within ten (10) days after an Offer to Pay has been accepted by a Dissenting Shareholder, but any such Offer to Pay lapses if it does not receive an acceptance thereof within thirty (30) days after the Offer to Pay has been made. If the Corporation fails to make an Offer to Pay for the Common Shares that are the subject of the Payment Demand, or if a Dissenting Shareholder fails to accept an Offer to Pay that has been made, the Corporation within fifty (50) days after the Effective Date or within such further period as a court may allow, apply to a court to fix a fair value for the Common Shares of Dissenting Shareholders. If the Corporation fails to apply to a court, a Dissenting Shareholder may apply to a court for the same purpose within a further period of twenty (20) days or within such further period as a court may allow. A Dissenting Shareholder is not required to give security for costs in such an application.

Upon an application to a court, all Dissenting Shareholders whose the Common Shares in respect of which they dissent have not received a cash payment from the Corporation will be joined as parties and bound by the decision of the court, and the Corporation will be required to notify each affected Dissenting Shareholder of the date, place and consequences of the application and of its right to appear and be heard in person or by counsel. Upon any such application to a court, the court may determine whether any other person is a Dissenting Shareholder who should be joined as a party, and the court will then fix a fair value for the Common Shares of all Dissenting Shareholders. The final order of a court will be rendered against the Corporation in favour of each Dissenting Shareholder and for the amount of the fair value of the Common Shares in respect of which Dissent Rights are being exercised as fixed by the court. The court may, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the Effective Date until the date of payment.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by Dissenting Shareholders who seek payment of the fair value of their Common Shares. Section 190 of the CBCA, other than as amended by the Arrangement and the Interim Order, requires adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. Accordingly, Dissenting Shareholders who might desire to exercise the Dissent Rights and appraisal should carefully consider and comply with the provisions of Section 190 of the CBCA, the full text of which is set out in Appendix G to this Schedule 5 and consult their own legal advisor.

CANADIAN SECURITIES LAW MATTERS

The New Common Shares to be issued under the Arrangement to the Shareholders, will be issued in reliance on exemptions from prospectus and registration requirements of Applicable Canadian securities laws or on discretionary exemptions from such requirements to be obtained from applicable securities regulatory authorities in Canada and, following completion of the Arrangement, the New Common Shares will generally be "freely tradeable" (other than as a result of any "control block" restrictions which may arise by virtue of the ownership thereof) under Applicable Canadian securities laws of the Provinces of Canada. Notwithstanding the foregoing, no New Common Shares may be acquired by an ERISA Person or with the assets of an ERISA Plan. Each recipient of New Common Shares and subsequent transferees shall be deemed to have represented that it is not and for so long as it holds New Common Shares shall not be, an ERISA Person and that the New Commons Shares are not be acquired with the assets of an ERISA Plan.

In addition, the terms of the New Common Shares provide the Corporation with the right to repurchase or cause a holder of New Common Shares to dispose of New Common Shares, if the Corporation reasonably believes that the holder thereof is an ERISA Person or, in the case of a U.S. holder, is not a Qualified Purchaser or that the New Common Shares were purchased with assets of an ERISA Plan. See "*United States Securities Law Matters – ERISA Restriction of No Ownership by Plans*" and "*Legends on All New Common Shares*" in this Schedule 5.

UNITED STATES SECURITIES LAW MATTERS

The discussion below is a general overview of certain requirements of U.S. federal securities laws that may apply to Shareholders who are located in the United States or U.S. Persons ("**U.S. Shareholders**"). All U.S. Shareholders are urged to consult with their own legal counsel to ensure that any subsequent resale of New Common Shares issued to them under the Arrangement complies with applicable securities legislation.

The discussion below does not address the Applicable Canadian securities laws that will apply to the issue of the New Common Shares or the resale of New Common Shares by U.S. Shareholders within Canada. U.S. Shareholders reselling their New Common Shares in Canada must also comply with Applicable Canadian Securities Laws, as outlined above under "*Canadian Securities Law Matters*" in this Schedule 5.

UNITED STATES RESTRICTIONS ON ISSUANCE

The New Common Shares are being issued by the Corporation only: (i) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act, and (ii) in the United States or to U.S. Persons who are Qualified U.S. Shareholders. For the purposes of the Arrangement, "Qualified U.S. Shareholder" means a Shareholder that is located in the United States or is a U.S. Person and is (i) a Qualified Purchaser, and (ii) is not an ERISA Person.

The New Common Shares to be issued pursuant to the Arrangement will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and will be issued in reliance upon the exemption from registration set forth in Section 3(a)(10) of the U.S. Securities Act and exemptions provided under the securities laws of each state of the United States in which U.S. Shareholders reside. Section 3(a)(10) of the U.S. Securities Act exempts from registration the distribution of a security that is issued in exchange for outstanding securities where the terms and conditions of the issuance and exchange are approved, after a hearing upon the fairness of the terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court or by a governmental authority expressly authorized by law to grant such approval. Accordingly, the Final Order will, if granted, constitute a basis for the exemption from the registration requirement of the U.S. Securities Act for the New Common Shares issued in connection with the Arrangement.

Qualified U.S. Shareholders may not resell in the United States their New Common Shares that they receive in connection with the Arrangement. However, Qualified U.S. Shareholders may sell their New Common Shares outside the United States, including through the TSX, under Regulation S under the U.S. Securities Act.

In general, under Rule 904 of Regulation S, Qualified U.S. Shareholders who are either: (a) non-affiliates of Alaris after the Arrangement or (b) affiliates of Alaris solely by virtue of their status as an officer or director of Alaris may sell their New Common Shares outside the United States in an "offshore transaction" (which would include a sale through the TSX) if neither the seller nor any person acting on its behalf engages in "directed selling efforts" in the United States. For a sale of New Common Shares by an officer or director

who is an affiliate of the Corporation after the Arrangement solely by virtue of holding such position, there would be an additional requirement that no selling commission, fee or other remuneration is paid in connection with such sale other than a usual and customary broker's commission. Under Regulation S, "directed selling efforts" means "any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered" in the sale transaction. Certain additional restrictions apply to a Qualified U.S. Shareholder of New Common Shares who is an affiliate of Alaris after the Arrangement other than by virtue of his or her status as an officer or director of Alaris. As defined in Rule 144 under the *U.S. Securities Act*, an "affiliate" of an issuer is a person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the issuer and may include certain officers and directors of the issuer as well as principal shareholders of the issuer.

ERISA RESTRICTION OF NO OWNERSHIP BY PLANS

New Common Shares and any beneficial interests therein may not be acquired or held by investors using "plan assets" of an ERISA Plan (as described in "*Background and Reasons for the Arrangement – ERISA Considerations*" of this Schedule 5). Each recipient of New Common Shares in the Arrangement and each subsequent transferee, by acquiring New Common Shares or a beneficial interest therein, will be deemed to have represented, agreed and acknowledged that no portion of the assets used to acquire or hold its interest in the New Common Shares constitutes or will constitute "plan assets" of an ERISA Plan.

By accepting any interest in any New Common Shares, each Shareholder will be deemed to represent and warrant that it is not and will not be during the period it holds New Common Shares an ERISA Plan. Any breach of such deemed representation will void the investment in New Common Shares *ab initio*.

The description of the ERISA restrictions set forth in this Information Circular is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions with the plan assets of any such plans or arrangements, any fiduciary or other person considering receiving the New Common Shares on behalf of, or with the assets of, any ERISA Plan should consult with its counsel regarding the applicability of ERISA, Section 4975 of the U.S. Tax Code or Similar U.S. Law.

NON U.S. SHAREHOLDER CERTIFICATION

Each Non-U.S. Shareholder will be required to execute and deliver a Non-U.S. Shareholder Certification in the form set forth in Appendix C to this Schedule 5.

U.S. HOLDERS – QUALIFIED U.S. SHAREHOLDER CERTIFICATION

Each Qualified U.S. Shareholder must return the completed applicable Qualified U.S. Shareholder Certification prior to the Certification Deadline to receive New Common Shares pursuant to the Arrangement. Qualified U.S. Shareholders who are QIBs will receive New Common Shares in book-entry form, and Qualified U.S. Shareholders (Non-QIBs) will receive definitive physical certificates for the New Common Shares.

SELLING RESTRICTIONS

When acquiring New Common Shares each Shareholder will either make or be deemed to have made the acknowledgements, representations, warranties and agreements set forth in "United States Securities Law Matters – United States Restriction on Issuance" above and "Legends on All New Common Shares" below.

LEGENDS ON ALL NEW COMMON SHARES

All New Common Shares issued will bear the legend set forth below. This legend will be placed on certificates for Shareholders outside the United States, as well as for Shareholders who are located in the United States or U.S. Persons. Consequently, each initial holder and each subsequent purchaser of the New Common Shares will, or will be deemed to, represent, agree and acknowledge as follows:

*Alaris Royalty Corp. (the "**Corporation**") has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**"). This security and any beneficial interest herein may not be reoffered, resold, pledged or otherwise transferred in the United States or to U.S. persons. By acquiring this security or a beneficial interest herein, each holder shall be deemed to represent, warrant and agree with the Corporation that: (1) it is either: (A) outside the United States and not a U.S. person or (B) a Qualified Purchaser; (2) it will not offer, resell, pledge or otherwise transfer this security or a beneficial interest herein in the United States or to a U.S. person; and (3) it is not, and shall not be while it holds any interest in this security, (i) an "employee benefit plan" (within the meaning of Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")) that is subject to Part 4 of Subtitle B of Title I of ERISA, (ii) a plan, individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "U.S. Internal Revenue Code"), (iii) any other retirement or benefit plan that is not subject to ERISA or Section 4975 of the U.S. Internal Revenue Code, but is subject to any state, local, non-U.S. or other laws or regulations that would have the same effect as ERISA Section 3(42) and the Regulations of the U.S. Department of Labor codified at 29 C.F.R. Section 2510.3-101 (together, the "**Plan Asset Regulations**") to cause the underlying assets of the Corporation to be treated as assets of that investing entity by virtue of its investment (or any beneficial interest) in the Corporation and thereby subject the Corporation to laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions contained in ERISA or Section 4975 of the U.S. Internal Revenue Code or provisions or similar law, or (iv) an entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement under the Plan Asset Regulations or similar law (each of (i), (ii), (iii) and (iv), a "**Plan**"), and no portion of the assets used by it to acquire or hold this security or beneficial interest therein constitute or will constitute the assets of a Plan.*

The Corporation has the right to compel any securityholder or beneficial holder to sell its securities or interest therein, or may sell such Common Shares or interest therein on behalf of such person, where such person does not satisfy the requirements in the paragraph above.

The Corporation and its agents shall not be obligated to recognize any resale or other transfer of this security or any beneficial interest herein made other than in compliance with these restrictions. Transfers of this security or any interest herein to a person using

assets of a Plan to acquire this security or any interest herein and the holding of this security by any plan will be void and of no force and effect and will not operate to transfer any rights to such acquirer or holder notwithstanding any instruction to the contrary to the Corporation or any of its agents.

The term "**U.S. person**" shall have the meaning set forth in Regulation S under the U.S. Securities Act of 1933, as amended.

RISK FACTORS - POTENTIAL INVESTORS IN THE UNITED STATES

Because Alaris is incorporated under the laws of Canada, you may face difficulties in protecting your interests, and your ability to protect your rights through the U.S. federal courts or other forums may be limited.

Alaris is a company incorporated under the laws of Canada, and, substantially all of our assets are located outside the United States. Additionally, all of our directors are nationals or residents of jurisdictions other than the United States and all or a substantial portion of their assets will be located outside the United States. As a result, it may be difficult for you to effect service of process within the United States upon Alaris or its directors, or enforce judgments obtained in the United States against Alaris or its directors. Alaris' corporate affairs will be governed by its Canadian constating documents and Canadian law. The rights of Shareholders and the fiduciary responsibilities of Alaris' directors under Canadian law may not be the same as they would be under statutes or judicial precedent in some jurisdictions in the United States.

Alaris may be a Passive Foreign Investment Company, which could have adverse U.S. federal income tax consequences on the sale of Common Shares and to U.S. holders of our New Common Shares.

Although no determination has been made, Alaris may be classified as a passive foreign investment company, known as a "PFIC." If Alaris is a PFIC, U.S. holders disposing of Common Shares or acquiring New Common Shares could be subject to adverse U.S. federal income tax consequences. Specifically, if Alaris is classified as a PFIC for any taxable year, each U.S. holder may be subject to increased tax liabilities under U.S. tax laws and regulations and may be subject to additional reporting requirements. In general, any gain on disposition of Common Shares or New Common Shares and any "excess distribution" received by a U.S. holder would be deemed to have been earned ratably over the period such holder owns such shares, would be taxed at ordinary income tax rates, and would be subject to an interest charge for the deemed deferral in payment of the tax.

In general, Alaris will be classified as a PFIC for any taxable year in which either (1) at least 75% of its gross income is passive income or (2) at least 50% of the value (determined on the basis of a quarterly average) of its assets is attributable to assets that produce or are held for the production of passive income. Certain elections may sometimes be used to reduce the adverse effect of the PFIC rules. However, these elections may not be available for the Common Shares or the New Common Shares. If these elections are available, they may result in a current U.S. federal tax liability before any distribution or on the disposition of the New Common Shares, and without the assurance of a U.S. holder receiving an equivalent amount of income or gain from a distribution or disposition. Alaris does not intend to make any distributions to the U.S. holders in amounts sufficient to enable the U.S. holders to discharge any such tax liabilities.

Alaris urges U.S. investors to consult their own tax advisers regarding the possible application of the PFIC rules, especially the potentially adverse consequences on the sale of Common Shares or to holders of New Common Shares. See "*Certain U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Considerations*" in this Schedule 5.

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

Alaris intends to restrict the ownership and holding of New Common Shares so that none of our assets will constitute "plan assets" of any of the following: (1) an "employee benefit plan" (within the meaning of Section 3(3) of Title I that is subject to Part 4 of Subtitle B of Title I of ERISA, (2) a plan, individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "U.S. Tax Code"), (3) an entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement in (1) or (2) pursuant to ERISA or the U.S. Tax Code, or (4) any other retirement or benefit plan that is not subject to Title I of ERISA or Section 4975 of the U.S. Tax Code, but is subject to any state, local, non-U.S. or other laws or regulations that would have the same effect as ERISA or the U.S. Tax Code so as to cause the underlying assets of the Corporation to be treated as assets of such investing retirement or benefit plan by virtue of its investment (or any beneficial interest) in the Corporation.

If our assets were deemed to be "plan assets" subject to the "Plan Asset Regulations," or plan assets of a retirement or benefit plan subject to laws having the same effect as the Plan Asset Regulations, certain transactions that we may enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under Section 406 of ERISA. Section 4975 of the U.S. Tax Code or other similar law to which tax penalties and mandatory rescission of the transaction may apply. Because of the foregoing, the New Common Shares may not be purchased or held by any person investing "plan assets," as defined in the Plan Asset Regulations and Section 3(42) of ERISA or similar law.

Each recipient of New Common Shares will, and each subsequent transferee of the New Common Shares will, or will be deemed to, represent and warrant that no portion of the assets used to acquire or hold its interest in New Common Shares or any beneficial interest therein constitutes or will constitute the assets of a plan. Any holding or transfer of New Common Shares in violation of such representation will be void *ab initio*. See "*Certain ERISA Considerations*" in this Schedule 5.

PRINCIPAL CANADIAN INCOME TAX CONSIDERATIONS

In the opinion of Burnet, Duckworth & Palmer LLP, Canadian counsel to Alaris ("**Counsel**"), the following is a fair and adequate summary, as of the date hereof, of the principal Canadian federal income tax consequences generally applicable under the ITA to Shareholders in respect of the Arrangement. This summary is only applicable to a Shareholder who, for the purposes of the ITA and at all relevant times, (i) holds Common Shares and will hold any New Common Shares acquired under the Arrangement as capital property, and (ii) deals at arm's length with Alaris and is not affiliated with Alaris, Common Shares and New Common Shares will generally constitute capital property to a holder provided that the holder does not hold or use such securities in the course of carrying on a business and the holder did not acquire such Common Shares or New Common Shares in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Shareholders who are residents of Canada for purposes of the ITA, and who might not otherwise be considered to hold their Common Shares or New Common Shares, as the

case may be, as capital property may, in certain circumstances, be entitled to have such securities and any other "Canadian security" (as defined in the ITA) owned in the taxation year of the election and in all subsequent taxation years, deemed to be capital property by making the irrevocable election permitted by subsection 39(4) of the ITA. Shareholders contemplating making such an election should consult with their own tax advisors.

This summary is not applicable to a holder (i) that is a "financial institution" (as defined in the ITA) for the purpose of the "market-to-market" rules; (ii) an interest in which would be a "tax shelter investment" (as defined in the ITA); (iii) that is a "specified financial institution" (as defined in the ITA); or (iv) that has made a "functional currency" election under the ITA to determine its Canadian tax results in a currency other than Canadian currency. All such holder should consult their own tax advisors.

This summary is based upon the facts set out in this Information Circular, the provisions of the ITA in force as of the date hereof and Counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency ("CRA"). This summary takes into account all specific proposals (the "Tax Proposals") to amend the ITA publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof. However, no assurance can be given that the Tax Proposals will be enacted as currently proposed, or at all. This summary is not exhaustive of all possible Canadian federal income tax consequences and, except for the Tax Proposals, does not take into account or anticipate any change in law, whether by legislative, administrative, or judicial action or decision and does not take into account any provincial, territorial, or foreign tax consequences, which may differ significantly from those discussed herein.

This summary is of a general nature only and should not be construed as, nor is it intended to be, legal, business or tax advice or a representation to any particular Shareholder. Accordingly, Shareholders should consult with their own tax advisors with respect to the income tax consequences of the Arrangement having regard to their own particular circumstances.

SHAREHOLDERS RESIDENT IN CANADA

The following portion of the summary is generally applicable to a Shareholder that is or is deemed to be, at all relevant times, a resident of Canada for the purposes of the ITA (a "Resident Holder").

Exchange of Common Shares for New Common Shares

A Resident Holder who disposes of a Common Share pursuant to the Arrangement in exchange for a New Common Share will be deemed (a) to have disposed of such Common Share for proceeds of disposition equal to the adjusted cost base (as defined in the ITA) to the Shareholder of the New Common Share received in exchange for the Common Share, and (b) to have acquired the New Common Share received on such exchange at a cost equal to the adjusted cost base to the Resident Holder of the Common Share so exchanged. As a consequence, a Resident Holder will not realize a capital gain or capital loss on the disposition of its Common Shares to Alaris in exchange for New Common Shares.

Dividends on New Common Shares

In the case of a Resident Holder who is an individual (other than certain trusts), dividends received or deemed to be received on the New Common Shares will be included in computing the Resident Holder's income, and will be subject to the normal gross-up and dividend tax credit rules applicable to dividends paid by taxable Canadian corporations under the ITA, including the enhanced gross-up and dividend tax credit applicable to any dividend designated as an "eligible dividend" in accordance with the provisions of the ITA. Generally, Counsel has been advised that it is the current intention of Alaris to designate any dividends paid on New Common Shares to be "eligible dividends" to the extent permitted by the ITA such that the Resident Holders that are individuals would benefit from the enhanced gross-up and dividend tax credit mechanism under the ITA.

Dividends received or deemed to be received on the New Common Shares by a Resident Holder that is a corporation will generally be included in the Resident Holder's gross income for the taxation year in which such dividends are received and will generally be deductible in computing the Resident Holder's taxable income. A Resident Holder that is a "private corporation" (as defined in the ITA) or any other corporation controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), may be liable to pay a refundable tax of 33^{1/3}% under Part IV of the ITA on dividends received (or deemed to be received) in the taxation year on the New Common Shares to the extent such dividends are deductible in computing such Resident Holder's taxable income for the year.

A taxable dividend received by a Resident Holder who is an individual or trust (other than certain specified trusts) may result in such Resident Holder being liable for alternative minimum tax under the ITA. Any such Resident Holder should consult with his or her tax advisor in this regard.

Disposition of New Common Shares

A disposition or a deemed disposition of a New Common Shares by a Resident Holder will generally result in the Resident Holder realizing a capital gain (or a capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition of the New Common Share, net of any reasonable costs of disposition, exceeds (or is exceeded by) the adjusted cost base of the New Common Share to the Resident Holder. The adjusted cost base of a New Common Share to a Resident Holder at any particular time will generally be the average of the adjusted cost base of all New Common Shares held by such Resident Holder as capital property at that time. Such capital gain (or capital loss) will be subject to the general tax treatment described below under "*Principal Canadian Income Tax Considerations - Shareholders Resident in Canada- Taxation of Capital Gains and Capital Losses*" in this Schedule 5.

Dissenting Shareholders

Pursuant to the Arrangement, a Dissenting Shareholder will be deemed to have transferred its Common Shares to Alaris (free of any claims), and such Dissenting Shareholder will cease to have any rights as a Shareholder other than the right to be paid the fair value of its Common Shares by Alaris in accordance with the Arrangement.

A Dissenting Shareholder will realize a capital gain (or capital loss) equal to the amount by which the cash received as payment for its Common Shares, net of any reasonable costs of disposition and any dividends deemed to have been paid to it as a result of the transfer, exceeds (or is exceeded by) the adjusted cost base of such Common shares to the Dissenting Shareholder. For a discussion regarding the general treatment of capital gains and losses, please see the section below under "*Shareholders Resident in Canada - Taxation of Capital Gains and Capital Losses*" in this Schedule 5.

A Dissenting Shareholder will be deemed to have been paid, and to have received, a taxable dividend equal to the amount by which the amount received from Alaris exceeds the paid-up capital (for purposes of the ITA) of the Common Shares transferred by it to Alaris.

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a "taxable capital gain") realized by a Resident Holder in a taxation year must be included in the Resident Holder's income for the year, and one-half of any capital loss (an "allowable capital loss") realized by a Resident Holder in a taxation year must be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year may, generally, be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the ITA.

Capital gains realized by a Resident Holder who is an individual or trust (other than certain specified trusts) may give rise to alternative minimum tax under the ITA.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a New Common Share may be reduced by the amount of dividends received or deemed to be received by the Resident Holder on such New Common Share to the extent and under the circumstances described in the ITA. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns New Common Shares, directly or indirectly, through a partnership or a trust. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the year a "Canadian-controlled private corporation" (as defined in the ITA) may be liable to pay, in addition to tax otherwise payable under the ITA, a refundable tax of 6 2/3% on certain redundant investment income, including taxable capital gains.

Shareholders not Resident in Canada

The following portion of the summary is generally applicable to a Shareholder that is, at all relevant times, neither a resident of Canada nor deemed to be a resident of Canada for purposes of the ITA, and does not use or hold, and is not deemed to use or hold, its Common Shares in carrying on a business in Canada (a "Non-Resident Holder"). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere.

Exchange of Common Shares for New Common Shares

A Non-Resident Holder who disposes of a Common Share for a New Common Share pursuant to the Arrangement will generally not realize a capital gain or capital loss on the same basis as a Resident Holder as described above under "*Principal Canadian Income Tax Considerations - Shareholders Resident in Canada - Exchange of Common Shares for New Common Shares*". Where Common Shares held by a Non-Resident Holder constitute "taxable Canadian property" (as defined in the ITA) to the Non-Resident Holder, the New Common Shares received upon the Arrangement will be deemed to be "taxable Canadian property" to the Non-Resident Holder throughout the period that begins at the time of the exchange and ends on the day that is 60 months after the exchange.

Common Shares will not be considered taxable Canadian property to a Non-Resident Holder unless such Common Shares are deemed to be taxable Canadian property under the ITA or unless, at any time during the 60-month period immediately preceding the disposition of Common Shares, the Non-Resident Holder or persons with whom the Non-Resident Holder did not deal at arm's length or any combination thereof,

held 25% or more of the issued Common Shares and, at any time during such 60-month period, more than 50% of the fair market value of such Common Shares was derived directly or indirectly from one or any combination of: (i) real or immovable properties situated in Canada, (ii) "Canadian resource properties" (as defined in the ITA), (iii) "timber resource properties" (as defined in the ITA), and (iv) options in respect of, interests in, or civil law rights in, any of the foregoing, whether or not the property exists.

While it is extremely unlikely that Common Shares or New Common Shares will be taxable Canadian property to any Non-Resident Holders, such holders must contact their own tax advisors to determine the consequences of the exchange of Common Shares for New Common Shares in their particular circumstances.

Dissenting Shareholders

As noted above, pursuant to the Arrangement, a Dissenting Shareholder, including a Dissenting Shareholder that is a Non-Resident Holder, will be deemed to have transferred its Common shares to Alaris (free of any claims), and such Dissenting Shareholder will cease to have any rights as a shareholder other than the right to be paid the fair value of its Common Shares by Alaris in accordance with the Arrangement.

The dissenting Shareholder will be deemed to have been paid, and to have received, a taxable dividend equal to the amount by which the amount received from Alaris exceeds the paid-up capital (for purposes of the ITA) of the Common Shares transferred by it to Alaris. Alaris will withhold tax at 25% from any amounts paid or credited to a Dissenting Shareholder that is a Non-Resident Holder pursuant to the Arrangement.

Except as described in the preceding paragraph, a Dissenting Shareholder that is a Non-Resident Holder will generally not be liable to Canadian income tax on a disposition of a Common Share to Alaris unless the holder's Common Share is or is deemed to be, taxable Canadian property to the Non-Resident Holder at the time of disposition and the holder is not entitled to relief under an applicable tax treaty between Canada and the holder's country of residence. As noted above, Common Shares will generally not be considered taxable Canadian property to a Non-Resident Holder.

Non-Qualified U.S. Shareholders

Non-Qualified U.S. Shareholders (including U.S. Shareholders who are deemed to be Non-Qualified U.S. Shareholders because they have not delivered the applicable Qualified U.S. Shareholder Certification prior to the Certification Deadline) whose New Common Shares are issued and delivered by Alaris to the Sale Trustee on their behalf for sale will, upon such sale concluding, be treated as having disposed of their New Common Shares and will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of such New Common Shares exceeds (or is exceeded by) the adjusted cost base thereof plus all reasonable sales costs. The tax consequences to a Non-Qualified U.S. Shareholder of such a sale are the same as those set out under the heading "*Principal Canadian Income Tax Considerations - Shareholders not Resident in Canada – Disposition of New Common Shares*" below.

Dividends on New Common Shares

Dividends paid or deemed to be paid to a Non-Resident Holder of New Common Shares will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless such rate is reduced under the provisions of a tax treaty between Canada and the Non-Resident Holder's jurisdiction of residence.

Disposition of New Common Shares

A Non-Resident Holder will generally not be liable to Canadian income tax on a disposition or deemed disposition of a New Common Share unless the Non-Resident Holder's New Common Share is, or is deemed to be, taxable Canadian property to the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under the applicable tax treaty between Canada and the country of residence of the Non-Resident Holder.

Generally, a New Common Share will not be taxable Canadian property to a Non-Resident Holder at a particular time provided that it has not been deemed to be taxable Canadian property under the ITA and that either: (a) at no time during the 60-month period preceding the particular time did such New Common shares derive more than 50% of its fair market value directly or indirectly from one or any combination of: (i) real or immovable properties situated in Canada, (ii) "Canadian resource properties", (iii) "timber resource properties", and (iv) options in respect of, or interests in, or civil law rights in, any of the foregoing properties, whether or not the property exists; or (b) such share is listed on a "designated stock exchange" (as defined in the ITA and which currently includes the TSX) at that time and at no time during the 60-month period ending at that time, did the Non-Resident Holder, persons not dealing at arm's length with such Non-Resident Holder or the Non-Resident Holder together with all such persons, own 25% or more of the issued shares of any class or series of the capital stock of Alaris.

In certain circumstances set out in the ITA, New Common Shares will be deemed to be taxable Canadian property. In particular, if a Common Share held by a Non-Resident Holder is taxable Canadian property to such Non-Resident Holder, a New Common Share received by the Non-Resident Holder under the Arrangement will be deemed to be taxable Canadian property to such Non-Resident Holder. (See the discussion above under "*Shareholders Not Resident in Canada – Exchange of Common Shares for New Common Shares*").

ELIGIBILITY FOR INVESTMENT

In the opinion of Burnet, Duckworth & Palmer, LLP, provided the New Common Shares are listed on a "designated stock exchange" for purposes of the ITA (which currently includes the TSX) on the Effective Date, New Common Shares issued under the Arrangement will be, as at such date, qualified investments under the ITA for a trust governed by a registered retirement savings plan ("RRSP"), a registered retirement income fund ("RRIF"), a registered education savings plan, a registered disability savings plan, a deferred profit sharing plan, or a tax-free savings account (a "TFSA").

Notwithstanding that the New Common Shares may be a qualified investment for a trust governed by an RRSP, RRIF or TFSA (each a "**Plan**"), the annuitant of a Plan will be subject to a penalty tax on the New Common Shares held in the Plan if such New Common Shares are a "prohibited investment" for that Plan. The New Common Shares will generally not be a "prohibited investment" provided that the holder of the Plan deals at arm's length with Alaris for purposes of the ITA and does not have a "significant interest" (within the meaning of the ITA) in Alaris or a corporation, partnership or trust with which Alaris does not deal at arm's length for purposes of the ITA. Holders are advised to consult their own advisors in this regard.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the material U.S. federal income tax considerations of the Arrangement applicable to U.S. Holders (as defined below).

This summary is based on provisions of the U.S. Tax Code, existing and proposed U.S. Treasury regulations promulgated thereunder by the Internal Revenue Service ("IRS"), administrative and judicial interpretations thereof, and the U.S.-Canada Tax Treaty, each as in effect as of the date of this Information Circular. These sources may change, possibly with retroactive effect, and are open to differing interpretations.

As used in this section, the term "U.S. Holder" means a beneficial owner of Common Shares who is:

- a citizen or individual resident of the United States or an individual treated as a U.S. citizen or resident for U.S. federal income tax purposes;
- a corporation or other entity taxable as a corporation for U.S. federal income tax purposes created or organized in or under the laws of the United States, any State or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- any trust if (A)(i) a court within the United States is able to exercise primary supervision over the administration of the trust and (ii) one or more United States persons have the authority to control all substantial decisions of the trust, or (B) such trust validly elects to be treated as a United States person.

This summary does not discuss all aspects of U.S. federal income taxation that may be applicable to persons in light of their particular circumstances or to persons who are subject to special treatment under U.S. federal income tax law, including: insurance companies; dealers in stocks, securities or currencies or other persons holding Common Shares other than as capital assets; financial institutions and financial services entities; regulated investment companies; tax-exempt organizations; persons that directly, indirectly or constructively own 10% or more of Alaris' total stock (determined by voting power or value); individual retirement and other tax-deferred accounts; and persons liable for the alternative minimum tax. This summary also does not consider the possible application of U.S. federal gift or estate tax or alternative minimum tax, nor any state or local tax consequences.

If a partnership or an entity treated as a partnership for U.S. federal income tax purposes owns Common Shares, the U.S. federal income tax treatment of a partner in such a partnership will generally depend upon the status of the partner and the activities of the partnership. A partnership that owns Common Shares and the partners in such partnership should consult their tax own advisors about the U.S. federal income tax consequences of the Arrangement.

All persons are urged to consult their own tax advisors as to the particular tax consequences to them of the Arrangement, including the effect and applicability of United States federal, state, local and foreign income and other tax laws (including estate and gift tax laws) and tax treaties.

U.S. Holders Who Receive Cash

A U.S. Holder that receives cash in lieu of New Common Shares pursuant to the Arrangement or pursuant to the exercise of Dissent Rights would generally recognize gain or loss in an amount equal to the

difference, if any, between (a) the amount of cash received by such U.S. Holder in exchange for the Common Shares and (b) the tax basis of such U.S. Holder in the Common Shares surrendered. Subject to the PFIC rules discussed below, such gain or loss would generally be capital gain or loss, which will be long-term capital gain or loss if the Common Shares are held for more than one year. Deductions for capital losses are subject to complex limitations under the U.S. Tax Code.

If payment is made in Canadian dollars, the amount of capital gain or loss recognized will be determined by translating the Canadian dollars received into U.S. dollars on the basis of the exchange rate in effect on the date on which the payment is made. Any currency gain or loss realized on the subsequent conversion of the Canadian dollars received into U.S. dollars would generally be treated as ordinary income or loss.

It is possible that a portion of the payment made to a dissenting U.S. Holder could be characterized as interest income, if it is treated as made on account of delay in making the payment for the U.S. Holder's Common Shares. Any amount so treated as interest income (including the amount of any Canadian taxes withheld therefrom) will be subject to U.S. federal income tax at ordinary income rates. Any Canadian tax withheld with respect to such interest income may be claimed as a foreign tax credit against such U.S. Holder's U.S. federal income tax liability, subject to certain limitations set out in the U.S. Tax Code, or, alternatively, claimed as a deduction against income in determining such tax liability.

U.S. Holders Who Receive New Common Shares

No gain or loss will be recognized on the receipt of New Common Shares in exchange for Common Shares. A U.S. Holder's tax basis for the New Common Shares will be the same as the Common Shares for which they were exchanged. The holding period for the New Common Shares will include the holding period for the Common Shares for which they were exchanged.

Passive Foreign Investment Company Considerations

Alaris has not made any determination concerning its status as a PFIC. However, special, generally adverse U.S. federal income tax rules would apply to a U.S. Holder of Common Shares and New Common Shares if Alaris was or is a PFIC for any year during which the U.S. Holder has held either. For U.S. federal income tax purposes, Alaris will be considered a passive foreign investment company ("PFIC") in any taxable year in which either (i) 75% or more of its gross income is passive income, or (ii) at least 50% of the average value of all of its assets for the taxable year produce or are held for the production of passive income. For this purpose, passive income generally includes dividends, interest, royalties, rents, annuities and the excess of gains over losses from the disposition of assets which produce passive income. For purposes of these tests, if a non-U.S. corporation owns directly or indirectly at least 25% (by value) of the stock of another corporation, the non-U.S. corporation is treated as if it held its proportionate share of the assets of the latter corporation, and received directly its proportionate share of the income of the later corporation.

The determination of whether Alaris will be a PFIC for a taxable year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to various interpretations. Alaris has made no determination in this regard. Accordingly, there can be no assurance that Alaris would not be a PFIC in any taxable year, and that the IRS will not challenge any determination made by the Alaris concerning its PFIC status.

If Alaris is treated as a PFIC for any taxable year in a U.S. Holder's holding period, dividends could not qualify for the reduced maximum tax rate and, unless U.S. Holders make a "mark-to-market" election with

respect to their Common Shares or New Common Shares, as described below, the following rules would apply:

- U.S. Holders would be required to allocate "excess distributions" or gain recognized upon the disposition of Common Shares or New Common Shares—including gain recognized on the sale of Common Shares for cash pursuant to the Arrangement—rateably over their holding period for such Common Shares. An "excess distribution" is the amount by which distributions during a taxable year in respect of a note exceed 125% of the average amount of distributions in respect thereof during the three preceding taxable years (or, if shorter, the U.S. Holder's holding period for the shares).
- The amount allocated to each year during which Alaris is considered a PFIC other than the year of the distributions or disposition would be subject to tax at the highest individual or corporate tax rate, as the case may be, and an interest charge would be imposed with respect to the resulting tax liability allocated to each such year.
- The amount allocated to the current taxable year and any taxable year before Alaris became a PFIC would be taxable as ordinary income in the current year (ineligible for the reduced rate of tax on "qualified dividends), and
- Certain additional adverse tax rules will apply to a U.S. Holder for any taxable year in which any subsidiary of Alaris also is treated as a PFIC (a "**Subsidiary PFIC**"). In such a case, the U.S. Holder will generally be deemed to own its proportionate interest (by value) in any Subsidiary PFIC and be subject to the PFIC rules described above with respect to the Subsidiary PFIC regardless of the U.S. Holder's percentage ownership in Alaris.

Alternatively, if the Common Shares or New Common Shares qualify as "marketable stock," U.S. Holders who timely elect to "mark to market" their shares will generally include in income, in each year in which Alaris is considered a PFIC, any excess of the fair market value of the shares at the close of each tax year over such U.S. Holder's adjusted basis in the shares. Alaris expects that the Common Shares and the New Common Shares will qualify as "marketable stock," but no assurance can be given in this regard. If the fair market value of the shares had depreciated below such U.S. Holder's adjusted basis at the close of the tax year, the U.S. Holder may generally deduct the excess of the adjusted basis of the shares over its fair market value at that time. However, such deductions would generally be limited to the net mark to market gains, if any, that such U.S. Holder included in income with respect to such shares in prior years. Income recognized and deductions allowed under the mark to market provisions, as well as any gain or loss on the disposition of shares with respect to which the mark to market election is made, is treated as ordinary income or loss (except that loss on a disposition of shares is treated as capital loss to the extent the loss exceeds the net mark to market gains, if any, that U.S. Holders included in income with respect to such shares in prior years). Gain or loss from the disposition of Common Shares or New Common Shares as to which a mark-to-market election was made in a year in which Alaris no longer is a PFIC will be capital gain or loss. A U.S. Holder will not be permitted to make a mark-to-market election with respect to a Subsidiary PFIC.

A U.S. Holder may be required to file IRS Form 8621 for any taxable year in which Alaris or any subsidiary is treated as a PFIC with respect to such U.S. Holder. Alaris will not provide the U.S. tax information that would be required for a U.S. Holder to make a "qualifying electing fund" election. U.S. Holders should consult their own tax advisors concerning the PFIC rules generally, the annual filing requirement, and the advisability of making "mark to market" election.

Distributions Paid on the New Common Shares

Unless Alaris is treated as a PFIC, as discussed above, a U.S. Holder generally will be required to include in its gross income as ordinary dividend income the amount of any distributions paid on the New Common Shares, including the amount of any Canadian taxes withheld, to the extent that those distributions are paid out of Alaris' current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. Subject to the discussion above under "Passive Foreign Investment Company Considerations," distributions in excess of Alaris' earnings and profits will be applied against and will reduce the U.S. Holder's tax basis in its New Common Shares and, to the extent they exceed that tax basis, will be treated as gain from a sale or exchange of those New Common Shares. Alaris' dividends will not qualify for the dividends-received deduction applicable in some cases to U.S. corporations.

Dividends that Alaris pays in Canadian dollars, including the amount of any Canadian taxes withheld therefrom, will be included in the income of a U.S. Holder in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day such dividends are received, regardless of whether the payment is in fact converted into U.S. dollars. A U.S. Holder who receives payment in Canadian dollars and converts them into U.S. dollars at an exchange rate other than the rate in effect on such day will have a foreign currency exchange gain or loss that would be treated as ordinary income or loss. U.S. Holders should consult their own tax advisors concerning the U.S. tax consequences of acquiring, holding and disposing of Canadian dollars.

Foreign Tax Credit

Any dividend income resulting from distributions Alaris pays to a U.S. Holder with respect to its New Common Shares is expected to be treated as foreign source income for U.S. foreign tax credit limitation purposes. Subject to certain conditions and limitations, Canadian tax withheld on dividends may be deducted from taxable income or credited against a U.S. Holder's U.S. federal income tax liability. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, any dividend that Alaris distributes generally will constitute "passive category income," or, in the case of certain U.S. Holders, "general category income." The rules relating to the determination of foreign source income and the foreign tax credit are complex, and the availability of a foreign tax credit depends on numerous factors. Each investor who is a U.S. Holder should consult with its own tax advisor to determine whether its income with respect to the New Common Shares would be foreign source income and whether and to what extent that investor would be entitled to a foreign tax credit.

Disposition of New Common Shares

Unless Alaris is treated as a PFIC, upon the sale or other disposition of New Common Shares a U.S. Holder generally will recognize capital gain or loss equal to the difference between the amount realized on the disposition and the holder's adjusted tax basis in the New Common Shares. Such gain or loss upon the disposition of the New Common Shares will be treated as long-term if, at the time of the sale or disposition, the New Common Shares were held for more than one year. The deductibility of capital losses by a U.S. Holder is subject to limitations. In general, any gain or loss recognized by a U.S. Holder on the sale or other disposition of New Common Shares will be U.S. source income or loss for U.S. foreign tax credit purposes. If a U.S. Holder receives any foreign currency on the sale of New Common Shares, such U.S. Holder may recognize ordinary income or loss as a result of currency fluctuations between the date of the sale of the New Common Shares and the date the sale proceeds are converted into U.S. dollars.

Information Reporting and Backup Withholding

Payments in respect of Common Shares and New Common Shares may be subject to information reporting to the IRS and to U.S. backup withholding tax at a rate equal to the fourth lowest income tax rate applicable to individuals (which, under current law, is 28%). Backup withholding will not apply, however, if the holder (i) is a corporation or comes within certain exempt categories, and demonstrates the fact when so required, or (ii) furnishes a correct taxpayer identification number and makes any other required certification. U.S. Holders who are required to establish their exempt status generally must provide such certification on IRS Form W-9.

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a U.S. Holder's U.S. tax liability, and a U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS.

In addition, U.S. Holders should be aware that reporting requirements are imposed with respect to the holding of certain foreign financial assets, including stock of a foreign issuer (such as the New Common Shares) which is not held in a financial account, if the aggregate value of all of such assets exceeds the applicable threshold. U.S. Holders may therefore be required to attach a complete IRS Form 8938, Statement of Specified Foreign Financial Assets, with their return for each year in which they hold the New Common Shares. U.S. Holders should consult their own tax advisors regarding the application of the information reporting rules to the New Common Shares.

U.S. TREASURY CIRCULAR 230 NOTICE

PURSUANT TO INTERNAL REVENUE SERVICE CIRCULAR 230, WE HEREBY INFORM YOU THAT THE DESCRIPTION SET FORTH HEREIN WITH RESPECT TO U.S. FEDERAL TAX ISSUES WAS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DESCRIPTION CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER THE U.S. INTERNAL REVENUE CODE. THIS DESCRIPTION WAS WRITTEN TO SUPPORT THE EXCHANGE OF THE NEW COMMON SHARES.

DEPOSITARY

Alaris has engaged Computershare to act as Depositary for the receipt of certificates representing Common Shares, Letters of Transmittal and Qualified U.S. Purchaser Certifications deposited pursuant to the Arrangement. The Depositary will receive reasonable and customary compensation for its services in connection with the Arrangement, will be reimbursed for certain out-of-pocket expenses and will be indemnified by Alaris against certain liabilities under applicable securities laws and expenses in connection therewith.

You are also requested to complete, sign, date and return by mail the enclosed form of Letter of Transmittal, together with certificate(s) representing Common Shares, and the form of Qualified U.S. Purchase Certification, if applicable, in the enclosed addressed envelope to Computershare Investor Services Inc., Attention: Corporate Actions, by hand, courier or registered mail to 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1.

No fee or commission is payable by any Shareholder who transmits its Common Shares directly to the Depositary. Except as set forth above or elsewhere in this Information Circular, Alaris will not pay any fees or commissions to any broker or dealer or any other person for soliciting deposits of Common Shares pursuant to the Arrangement.

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of Alaris to be used at the Meeting. Solicitations of proxies will be primarily by mail, but may also be by publication, in person or by telephone, fax, internet or oral communication by directors, officers, employees or agents of Alaris who will be specifically remunerated therefor.

Alaris has retained Laurel Hill to assist it in connection with communicating to Shareholders in respect of the Arrangement. In connection with these services, the Solicitation Agents expect to receive an aggregate base fee of \$35,000 plus a per-call fee in the range of \$6.00 to \$8.00, in addition to reasonable out-of-pocket expenses, and additional fees as determined from time to time. In addition, Alaris may retain the services of a managing solicitor dealer to form and manage a soliciting dealer group or other solicitation agents to solicit proxies in connection with the Meeting on terms and conditions, including the payment of fees and reimbursement of expenses, as are customary in such retainer agreements. All costs of the solicitation for the Meeting will be borne by Alaris. As at the date hereof, other than Laurel Hill, Alaris has not made a decision to engage soliciting dealers or other proxy solicitation agents to encourage the return of completed proxies and to solicit proxies in favour of the matters to be considered at the Meeting. Alaris may however do so and, if it does, the costs in respect of such services would be paid by Alaris in respect of the Meeting. Alaris will not reimburse Shareholders, nominees or agents for the cost incurred in obtaining authorization to execute forms of proxy from their principals.

If you are an unregistered holder of Common Shares and received these materials through your broker or another intermediary or Computershare if you are a non-objecting beneficial owner, please date, complete, sign and return the form of proxy or Voting Instruction Form provided by such broker or other intermediary in accordance with the instructions provided therein.

If you have any questions or need assistance to vote or tender your Common Shares for the New Common Shares or the cash proceeds from the sale thereof (less any applicable withholding taxes), please contact the Corporation's solicitation agent **Laurel Hill**, by email at assistance@laurelhill.com, or by telephone at **416-304-0211 (banks, brokers or collect calls) or 1-877-452-7184 (North American toll-free number)**.

LEGAL MATTERS

Certain legal matters in connection with the Arrangement will be passed upon by Burnet, Duckworth & Palmer LLP on behalf of Alaris. As at the date of this Information Circular, partners and associates of Burnet, Duckworth & Palmer LLP owned beneficially, directly or indirectly, less than 1% of the outstanding Common Shares. Certain matters as to U.S. law in connection with the Arrangement will be passed upon by Carter Ledyard & Milburn LLP on behalf of Alaris.

APPENDIX A

to Schedule 5 of the Information Circular of Alaris Royalty Corp. dated March 20, 2013

PLAN OF ARRANGEMENT
ALARIS ROYALTY CORP.
PURSUANT TO SECTION 192
OF THE
CANADA BUSINESS CORPORATIONS ACT

ARTICLE 1 INTERPRETATION

1.1 In this Plan of Arrangement, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

"**Arrangement**", "**herein**", "**hereof**", "**hereunder**" and similar expressions mean and refer to the arrangement involving the Corporation and Shareholders pursuant to section 192 of the CBCA, on the terms and conditions set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;

"**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required under the CBCA to be filed with the Director after the Final Order has been made;

"**Business Day**" means a day other than a Saturday, Sunday or other than a day when banks in the City of Calgary, Alberta are not generally open for business;

"**CBCA**" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, including the regulations promulgated thereunder, each as amended;

"**Certificate**" means the certificate of arrangement giving effect to the Arrangement, issued pursuant to subsection 192(7) of the CBCA after the Articles of Arrangement have been filed;

"**Certification Deadline**" means 5:00 p.m. (Calgary time) on the Business Day preceding the Effective Date.

"**Common Share**" means a common share in the capital of the Corporation;

"**Computershare**" means Computershare Investor Services Inc.;

"**Corporation**" means Alaris Royalty Corp., a corporation subsisting under the CBCA;

"**Court**" means the Court of Queen's Bench of Alberta;

"**Depository**" means Computershare;

"**Director**" means the Director duly appointed under section 260 of the CBCA;

"**Dissent Rights**" means the right of a registered Shareholder to dissent to the resolution approving the Arrangement and to be paid the fair value of the Common Shares in respect of which the registered Shareholder dissents, all in accordance with the Interim Order and Article 5 hereof;

"**Dissenting Shareholders**" means the registered Shareholders that validly exercise the Dissent Rights and "**Dissenting Shareholder**" means any one of them;

"**Effective Date**" means the date the Arrangement is effective under the CBCA;

"**Effective Time**" means the time when the Arrangement becomes effective pursuant to the CBCA;

"**ERISA**" means the *United States Employment Retirement Income Security Act of 1974*, as amended;

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

"**ERISA Plan**" means an "employee benefit plan" (within the meaning of Section 3(3) of ERISA) that is subject to Title I of ERISA, a plan, individual retirement account or other arrangement that is subject to Section 4975 of the *U.S. Tax Code* or any Similar U.S. Law, or an entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement pursuant to ERISA, the Code, any applicable Similar U.S. Law or otherwise;

"**Final Order**" means the final order of the Court approving the Arrangement to be applied for by the Corporation following the Meeting and granted pursuant to subsection 192(4) of the CBCA in respect of the Shareholders and the Corporation, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"**Interim Order**" means an interim order of the Court concerning the Arrangement pursuant to subsection 192(4) of the CBCA, containing declarations and directions with respect to the Arrangement and the holding of the Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"**Letter of Transmittal**" means the Letter of Transmittal for use by registered Shareholders to be delivered in connection with the Arrangement;

"**New Common Shares**" means the Class "A" common shares in the capital of the Corporation to be created and issued pursuant to the Plan of Arrangement;

"**Non-Qualified U.S. Shareholder**" means a U.S. Shareholder at 5:00 p.m. (Calgary time) on the day immediately preceding the Effective Date who is not a Qualified U.S. Shareholder or who has not delivered the applicable Qualified U.S. Shareholder Certification to the Depository;

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

"**Plan of Arrangement**" means this plan of arrangement as amended or supplemented from time to time in accordance with the terms hereof;

"**Qualified Purchaser**" means a U.S. Shareholder that is a "qualified purchaser" within the meaning of Section 2(a)(51)(A) of the U.S. Investment Company Act;

"**Qualified U.S. Shareholder**" means a U.S. Shareholder that is (i) not an ERISA Person, and (ii) is a Qualified Purchaser;

"**Qualified U.S. Shareholder Certification (Non-QIB)**" means the certification to be provided by a U.S. Shareholder confirming that: (i) it is not an ERISA Person, and (ii) it is a Qualified Purchaser, while it is not a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act. A form of Qualified Shareholder Certification and related instructions has been provided to U.S. Shareholders in connection with the Meeting;

"**Qualified U.S. Shareholder Certification (QIB)**" means the certification to be provided by a U.S. Shareholder confirming that: (i) it is not an ERISA Person, (ii) it is a Qualified Purchaser, and (iii) it is a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act. A form of Qualified Shareholder Certification and related instructions has been provided to U.S. Shareholders in connection with the Meeting;

"**Sale Trustee**" means such person as the Corporation may select, prior to the Effective Date, provided that the Sale Trustee must be duly registered with the appropriate and relevant category of registration under applicable Canadian securities laws;

"**Shareholder**" means a holder of Common Shares;

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

"**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1. (5th Supp.), including the regulations promulgated thereunder, each as amended;

"**U.S. Tax Code**" means the *United States Internal Revenue Code of 1986*; and

"**U.S. Shareholder**" means a registered or beneficial holder of Common Shares in the United States.

1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles, sections, subsections and subparagraphs are to articles, sections, subsections and subparagraphs of this Plan of Arrangement.

1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.

1.5 In the event that the date on which any action is required to be taken hereunder by any of the parties hereto is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

1.6 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

ARTICLE 2 BINDING EFFECT

2.1 This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate, will become effective on, and be binding on and after, the Effective Time on: (a) the Shareholders; and (b) the Corporation.

2.2 The Articles of Arrangement and Certificate shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein.

ARTICLE 3 ARRANGEMENT

3.1 Commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following order without any further act or formality except as otherwise expressly provided herein:

- (a) the Articles of the Corporation will be amended to authorize the Corporation to issue an unlimited number of New Common Shares;
- (b) each issued Common Share held by a Dissenting Shareholder will be, and be deemed to be, purchased for cancellation by the Corporation for an amount to be determined and paid in the manner described in Article 5;
- (c) each issued and outstanding Common Share (other than any such shares in respect of which the holder has exercised the Dissent Rights) shall be exchanged for one (1)

New Common Share. Each Shareholder shall cease to be the holder of the Common Shares so exchanged and shall become the holder of the number of New Common Shares issued to such Shareholder. The name of such Shareholder shall be removed from the register of members of the Common Shares with respect to the Common Shares so exchanged and shall be added to the registers of members of New Common Shares as the holder of the number of New Common Shares so issued to such Shareholder;

- (d) the stated capital of the New Common Shares issued pursuant to the Arrangement shall be equal to the stated capital of the Common Shares exchanged for New Common Shares pursuant to Section 3.1(c) above;
- (e) the Common Shares exchanged for New Common Shares pursuant to section 3.1(c) above shall be cancelled; and
- (f) the Articles of the Corporation will be amended by cancelling the Common Shares from the share capital which the Corporation is authorized to issue and to rename the New Common Shares as "Common Shares".

3.2 Notwithstanding the foregoing:

- (a) a U.S. Shareholder who wishes to receive New Common Shares as part of the Arrangement must be a Qualified U.S. Shareholder and must submit, among other things, a properly completed Qualified U.S. Shareholder Certification (QIB) or a Qualified U.S. Shareholder Certification (Non-QIB), as applicable, copies of which have been provided by the Corporation, confirming such U.S. Shareholder's status as a Qualified U.S. Shareholder. Such form must be submitted to the Depository so that it is received no later than the Certification Deadline. Each Qualified U.S. Shareholder who completes and delivers, prior to the Certification Deadline, the applicable Qualified U.S. Shareholder Certification shall receive the applicable number of New Common Shares as part of the Arrangement pursuant to Section 3.1 once they have delivered a Letter of Transmittal to the Depository; and
- (b) Non-Qualified U.S. Shareholders shall not receive New Common Shares. Instead, New Common Shares that would otherwise be distributable to Non-Qualified U.S. Shareholders will be delivered to the Sale Trustee for sale in the market on behalf of the Non-Qualified U.S. Shareholders (over the applicable stock exchange or by private sale).

3.3 Any New Common Shares delivered to the Sale Trustee pursuant to Article 3.2(b), will be pooled and sold as soon as practicable after the Effective Date, on such dates and at such prices as Sale Trustee determines in its sole discretion, acting reasonably. The Sale Trustee shall not be obligated to seek or obtain a minimum price for any of the New Common Shares sold by it. Each such person referred to in Article 3.2(b) will receive such person's pro rata share of the cash proceeds from the sale of the New Common Shares sold by the Sale Trustee (less any applicable withholding taxes) in lieu of New Common Shares. None of the Corporation, the Sale Trustee or

any other person will be liable for any loss arising out of any such sales or the remittance of the proceeds thereof except for losses arising out of its gross negligence or wilful misconduct.

ARTICLE 4 OUTSTANDING CERTIFICATES AND FRACTIONAL SHARES

4.1 From and after the Effective Time, certificates formerly representing Common Shares shall represent only the right to receive the New Common Shares or the proceeds (less any applicable withholding taxes) from the sale of New Common Shares, in the case of Non-Qualified U.S. Shareholders, to which the holders are entitled under the Arrangement, or as to those held by Dissenting Shareholders, to receive the fair value of the Common Shares represented by such certificates.

4.2 If any certificate which immediately prior to the Effective Time represented an interest in outstanding Common Shares that were exchanged or cancelled pursuant to section 3.1 has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to have been lost, stolen or destroyed, the Depositary will issue and deliver in exchange for such lost, stolen or destroyed certificate the consideration to which the holder is entitled pursuant to the Arrangement (and any dividends or distributions with respect thereto) as determined in accordance with the Arrangement. Unless otherwise agreed to by the Corporation, the person who is entitled to receive such consideration shall, as a condition precedent to the receipt thereof, give a bond to the Corporation and its transfer agent, in a form and substance satisfactory to the Corporation and its transfer agent, or shall otherwise indemnify the Corporation and its transfer agent against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

4.3 All dividends made with respect to any New Common Shares allotted and issued pursuant to this Arrangement but for which a certificate has not been issued shall be paid or delivered to the Depositary to be held by the Depositary in trust for the registered holder thereof. For greater certainty any dividends declared and payable with respect to a record date prior to the Effective Time shall be held by the Depositary on behalf of the former holders of Common Shares, including any Non-Qualified U.S. Shareholders and any dividends declared and payable with respect to a record date on or subsequent to the Effective Time shall be held by the Depositary on behalf of the holders of New Common Shares, including the purchasers of any New Common Shares that are sold by the Sale Trustee on behalf of Non-Qualified U.S. Shareholders. Subject to section 4.4, the Depositary shall pay and deliver to any such registered holder, as soon as reasonably practicable after application therefor is made by the registered holder to the Depositary in such form as the Depositary may reasonably require, such dividends thereon to which such holder, is entitled, net of any applicable withholding and other taxes.

4.4 Subject to applicable law, any certificate formerly representing Common Shares that is not deposited with all other documents as required by this Plan of Arrangement on or before, in the case of the Common Shares, the day before the third anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature and, for greater certainty, the right of the holder of such Common Shares to receive certificates representing New Common Shares or the proceeds

(less any applicable withholding taxes) from the sale of New Common Shares, in the case of Non-Qualified U.S. Shareholders, shall be deemed to be surrendered to the Corporation together with all dividends, distributions or cash payments thereon held for such holder.

4.5 No fractional New Common Shares will be issued. If a Shareholder is entitled to receive a fractional New Common Share, the number of New Common Shares issuable to such Shareholder under this Plan of Arrangement shall be rounded down to the nearest whole number of New Common Shares such Shareholder is entitled to receive under this Plan of Arrangement.

ARTICLE 5 DISSENTING SHAREHOLDERS

5.1 Each registered holder of Common Shares shall have the right to dissent with respect to the Arrangement in accordance with the Interim Order. A Dissenting Shareholder shall, at the Effective Time, cease to have any rights as a holder of Common Shares and shall only be entitled to be paid the fair value of the holder's Common Shares. A Dissenting Shareholder who is paid the fair value of the holder's Common Shares shall be deemed to have transferred the holder's Common Shares to the Corporation for cancellation at the Effective Time, notwithstanding the provisions of section 190 of the CBCA. A Dissenting Shareholder who, for any reason is not entitled to be paid the fair value of the holder's Common Shares, shall be treated as if the holder had participated in the Arrangement on the same basis as a non-dissenting holder of Common Shares that is not a Qualifying Shareholder, notwithstanding the provisions of section 190 of the CBCA. The fair value of the Common Shares shall be determined as of the close of business on the last Business Day before the day on which the Arrangement is approved by the holders of Common Shares at the Meeting or, if not the same day, the day the last approval is obtained; but in no event shall the Corporation be required to recognize such Dissenting Shareholder as shareholders of the Corporation after the Effective Time and the names of such holders shall be removed from the applicable register of shareholders as at the Effective Time. For greater certainty, in addition to any other restrictions in section 190 of the CBCA, no person who has voted in favour of the Arrangement shall be entitled to dissent with respect to the Arrangement.

ARTICLE 6 WITHHOLDING RIGHTS

6.1 The Corporation, the Depositary and the Sale Trustee (if different than the Depositary) shall be entitled to deduct and withhold from any consideration otherwise payable to any Shareholder such amounts as the Corporation, the Depositary or the Sale Trustee (if different than the Depositary) determines, acting reasonably, are required or permitted pursuant to the Tax Act, the U.S. Tax Code, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Shareholder in respect of which such deduction and withholding was made; provided that, such withheld amounts are actually remitted to the appropriate taxing authority.

ARTICLE 7 AMENDMENTS

7.1 The Corporation may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be: (a) set out in writing; (b) filed with the Court and, if made following the Meeting, approved by the Court; and (c) communicated to the Shareholders if and as required by the Court.

7.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Corporation at any time prior to or at the Meeting with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

7.3 Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Meeting shall be effective only if it is approved by the Corporation.

7.4 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Time but shall only be effective if it is approved by the Corporation, provided that such amendment, modification or supplement concerns a matter which, in the reasonable opinion of the Corporation, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of the Corporation or any former Shareholder.

APPENDIX B

to Schedule 5 of the Information Circular of Alaris Royalty Corp. dated March 20, 2013

1. COMMON SHARE PROVISIONS

The unlimited number of common shares ("**Common Shares**") of the Corporation shall have attached thereto the following rights, privileges, restrictions and conditions:

1.1 In this Part 1:

"**ERISA**" means the United States Employee Retirement Income Security Act of 1974, as amended;

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

"**ERISA Plan**" means an "employee benefit plan" (within the meaning of Section 3(3) of ERISA) that is subject to Title I of ERISA, a plan, individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Tax Code, or an entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement pursuant to ERISA, the U.S. Tax Code, any retirement or benefit plan that is not subject to Title I of ERISA or Section 4975 of the U.S. Tax Code but is subject to Similar U.S. Law;

"**ERISA Purchaser Restriction**" has the meaning ascribed thereto in Section 1.7 hereof;

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

"**Qualified Purchaser**" means a "qualified purchaser" within the meaning of Section 2(a)(51)(A) of the U.S. Investment Company Act;

"**Relevant Holder**" has the meaning ascribed thereto in Section 1.9 hereof;

"**Relevant Shares**" has the meaning ascribed thereto in Section 1.10 hereof;

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

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

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

"**U.S. Person**" has the meaning assigned to it in Rule 902 of Regulation S promulgated under the United States Securities Act of 1933; and

"**U.S. Purchaser Restriction**" has the meaning ascribed thereto in Section 1.6 hereof.

1.2 The holders of Common Shares shall be entitled to notice of, to attend and to one vote per share held at any meeting of the shareholders of the Corporation (other than meetings of a class or series of shares of the Corporation other than the Common Shares as such);

1.3 The holders of Common Shares shall be entitled to receive dividends as and when declared by Board of Directors of the Corporation on the Common Shares as a class, provided that no dividend may be declared in respect of, or any benefit conferred upon the holder of Common Shares unless concurrently therewith the same dividend in respect of, or the same benefit is conferred upon the holders of Common Non-Voting Shares;

1.4 The holders of Common Shares shall be entitled, in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs to share ratably, together with the holders of Common Non-Voting Shares in such assets of the Corporation as are available for distribution; and

1.5 The rights privileges, restrictions and conditions attached to the Common Shares shall not be replaced, altered, modified, amended or otherwise varied without the prior approval of the holders of Common Non-Voting Shares and Common Shares, voting separately at a meeting called for such purposes.

1.6 Common Shares may only be issued from treasury in the United States or to a U.S. Person if the acquirer of such Common Shares is a Qualified Purchaser (the "**U.S. Purchaser Restriction**").

1.7 At no time may Common Shares, or any beneficial interest therein, be acquired by or for the benefit of any ERISA Person or with the assets of an ERISA Plan (the "**ERISA Purchaser Restriction**") and any acquisition of Common Shares in contravention of the ERISA Purchaser Restriction will be void and shall have no force and effect.

1.8 The Corporation may refuse to register and recognize a transfer of Common Shares of the Corporation, if the Corporation, in its sole discretion, believes that the transfer would result in a contravention of (i) the U.S. Investment Company Act, including without limitation, requiring the Corporation to register as an investment company under the U.S. Investment Company Act, (ii) the ERISA Purchaser Restriction; (iii) the U.S. Purchaser Restriction; or (iv) any applicable resale restrictions set forth in a legend included on any certificate representing Common Shares or other evidence of any applicable resale restrictions provided to a holder of Common Shares.

1.9 If the Corporation becomes aware, at any time, that the U.S. Purchaser Restriction, the ERISA Purchaser Restriction or the U.S. Investment Company Act is, or may be, contravened, then the Corporation may give notice (or cause notice to be given) to any holder of Common Shares (a "**Relevant Holder**") whose ownership of Common Shares has or may be in contravention of the U.S. Purchaser Restriction, the ERISA Purchaser Restriction or the U.S. Investment Company Act requiring it to:

(a) provide a declaration in form and content satisfactory to the Corporation that its ownership of Common Shares is not in contravention of the U.S. Purchaser Restriction, the ERISA Purchaser Restriction or the U.S. Investment Company Act; or

(b) sell the shares of the Corporation held by it, within a specified period (which shall be not less than 30 days) determined by the Corporation in its sole discretion, in compliance with the U.S. Purchaser Restriction, the ERISA Purchaser Restriction and the U.S. Investment Company Act.

1.10 If a Relevant Holder to whom notice has been given under Section 1.9 has not provided the declaration referred to in Section 1.9(a) or if the Corporation is not satisfied that such Relevant Holder has sold all of the Common Shares of the Corporation held by it within the period specified in the notice, then the Corporation may, in its sole discretion, to the extent permitted by applicable law, arrange for the sale of such Common Shares ("**Relevant Shares**") on behalf of such holder. Any Relevant Shares in relation to which the Corporation is entitled to arrange the sale under this Section 1.10 may be aggregated and sold together. The manner, timing and terms of any such sale of Relevant Shares made or sought to be made by the Corporation (including but not limited to the price or prices at which the same is made and the extent to which assurance is obtained that no transferee is or would contravene the U.S. Purchaser Restriction, the ERISA Purchaser Restriction and the U.S. Investment Company Act) shall be such as the Corporation determines to be reasonably obtainable having regard to all the circumstances, including but not limited to the number of shares to be disposed of and any requirement that the disposal be made without delay; and neither the Corporation, the board of directors nor any officer, director, employee, agent or representative thereof, shall be liable to any person for any consequences of such sale. Upon such sale, the affected Relevant Holder shall cease to be a holder of the Relevant Shares and its rights shall be limited to receiving the net proceeds of the sale (less any applicable withholding taxes) in accordance with Section 1.10.

1.11 For the purpose of affecting any sale of Relevant Shares pursuant to Section 1.10, the board of directors may:

- (a) authorize in writing any director, officer or employee of the Corporation to execute any necessary transfer on behalf of any holder; and/or
- (b) convert any Common Share from un-certificated form to certificated form,

and may enter the name of the transferee in the register in respect of the transferred shares notwithstanding the absence of any share certificate and may issue a new certificate to the transferee and an instrument of transfer executed by any officer or employee of the Corporation so authorized by the directors shall be as effective as if it has been executed by the holder of the transferred shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating to the sale. The proceeds of the sale shall be received by the Corporation or by any person nominated by the Corporation whose receipt shall be a good discharge for the purchase money and shall be paid (without any interest being payable in respect of it and after deduction of any expenses incurred by the Corporation in the sale including, without limitation, broker's or selling agent's fees, commissions and expenses, taxes and duties) to the former holder (or, in the case of joint holders, the first of them named in the register) upon surrender by him or on his behalf to the Corporation for cancellation of any certificate in respect of the transferred shares.

1.12 Notwithstanding anything in this Part 1:

- (a) nothing in these articles shall require the Corporation or the directors to assume that any person is a U.S. Person, an ERISA Person or an ERISA Plan or is not a Qualified Purchaser;
- (b) neither the Corporation nor, subject to their duties as directors, the directors shall be bound to do or take any proceeding or acting with respect to this Part 1 by virtue of the powers conferred on them hereby. The directors shall have the sole right and authority to make any determination required or contemplated under this Part 1 and, without limiting the generality of the foregoing, if the directors consider that there are reasonable grounds for believing that a contravention of the U.S. Purchaser Restriction, the ERISA Purchaser Restriction or the U.S. Investment Company Act has occurred or will occur, the directors shall make a determination with respect to the matter. Any such determination shall be conclusive, final and binding

except to the extent modified by any subsequent determination by the directors. In any situation where it is unclear whether Common Shares of the Corporation are held by or for the benefit of a person in contravention of the U.S. Purchaser Exemption, the ERISA Purchaser Exemption or the U.S. Investment Company Act, the directors may exercise their discretion in determining whether such shares are or are not so held, and any such exercise by them of their discretion shall be binding for the purposes of this Part 1. Notwithstanding the foregoing, the directors may delegate, in whole or in part, their power to make a determination in this respect to any officer of the Corporation;

(c) any resolution or determination of, or decision or exercise of any discretion or power by, the board or any director or officer under or pursuant to this Part 1 (including without prejudice to the generality of the foregoing, as to the manner, timing and terms of any sale or Relevant Shares) shall be final and conclusive; and any sale or transfer made, or other thing done, by or on behalf of, or on the authority of, the board or any director or officer pursuant to this Part 1 shall be conclusive and binding on all persons concerned and shall not be open to challenge, whether as to its validity or otherwise on any ground whatsoever. Neither the Corporation nor the directors shall be required to give any reasons for any decision, determination or declaration taken or made in accordance with this Part 1;

(d) neither the Corporation nor the directors or officers shall be liable to indemnify, reimburse or compensate any shareholder in respect of any cost, liability or expense (including, without limitation, any taxes or duties imposed, paid or suffered under the laws of the United States, Canada or any other jurisdiction) arising from or by reference to any sale of any Relevant Shares pursuant to this Part 1;

APPENDIX C

to Schedule 5 of the Information Circular of Alaris Royalty Corp. dated March 20, 2013

NON-U.S. SHAREHOLDER CERTIFICATION

(to be completed by Non-U.S. Persons and persons purchasing outside the United States)

TO: ALARIS ROYALTY CORP.

AND TO: COMPUTERSHARE INVESTOR SERVICES INC.

Dear Sirs:

This letter is delivered in connection with the proposed Plan of Arrangement involving Alaris Royalty Corp. ("**Alaris**") and its securityholders, as more fully described in the management information circular of Alaris, dated _____, 2013 (the "**Information Circular**"). All capitalized terms not defined in this document have the meanings ascribed to those terms in the Information Circular.

Each recipient of New Common Shares or an interest therein outside the United States pursuant to Regulation S, by accepting delivery of this Information Circular and the New Common Shares, will be deemed to have represented, agreed and acknowledged that:

- (a) We are, or at the time New Common Shares are purchased will be, the beneficial owner of such New Common Shares and (a) we are located outside the United States and we are not a U.S. person (within the meaning of Regulation S of the *United States Securities Act of 1933*, as amended) and (b) we are not an affiliate of Alaris or a person acting on behalf of such an affiliate;
- (b) We understand that such New Common Shares have not been and will not be registered under the U.S. Investment Company Act and the regulations issued thereunder and that we will not offer, sell, pledge or otherwise transfer such New Common Shares in the United States or to a U.S. Person;
- (c) We understand that each New Common Share Certificate, unless otherwise determined by Alaris in accordance with applicable law, will bear a legend as set forth below. Consequently, we and each subsequent purchaser of the New Common Shares will, or will be deemed to, represent, agree and acknowledge as follows:

ALARIS ROYALTY CORP. (THE "**CORPORATION**") HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**U.S. INVESTMENT COMPANY ACT**"). THIS SECURITY AND ANY BENEFICIAL INTEREST HEREIN MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO U.S. PERSONS. BY ACQUIRING THIS SECURITY OR A BENEFICIAL INTEREST HEREIN, EACH HOLDER SHALL BE DEEMED TO REPRESENT, WARRANT AND AGREE WITH THE CORPORATION THAT: (1) IT IS EITHER: (A) OUTSIDE THE UNITED STATES AND NOT A U.S. PERSON OR (B) A QUALIFIED PURCHASER; (2) IT WILL NOT OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR A BENEFICIAL INTEREST HEREIN IN THE UNITED STATES OR TO A U.S. PERSON; AND (3) NO PORTION OF THE ASSETS

USED BY IT TO PURCHASE, AND NO PORTION OF THE ASSETS USED BY IT TO HOLD, THIS SECURITY OR A BENEFICIAL INTEREST HEREIN CONSTITUTES OR WILL CONSTITUTE THE ASSETS OF AN "EMPLOYEE BENEFIT PLAN" (WITHIN THE MEANING OF SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")) THAT IS SUBJECT TO TITLE I OF ERISA, A PLAN, INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "U.S. INTERNAL REVENUE CODE") OR ANY OTHER STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT WOULD HAVE THE SAME EFFECT AS REGULATIONS PROMULGATED UNDER ERISA BY THE U.S. DEPARTMENT OF LABOR AND CODIFIED AT 29 C.F.R. SECTION 2510.3-101 TO CAUSE THE UNDERLYING ASSETS OF THE CORPORATION TO BE TREATED AS ASSETS OF THAT INVESTING ENTITY BY VIRTUE OF ITS INVESTMENT (OR ANY BENEFICIAL INTEREST) IN THE CORPORATION AND THEREBY SUBJECT THE CORPORATION TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE FIDUCIARY RESPONSIBILITY OR PROHIBITED TRANSACTION PROVISIONS CONTAINED IN TITLE I OF ERISA OR SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OR AN ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE "PLAN ASSETS" OF ANY SUCH PLAN, ACCOUNT OR ARRANGEMENT (EACH, A "PLAN").

THE CORPORATION HAS THE RIGHT TO COMPEL ANY SECURITYHOLDER OR BENEFICIAL HOLDER TO SELL ITS SECURITIES OR INTEREST THEREIN, OR MAY SELL SUCH COMMON SHARES OR INTEREST THEREIN ON BEHALF OF SUCH PERSON, WHERE SUCH PERSON DOES NOT SATISFY THE REQUIREMENTS IN THE PARAGRAPH ABOVE.

THE CORPORATION AND ITS AGENTS SHALL NOT BE OBLIGATED TO RECOGNIZE ANY RESALE OR OTHER TRANSFER OF THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN MADE OTHER THAN IN COMPLIANCE WITH THESE RESTRICTIONS. TRANSFERS OF THIS SECURITY OR ANY INTEREST HEREIN TO A PERSON USING ASSETS OF A PLAN TO PURCHASE OR HOLD THIS SECURITY OR ANY INTEREST HEREIN WILL BE VOID AND OF NO FORCE AND EFFECT AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO SUCH PERSON NOTWITHSTANDING ANY INSTRUCTION TO THE CONTRARY TO THE CORPORATION OR ANY OF ITS AGENTS.

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

- (d) We understand that Alaris, the Transfer Agent, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Date: _____ 2013 _____

(Insert Name of Shareholder above)

Signature of Shareholder or
Authorized Representative

Name: _____

Title: _____

The Following information must be completed:

Address and Telephone Number of Shareholder: _____

Registered or beneficial: _____

Name of broker or other intermediary through which Common Shares are held (if applicable):

Number of Common Shares: _____

A duly executed copy of this letter must be received by the Depositary at either of the locations below no later than the Certification Deadline (as defined in the information circular and proxy statement of Alaris dated March 20, 2013).

Computershare Investor Services Inc. Attention: Corporate Actions	By hand or courier:	By fax:
	100 University Avenue 9 th Floor Toronto, Ontario M5J 2Y1 or 600, 530 - 8 th Avenue S.W. Calgary, Alberta T2P 3S8	(403) 267-6529 Attention: P. Pyzda

APPENDIX D

to Schedule 5 of the Information Circular of Alaris Royalty Corp. dated March 20, 2013

QUALIFIED U.S. SHAREHOLDER CERTIFICATION FOR QIBs

(to be completed by Qualified U.S. Shareholders who are Qualified Institutional Buyers)

TO: ALARIS ROYALTY CORP.

AND TO: COMPUTERSHARE INVESTOR SERVICES INC.

Dear Sirs:

This letter is delivered in connection with the proposed Plan of Arrangement involving Alaris Royalty Corp. ("**Alaris**") and its securityholders, as more fully described in the management information circular of Alaris, dated _____, 2013 (the "**Information Circular**"). All capitalized terms not defined in this document have the meanings ascribed to those terms in the Information Circular.

We understand that:

- (a) as more fully described in the Information Circular, in connection with the Arrangement, Qualified U.S. Shareholders who complete and return this Qualified Purchaser Certification are entitled to receive one New Common Share in exchange for one Common Share and Non-Qualified U.S. Shareholders are entitled to receive a cash payment in lieu of New Common Shares in exchange for their Common Shares;
- (b) Alaris has not and will not be registered as an "investment company" under the U.S. Investment Company Act of 1940 and the regulations issued thereunder (the "**U.S. Investment Company Act**") and, therefore, the transfer of the New Common Shares will be subject to the restrictions of the U.S. Investment Company Act and the rules and regulations promulgated thereunder; and
- (c) as more fully described in the Information Circular, to qualify as a Qualified U.S. Shareholder in connection with the Arrangement, a U.S. Shareholder must certify to Alaris that such U.S. Shareholder is a "Qualified Purchaser" within the meaning of Section 2(a)(51)(A) of the U.S. Investment Company Act.

We have received and read the Information Circular and the documents attached and incorporated by reference therein, including the Section titled "*United States Securities Law Matters - United States Restrictions on Issuance*," in this Schedule 5 thereto and we hereby certify to the Alaris as follows:

- (a) We are, as of the date hereof, and will be as of the date of issuance of New Common Shares, in accordance with the Arrangement, a Qualified Institutional Buyer as defined in Rule 144A under the U.S. Securities Act. We are acquiring the New Common Shares for our own account or for the account of one or more other Qualified Institutional Buyers on whose behalf we make all of the representations and agreements in this certification and for whom we exercise sole investment discretion.
- (b) We were not formed for the purpose of investing in the New Common Shares.
- (c) We agree that if we decide to offer, sell or otherwise transfer or pledge all or any part of the New Common Shares or any beneficial interest therein, we will not offer, sell or otherwise transfer or pledge any of

such New Common Shares, directly or indirectly, in the United States or to a U.S. Person. For the avoidance of doubt, we understand that a sale of the New Common Shares on the TSX will be free of restriction and satisfy these obligations, so long as the transaction is not pre-arranged with a buyer in the United States and is otherwise conducted in accordance with Rule 904 of Regulation S.

(d) We understand that Rule 144 will not be available for the removal of the legend on the New Common Shares or for transfers of the New Common Shares.

(e) We understand that Alaris has chosen to rely on the exemption from registration under the U.S. Investment Company Act set forth in Section 3(c)(7) thereof.

(f) Unless otherwise agreed by Alaris, no portion of the assets used to purchase or hold the New Common Shares or any beneficial interest therein constitutes or will constitute the assets of an "employee benefit plan" (within the meaning of Section 3(3) of ERISA) that is subject to Part 4 of Subtitle B of Title I of ERISA, a plan, individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended, or any other state, local, non-U.S. or other laws or regulations that would have the same effect as the regulations promulgated under ERISA.

(g) We agree to notify any broker we use to execute any sale of the New Common Shares of the resale restrictions referred to in paragraphs (c) and (f) above, if then applicable.

(h) We (including any account for which we are acting for) assume and are capable or bearing the risk of loss that may occur with respect to the New Common Shares, including the risk that we may lose all or a substantial portion of our investment in the New Common Shares.

(i) We understand and acknowledge that upon the original issuance of the New Common Shares, and until such time as the same is no longer required under applicable requirements of the U.S. Investment Company Act, or relevant under ERISA or the U.S. Internal Revenue Code, the certificates representing the New Common Shares, and all certificates issued in exchange therefor or in substitution thereof, shall bear on the face (or if there is insufficient room on the face, on the back) of such certificates the legend set forth below. Consequently, we and each subsequent purchaser will, or will be deemed to, represent, agree and acknowledge as follows:

ALARIS ROYALTY CORP. (THE "**CORPORATION**") HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**U.S. INVESTMENT COMPANY ACT**"). THIS SECURITY AND ANY BENEFICIAL INTEREST HEREIN MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO U.S. PERSONS. BY ACQUIRING THIS SECURITY OR A BENEFICIAL INTEREST HEREIN, EACH HOLDER SHALL BE DEEMED TO REPRESENT, WARRANT AND AGREE WITH THE CORPORATION THAT: (1) IT IS EITHER: (A) OUTSIDE THE UNITED STATES AND NOT A U.S. PERSON OR (B) A QUALIFIED PURCHASER; (2) IT WILL NOT OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR A BENEFICIAL INTEREST HEREIN IN THE UNITED STATES OR TO A U.S. PERSON; AND (3) NO PORTION OF THE ASSETS USED BY IT TO PURCHASE, AND NO PORTION OF THE ASSETS USED BY IT TO HOLD, THIS SECURITY OR A BENEFICIAL

INTEREST HEREIN CONSTITUTES OR WILL CONSTITUTE THE ASSETS OF AN "EMPLOYEE BENEFIT PLAN" (WITHIN THE MEANING OF SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")) THAT IS SUBJECT TO TITLE I OF ERISA, A PLAN, INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "U.S. INTERNAL REVENUE CODE") OR ANY OTHER STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT WOULD HAVE THE SAME EFFECT AS REGULATIONS PROMULGATED UNDER ERISA BY THE U.S. DEPARTMENT OF LABOR AND CODIFIED AT 29 C.F.R. SECTION 2510.3-101 TO CAUSE THE UNDERLYING ASSETS OF THE CORPORATION TO BE TREATED AS ASSETS OF THAT INVESTING ENTITY BY VIRTUE OF ITS INVESTMENT (OR ANY BENEFICIAL INTEREST) IN THE CORPORATION AND THEREBY SUBJECT THE CORPORATION TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE FIDUCIARY RESPONSIBILITY OR PROHIBITED TRANSACTION PROVISIONS CONTAINED IN TITLE I OF ERISA OR SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OR AN ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE "PLAN ASSETS" OF ANY SUCH PLAN, ACCOUNT OR ARRANGEMENT (EACH, A "PLAN").

THE CORPORATION HAS THE RIGHT TO COMPEL ANY SECURITYHOLDER OR BENEFICIAL HOLDER TO SELL ITS SECURITIES OR INTEREST THEREIN, OR MAY SELL SUCH NEW COMMON SHARES OR INTEREST THEREIN ON BEHALF OF SUCH PERSON, WHERE SUCH PERSON DOES NOT SATISFY THE REQUIREMENTS IN THE PARAGRAPH ABOVE.

THE CORPORATION AND ITS AGENTS SHALL NOT BE OBLIGATED TO RECOGNIZE ANY RESALE OR OTHER TRANSFER OF THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN MADE OTHER THAN IN COMPLIANCE WITH THESE RESTRICTIONS. TRANSFERS OF THIS SECURITY OR ANY INTEREST HEREIN TO A PERSON USING ASSETS OF A PLAN TO PURCHASE OR HOLD THIS SECURITY OR ANY INTEREST HEREIN WILL BE VOID AND OF NO FORCE AND EFFECT AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO SUCH PERSON NOTWITHSTANDING ANY INSTRUCTION TO THE CONTRARY TO THE CORPORATION OR ANY OF ITS AGENTS.

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

We understand that, as Qualified Purchasers, we shall receive New Common Shares of Alaris subject to the restrictions on such New Common Shares set forth in the Information Circular.

We acknowledge that the representations and warranties and agreements contained herein are made by us with the intent that they may be relied upon by Alaris in determining our eligibility or (if applicable) the eligibility of others on whose behalf we are contracting hereunder to receive the New Common Shares. We further agree that by accepting the New Common Shares we shall be representing and warranting that the foregoing representations and warranties are true as at the closing time with the same force and effect as if they had been made by us at the closing time and that they shall survive the receipt by us of the New Common Shares and shall continue in full force and effect notwithstanding any subsequent disposition by us of the New Common Shares.

[Remainder of page intentionally left blank]

Date: _____ 2013 _____

(Insert Name of Shareholder above)

Signature of Shareholder or
Authorized Representative

Name: _____

Title: _____

The Following information must be completed:

Address and Telephone Number of Shareholder: _____

Registered or beneficial: _____

Name of broker or other intermediary through which Common Shares are held (if applicable):

Number of Common Shares: _____

A duly executed copy of this letter must be received by Computershare or Depositary at either of the locations below no later than the Certification Deadline (as defined in the information circular and proxy statement of Alaris dated March 20, 2013).

Computershare Investor Services Inc. Attention: Corporate Actions	By hand or courier: 100 University Avenue 9 th Floor Toronto, Ontario M5J 2Y1 or 600, 530 - 8 th Avenue S.W. Calgary, Alberta T2P 3S8	By fax: (403) 267-6529 Attention: P. Pyzda
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APPENDIX E

to Schedule 5 of the Information Circular of Alaris Royalty Corp. dated March 20, 2013

QUALIFIED U.S. SHAREHOLDER CERTIFICATION (NON-QIB)

(to be completed by Qualified U.S. Shareholders who are Qualified Purchasers but Not Qualified Institutional Buyers)

TO: ALARIS ROYALTY CORP.

AND TO: COMPUTERSHARE INVESTOR SERVICES INC.

Dear Sirs:

This letter is delivered in connection with the proposed Plan of Arrangement involving Alaris Royalty Corp. ("**Alaris**") and its securityholders, as more fully described in the management information circular of Alaris, dated _____, 2013 (the "**Information Circular**"). All capitalized terms not defined in this document have the meanings ascribed to those terms in the Information Circular.

We understand that:

- (a) as more fully described in the Information Circular, in connection with the Arrangement, Qualified U.S. Shareholders who complete and return this Qualified Purchaser Certification are entitled to receive one New Common Share in exchange for one Common Share and Non-Qualified U.S. Shareholders are entitled to receive a cash payment in lieu of New Common Shares in exchange for their Common Shares;
- (b) Alaris has not and will not be registered as an "investment company" under the U.S. Investment Company Act of 1940 and the regulations issued thereunder (the "**U.S. Investment Company Act**") and, therefore, the transfer of the New Common Shares will be subject to the restrictions of the U.S. Investment Company Act and the rules and regulations promulgated thereunder; and
- (c) as more fully described in the Information Circular, to qualify as a Qualified U.S. Shareholder in connection with the Arrangement, a U.S. Shareholder must certify to Alaris that such U.S. Shareholder is a "Qualified Purchaser" within the meaning of Section 2(a)(51)(A) of the U.S. Investment Company Act.

We have received and read the Information Circular and the documents attached and incorporated by reference therein, including the Section titled "*United States Securities Law Matters - United States Restrictions on Issuance*," in this Schedule 5 and we hereby certify to Alaris as follows:

- (a) We are, as of the date hereof, and will be as of the date of distribution of New Common Shares in accordance with the Arrangement, a "Qualified Purchaser" as defined in Section 2(a)(51)(A) of the U.S. Investment Company Act (a "**Qualified Purchaser**") and have indicated in the list below the test of Qualified Purchaser status that we satisfy:
 - (i) _____ A natural person who owns not less than U.S. \$5 million in investments (as defined by the United States Securities and Exchange Commission);

- (ii) _____ A company that owns not less than U.S. \$5 million in investments (as defined by the United States Securities and Exchange Commission) and that is owned directly or indirectly by or for 2 or more natural persons who are related as siblings or spouses (or former spouses), or direct lineal descendants by birth or adoption, spouses of such persons, the estates of such persons, or foundations, charitable organizations or trusts established by or for the benefit of such persons;
 - (iii) _____ A trust that is not covered by clause B above and that was not formed for the specific purpose of acquiring the New Common Shares, as to which the trustee or other person authorized to make decisions with respect to the trust, and each settlor or other person who has contributed assets to the trust is a person described in clause A or B above or clause D below;
 - (iv) _____ A person, acting for its own account or the accounts of other Qualified Purchasers, who in the aggregate owns and invests on a discretionary basis, not less than U.S. \$25 million in investments as defined by the United States Securities and Exchange Commission).
- (b) We are acquiring the New Common Shares for our own account or for the account of one or more other Qualified Purchasers on whose behalf we make all of the representations and agreements in this certification and for whom we exercise sole investment discretion, and not with a view to, or for the offer or sale in connection with, any distribution thereof;
 - (c) We were not formed for the purpose of investing in the New Common Shares;
 - (d) We agree that if we decide to offer, sell or otherwise transfer or pledge all or any part of the New Common Shares or any beneficial interest therein, we will not offer, sell or otherwise transfer or pledge any of such New Common Shares, directly or indirectly, in the United States or to a U.S. Person. For the avoidance of doubt, we understand that a sale of the New Common Shares on the TSX will be free of restriction and satisfy these obligations, so long as the transaction is not pre-arranged with a buyer in the United States and is otherwise conducted in accordance with Rule 904 of Regulation S;
 - (e) We understand that Rule 144 will not be available for the removal of the legend on the New Common Shares or for transfers of the New Common Shares;
 - (f) We understand that Alaris has chosen to rely on the exemption from registration under the U.S. Investment Company Act set forth in Section 3(c)(7) thereof;
 - (g) Unless otherwise agreed by Alaris, no portion of the assets used to purchase or hold the New Common Shares or any beneficial interest therein constitutes or will constitute the assets of an "employee benefit plan" (within the meaning of Section 3(3) of ERISA) that is subject to Part 4 of Subtitle B of Title I of ERISA, a plan, individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended, or any other state, local, non-U.S. or other laws or regulations that would have the same effect as the regulations promulgated under ERISA;
 - (h) We agree to notify any broker we use to execute any sale of the New Common Shares of the resale restrictions referred to in paragraphs (d) and (g) above, if then applicable;

- (i) We (including any account for which we are acting for) assume and are capable or bearing the risk of loss that may occur with respect to the New Common Shares, including the risk that we may lose all or a substantial portion of our investment in the New Common Shares; and
- (j) We understand and acknowledge that any New Common Shares issued to us will be in the form of individual, definitive physical certificates. Upon the original issuance of the New Common Shares, and until such time as the same is no longer required under applicable requirements of the U.S. Investment Company Act, or relevant under ERISA or the U.S. Internal Revenue Code, the certificates representing the New Common Shares, and all certificates issued in exchange therefor or in substitution thereof, shall bear on the face (or if there is insufficient room on the face, on the back) of such certificates the legend set forth below. Consequently, we and each subsequent purchaser will or will be deemed to represent, agree and acknowledge as follows:

ALARIS ROYALTY CORP. (THE "**CORPORATION**") HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**U.S. INVESTMENT COMPANY ACT**"). THIS SECURITY AND ANY BENEFICIAL INTEREST HEREIN MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO U.S. PERSONS. BY ACQUIRING THIS SECURITY OR A BENEFICIAL INTEREST HEREIN, EACH HOLDER SHALL BE DEEMED TO REPRESENT, WARRANT AND AGREE WITH THE CORPORATION THAT: (1) IT IS EITHER: (A) OUTSIDE THE UNITED STATES AND NOT A U.S. PERSON OR (B) A QUALIFIED PURCHASER; (2) IT WILL NOT OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR A BENEFICIAL INTEREST HEREIN IN THE UNITED STATES OR TO A U.S. PERSON; AND (3) NO PORTION OF THE ASSETS USED BY IT TO PURCHASE, AND NO PORTION OF THE ASSETS USED BY IT TO HOLD, THIS SECURITY OR A BENEFICIAL INTEREST HEREIN CONSTITUTES OR WILL CONSTITUTE THE ASSETS OF AN "EMPLOYEE BENEFIT PLAN" (WITHIN THE MEANING OF SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")) THAT IS SUBJECT TO TITLE I OF ERISA, A PLAN, INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**U.S. INTERNAL REVENUE CODE**") OR ANY OTHER STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT WOULD HAVE THE SAME EFFECT AS REGULATIONS PROMULGATED UNDER ERISA BY THE U.S. DEPARTMENT OF LABOR AND CODIFIED AT 29 C.F.R. SECTION 2510.3-101 TO CAUSE THE UNDERLYING ASSETS OF THE CORPORATION TO BE TREATED AS ASSETS OF THAT INVESTING ENTITY BY VIRTUE OF ITS INVESTMENT (OR ANY BENEFICIAL INTEREST) IN THE CORPORATION AND THEREBY SUBJECT THE CORPORATION TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE FIDUCIARY RESPONSIBILITY OR PROHIBITED TRANSACTION PROVISIONS CONTAINED IN TITLE I OF ERISA OR SECTION 4975 OF THE U.S. INTERNAL REVENUE

CODE OR AN ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE "PLAN ASSETS" OF ANY SUCH PLAN, ACCOUNT OR ARRANGEMENT (EACH, A "PLAN").

THE CORPORATION HAS THE RIGHT TO COMPEL ANY SECURITYHOLDER OR BENEFICIAL HOLDER TO SELL ITS SECURITIES OR INTEREST THEREIN, OR MAY SELL SUCH NEW COMMON SHARES OR INTEREST THEREIN ON BEHALF OF SUCH PERSON, WHERE SUCH PERSON DOES NOT SATISFY THE REQUIREMENTS IN THE PARAGRAPH ABOVE.

THE CORPORATION AND ITS AGENTS SHALL NOT BE OBLIGATED TO RECOGNIZE ANY RESALE OR OTHER TRANSFER OF THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN MADE OTHER THAN IN COMPLIANCE WITH THESE RESTRICTIONS. TRANSFERS OF THIS SECURITY OR ANY INTEREST HEREIN TO A PERSON USING ASSETS OF A PLAN TO PURCHASE OR HOLD THIS SECURITY OR ANY INTEREST HEREIN WILL BE VOID AND OF NO FORCE AND EFFECT AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO SUCH PERSON NOTWITHSTANDING ANY INSTRUCTION TO THE CONTRARY TO THE CORPORATION OR ANY OF ITS AGENTS.

THE TERM "U.S. PERSON" SHALL HAVE THE MEANING SET FORTH IN REGULATIONS UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED.

We understand that, as Qualified Purchasers, we shall receive New Common Shares of Alaris subject to the restrictions on such New Common Shares set forth in the Information Circular.

We acknowledge that the representations and warranties and agreements contained herein are made by us with the intent that they may be relied upon by Alaris in determining our eligibility or (if applicable) the eligibility of others on whose behalf we are contracting hereunder to receive the New Common Shares. We further agree that by accepting the New Common Shares we shall be representing and warranting that the foregoing representations and warranties are true as at the closing time with the same force and effect as if they had been made by us at the closing time and that they shall survive the receipt by us of the New Common Shares and shall continue in full force and effect notwithstanding any subsequent disposition by us of the New Common Shares.

Date: _____ 2013 _____

(Insert Name of Shareholder above)

Signature of Shareholder or
Authorized Representative

Name: _____

Title: _____

The Following information must be completed:

Address and Telephone Number of Shareholder: _____

Registered or beneficial: _____

Name of broker or other intermediary through which Common Shares are held (if applicable):

Number of Common Shares: _____

A duly executed copy of this letter must be received by the Depositary at either of the locations below no later than the Certification Deadline (as defined in the information circular and proxy statement of Alaris dated March 20, 2013).

Computershare Investor Services Inc. Attention: Corporate Actions	By hand or courier:	By fax:
	100 University Avenue 9 th Floor Toronto, Ontario M5J 2Y1 or 600, 530 - 8 th Avenue S.W. Calgary, Alberta T2P 3S8	(403) 267-6529 Attention: P. Pyzda

APPENDIX F

to Schedule 5 of the Information Circular of Alaris Royalty Corp. dated March 20, 2013

NON-QUALIFIED U.S. SHAREHOLDER CERTIFICATION

(to be completed by Non-Qualified U.S. Shareholders)

TO: ALARIS ROYALTY CORP.

AND TO: COMPUTERSHARE INVESTOR SERVICES INC.

Dear Sirs:

This letter is delivered in connection with the proposed Plan of Arrangement involving Alaris Royalty Corp. ("**Alaris**") and its securityholders, as more fully described in the management information circular of Alaris, dated _____, 2013 (the "**Information Circular**"). All capitalized terms not defined in this document have the meanings ascribed to those terms in the Information Circular.

We understand that:

- (a) Alaris has not and will not be registered as an "investment company" under the U.S. Investment Company Act of 1940 and the regulations issued thereunder (the "**U.S. Investment Company Act**") and, therefore, the transfer of the New Common Shares will be subject to the restrictions of the U.S. Investment Company Act and the rules and regulations promulgated thereunder;
- (b) As more fully described in the Information Circular, to qualify as a Qualified U.S. Shareholder in connection with the Arrangement, a U.S. Shareholder must certify to Alaris that such U.S. Shareholder is a "Qualified Purchaser" within the meaning of Section 2(a)(51)(A) of the U.S. Investment Company Act, defined as:
 - (i) A natural person who owns not less than U.S. \$5 million in investments (as defined by the United States Securities and Exchange Commission);
 - (ii) A company that owns not less than U.S. \$5 million in investments (as defined by the United States Securities and Exchange Commission) and that is owned directly or indirectly by or for 2 or more natural persons who are related as siblings or spouses (or former spouses), or direct lineal descendants by birth or adoption, spouses of such persons, the estates of such persons, or foundations, charitable organizations or trusts established by or for the benefit of such persons;
 - (iii) A trust that is not covered by clause 2 above and that was not formed for the specific purpose of acquiring the New Common Shares, as to which the trustee or other person authorized to make decisions with respect to the trust, and each settlor or other person who has contributed assets to the trust is a person described in clause 1 or 2 above or clause 4 below; or
 - (iv) A person, acting for its own account or the accounts of other Qualified Purchasers, who in the aggregate owns and invests on a discretionary basis, not less than U.S. \$25 million in investments as defined by the United States Securities and Exchange Commission).

- (c) As more fully described in the Information Circular, Non-Qualified U.S. Shareholders are entitled to receive a cash payment in exchange for their Common Shares, in lieu of New Common Shares.

We have received and read the Information Circular and the documents attached and incorporated by reference therein, including the Section titled "U.S. Transfer Restrictions," and we hereby certify to Alaris as follows:

- (a) We are not, as of the date hereof, and will be as of the date of distribution of New Common Shares in accordance with the Arrangement, a "Qualified Purchaser" as defined in Section 2(a)(51)(A) of the U.S. Investment Company Act; and
- (b) We are making all of the representations and agreements in this certification for ourselves and for the accounts of others for whom we exercise sole investment discretion.

We acknowledge that the representations and warranties and agreements contained herein are made by us with the intent that they may be relied upon by Alaris. The foregoing representations and warranties are true as at the closing time with the same force and effect as if they had been made by us at the closing time and we acknowledge that they shall survive the receipt by us of the cash payment in lieu of New Common Shares.

Date: _____ 2013 _____

(Insert Name of Shareholder above)

Signature of Shareholder or
Authorized Representative

Name: _____

Title: _____

The Following information must be completed:

Address and Telephone Number of Shareholder: _____

Registered or beneficial: _____

Name of broker or other intermediary through which Common Shares are held (if applicable):

Number of Common Shares: _____

A duly executed copy of this letter must be received by the Depository at either of the locations below no later than the Certification Deadline (as defined in the information circular and proxy statement of Alaris dated March 20, 2013).

Computershare Investor Services Inc. Attention: Corporate Actions	By hand or courier: 100 University Avenue 9 th Floor Toronto, Ontario M5J 2Y1 or 600, 530 - 8 th Avenue S.W. Calgary, Alberta T2P 3S8	By fax: (403) 267-6529 Attention: P. Pyzda
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APPENDIX G

to Schedule 5 of the Information Circular of Alaris Royalty Corp. dated March 20, 2013

Dissent Rights Section 190 of the Canada Business Corporations Act

Right to dissent

190. (1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
- (b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
- (c) amalgamate otherwise than under section 184;
- (d) be continued under section 188;
- (e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
- (f) carry out a going-private transaction or a squeeze-out transaction.

Further right

(2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

If one class of shares

- (a) The right to dissent described in subsection (2) applies even if there is only one class of shares.

Payment for shares

(3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

No partial dissent

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

Objection

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

Notice of resolution

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

Demand for payment

(7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares.

Share certificate

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

Forfeiture

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

Endorsing certificate

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

Suspension of rights

(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

- (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12);

- (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice; or
- (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9);

in which case the shareholder's rights are reinstated as of the date the notice was sent.

Offer to pay

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

- (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

Same terms

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

Payment

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

Corporation may apply to court

(15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

Shareholder application to court

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

Venue

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

No security for costs

(18) A dissenting shareholder is not required to give security for costs in an application made under "*Corporation may apply to court*" and "*Shareholder application to court*".

Parties

(19) On an application to a court under "*Corporation may apply to court*" and "*Shareholder application to court*".

- (a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and
- (b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

Powers of court

(20) On an application to a court under "*Corporation may apply to court*" and "*Shareholder application to court*", the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

Appraisers

(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

Final order

(22) The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

Interest

(23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

Notice that subsection 26 applies

(24) If subsection under "*Limitation*" applies, the corporation shall, within ten days after the pronouncement of an order under subsection "*Final order*", notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

Effect where subsection 26 applies

(25) If subsection under "*Limitation*" applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection 24, may

- (a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or

- (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

Limitation

(26) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that:

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or
- (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

APPENDIX H

to Schedule 5 of the Information Circular of Alaris Royalty Corp. dated March 20, 2013

Arrangement Resolution

BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE HOLDERS OF COMMON SHARES OF ALARIS ROYALTY CORP. (THE "CORPORATION") THAT:

1. the arrangement under Section 192 of the Canada Business Corporations Act (the "**Arrangement**") substantially as set forth in the plan of arrangement (the "**Plan of Arrangement**") attached as Appendix "A" to Schedule 5 of the Information Circular of the Corporation dated March 20, 2013 (the "**Information Circular**") accompanying the notice of meeting is hereby authorized, approved, ratified and confirmed;
2. notwithstanding that this resolution has been duly passed and/or has received the approval of the Court of Queen's Bench of Alberta, the board of directors of the Corporation may, without further notice to or approval of the holders of common shares of the Corporation, subject to the terms of the Arrangement, (i) amend or terminate the Plan of Arrangement, or (ii) revoke this resolution at any time prior to the filing of articles of arrangement giving effect to the Arrangement;
3. any director or officer of the Corporation is hereby authorized, for and on behalf of the Corporation, to execute and deliver articles of arrangement and to execute, with or without the corporate seal, and, if appropriate, deliver all other documents and instruments and to do all other things as in the opinion of such director or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action; and
4. all actions heretofore taken by or on behalf of the Corporation in connection with any matter referred to in any of the foregoing resolutions which were in furtherance of the Arrangement are hereby approved, ratified and confirmed in all respects.

APPENDIX I

to Schedule 5 of the Information Circular of Alaris Royalty Corp. dated March 20, 2013

Interim Order

COURT FILE NUMBER	1301-03289
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	ALARIS ROYALTY CORP.
RESPONDENTS	Not Applicable
DOCUMENT	<u>INTERIM ORDER</u>

Clerk's Stamp:

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

Burnet, Duckworth & Palmer LLP
2400, 525 - 8th Avenue SW
Calgary, Alberta T2P 1G1

Lawyer: Daniel McDonald

Phone Number: (403) 260-5724
Fax Number: (403) 260-0332
Email Address: djm@bdplaw.com

File No. 61986-62/DJM

Date on Which Order Was Pronounced: Wednesday, March 20, 2013

Name of Judge Who Made This Order: Justice A.D. Macleod

ORDER

UPON the Originating Application of Alaris Royalty Corp. ("**Alaris**" or the "**Corporation**");

AND UPON reading the Originating Application and the Affidavit of Rachel Colabella, General Counsel and Corporate Secretary of the Corporation, sworn March 18, 2013, and the documents referred to therein

(the "Colabella Affidavit") and the Affidavit of Bronwyn Inkster, Associate at Burnet, Duckworth and Palmer LLP, solicitors for Alaris, sworn March 19, 2013, and the document referenced therein;

AND UPON hearing counsel for the Corporation;

AND UPON noting that the Director (the "**Director**") appointed under Section 260 of *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "**CBCA**") has been served with notice of this application as required by subsection 192(5) of the *CBCA* and that the Director does not need to appear or be heard on the application;

FOR THE PURPOSES OF THIS ORDER:

- (a) the capitalized terms not defined in this Order shall have the meanings attributed to them in the Information Circular and Proxy Statement of Alaris dated March 20, 2013 (the "Information Circular"), a draft copy of which is attached as Exhibit A to the Affidavit; and
- (b) all references to "Arrangement" used herein mean the plan of arrangement as described in the Colabella Affidavit and in the form attached as Appendix A to Schedule 5 of the Information Circular.

IT IS HEREBY ORDERED AND ADJUDGED THAT:

General

1. The proposed course of action is an "Arrangement" within the definition of the *CBCA* and the Applicant may proceed with the Arrangement, as described in the Colabella Affidavit.
2. Alaris shall seek approval of the Arrangement by the holders ("**Shareholders**") of common voting shares ("**Common Shares**") of Alaris in the manner set forth below.

Shareholders' Meeting

3. Alaris shall call and conduct a meeting (the "**Meeting**") of Shareholders on or about April 18, 2013. At the Meeting, Shareholders will consider and vote upon, among other things, the Arrangement Resolution and such other business as may properly be brought before the Meeting or any adjournment thereof, all as more particularly described in the Information Circular.
4. A quorum at the Meeting shall consist of two or more persons present in person and holding or representing by Proxy in the aggregate not less than 5% of the outstanding Common Shares entitled to be voted at the Meeting.
5. If within 30 minutes a quorum is not present at the appointed time fixed for the holding of the Meeting, it shall stand adjourned to such day being not less than 7 days later and to such place and time as may be determined by the Chairman of the Meeting. No notice of the adjourned Meeting shall be required and, if at such adjourned Meeting a quorum is not present, the Shareholders present in person, or represented by proxy, shall be a quorum for all purposes.
6. Each Common Share entitled to be voted at the Meeting will entitle the holder to one vote at the Meeting in respect of the Arrangement Resolution and any other matters to be considered at the Meeting. The Board of Directors of the Corporation has fixed a record date for the Meeting of

March 14, 2013 (the "**Record Date**"). Only Shareholders whose names have been entered on the register of Common Shares on the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting in accordance with this paragraph 6 provided that, to the extent a Common Shareholder as of the Record Date transfers the ownership of any of such Common Shares after such date and the transferee of the Common Shares establishes that the transferee owns the Common Shares and demands, not later than 10 days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Common Shares at the Meeting.

Conduct of Meeting

7. The Chairman of the Meeting shall be any officer or director of the Corporation.
8. The only persons entitled to attend and speak at the Meeting shall be the registered Shareholders or their authorized representatives, the Corporation's directors and officers, Alaris' auditors, Alaris' legal counsel and the Director.
9. The number of votes required to pass the Arrangement Resolution shall be at least 66⅔% of the votes cast by the Shareholders, present in person or represented by proxy, at the Meeting.
10. To be valid a proxy must be deposited with Computershare Trust Company of Canada, in the manner described in the Information Circular.
11. The accidental omission to give notice of the Meeting or the non-receipt of the notice shall not invalidate any resolution passed or proceedings taken at the Meeting.
12. In all other respects, the Meeting shall be conducted in accordance with the articles and bylaws of the Corporation and the *CBCA*, subject to such modifications as may be adopted by this Order.

Dissent Rights

13. The registered Shareholders are, subject to the provisions of this Order and the Plan of Arrangement, accorded the right of dissent under Section 190 of the *CBCA* with respect to the Arrangement Resolution.
14. In order for a Shareholder (a "**Dissenting Securityholder**") to exercise such right of dissent under Section 190 of the *CBCA*:
 - (a) Notwithstanding subsection 190(5) of the *CBCA*, the Dissenting Securityholder's written objection to the Arrangement Resolution must be received by Alaris c/o its counsel Burnet, Duckworth & Palmer LLP, 2400, 525 - 8th Avenue SW, Calgary, Alberta, T2P 1G1, Attention: Daniel McDonald, on or before 5:00 p.m. (Calgary Time) on the second last Business Day prior to the Meeting;
 - (b) a Dissenting Securityholder shall not have voted his or her Common Shares at the Meeting, either by proxy or in person, in favour of the Arrangement Resolution;
 - (c) holders of Common Shares may not exercise the right of dissent in respect of only a portion of the holder's Common Shares, but may dissent only with respect to all of the Common Shares held by the holder; and

- (d) the exercise of such right of dissent must otherwise comply with the requirements of Section 190 of the *CBCA*, as modified and supplemented by the Interim Order and Plan of Arrangement.
- 15. The fair value of the Common Shares shall be determined as of the close of business on the last Business Day before the day on which the Arrangement is approved by the Shareholders. Payment of such fair value shall be made to the Dissenting Securityholders.
- 16. Subject to further Order of this Court, the rights available to Shareholders under the *CBCA* and the Arrangement to dissent from the Arrangement Resolution shall constitute full and sufficient rights of dissent for the Shareholders with respect to the Arrangement Resolution.
- 17. Notice to the Shareholders of their right of dissent with respect to the Arrangement Resolution and to receive, subject to the provisions of the *CBCA* and the Arrangement, the fair value of their Common Shares shall be sufficiently given by including information with respect to this right as set forth in the Information Circular which is to be sent to Shareholders in accordance with paragraph 18 of this Order.

Notice

- 18. An Information Circular, substantially in the form attached as Exhibit A to the Colabella Affidavit with such amendments thereto as counsel for Alaris may determine necessary or desirable (provided such amendments are not inconsistent with the terms of this Order), shall be mailed by prepaid ordinary mail, at least 21 days prior to the date of the Meeting to Shareholders at the addresses for such holders recorded in the records of Alaris at the close of business on the Record Date, and to the directors of the Corporation and auditors of Alaris. In calculating the 21 day period, the date of mailing shall be included and the date of the Meeting shall be excluded.
- 19. An Information Circular as described above shall be provided to the Director by prepaid ordinary mail or delivery at least 21 days prior to the Meeting.
- 20. Delivery of the Information Circular in the manner directed by this Order shall be deemed to be good and sufficient service upon the Shareholders, the directors of the Corporation and auditors of Alaris and the Director of:
 - (a) the Originating Application;
 - (b) this Order;
 - (c) the Notice of the Meeting; and
 - (d) the Notice of Application;

all in substantially the forms set forth in the Information Circular, together with instruments of proxy, voting directions, letters of transmittal, Shareholder Certifications and such other material as Alaris may consider fit.

Final Application

21. Subject to further Order of this Court and provided that the Shareholders have approved the Arrangement and the directors of the Corporation have not revoked that approval, Alaris may proceed with an application for approval of the Arrangement and the Final Order on April 19, 2013 at 9:30 a.m. or as soon thereafter as counsel may be heard at the Calgary Courts Centre, Calgary, Alberta. Subject to the Final Order, and to the issuance, by the Director, of a certificate or proof of filing with respect to the articles of arrangement, Alaris and the Shareholders will be bound by the Arrangement in accordance with its terms.
22. Any Shareholder or any other interested party (collectively, "Interested Party") desiring to appear and make submissions at the application for the Final Order is required to file with this Court and serve, upon Alaris, on or before 12:00 p.m. (Calgary time) on April 12, 2013 (or the Business Day that is five (5) Business Days prior to the date of the Meeting if it is not held on April 18, 2013), a Notice of Intention to Appear including the Interested Party's address for service, indicating whether such Interested Party intends to support or oppose the application or make submissions at the application, together with a summary of the position such Interested Party intends to advance before the Court and any evidence or materials which are to be presented to the Court. Service of this notice on Alaris shall be effected by service upon the solicitors for Alaris, Burnet, Duckworth & Palmer LLP, Suite 2400, 525 - 8th Avenue SW, Calgary, Alberta, T2P 1G1, Attention: Daniel J. McDonald.
23. In the event that the application for the Final Order is adjourned, only those parties appearing before this Court for the application for the Final Order, and those Interested Parties serving a Notice of Intention to Appear in accordance with paragraph 22 of this Order, shall have notice of the adjourned date.
24. Based on the Court's approval of the Arrangement in the Final Order, Alaris will rely on Section 3(a)(10) of the United States *Securities Act of 1933*, as amended, for an exemption from the registration requirement of the United States *Securities Act of 1933*, as amended, for the issuance of securities to persons located in the United States or U.S. Persons (as defined in Reg. S under that Act) pursuant to the Arrangement.

Leave to Vary Interim Order

25. Alaris may at any time to seek leave to vary this Interim Order upon such terms and the giving of such notice as this Court may direct.

(signed) "A.D. Macleod"

Justice of the Court of Queen's Bench of Alberta

QUESTIONS MAY BE DIRECTED TO THE PROXY SOLICITATION AGENT



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