



ANNUAL INFORMATION FORM
(For the period ended December 31, 2018)

Dated: April 1, 2019

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ABOUT THIS ANNUAL INFORMATION FORM

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

CONVENTIONS

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

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

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

DATE OF INFORMATION

This AIF is dated as of April 1, 2019. Except as otherwise indicated, the information contained in this AIF is current as of December 31, 2018.

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

Alaris' public communications often include written or oral statements which contain forward-looking information. Statements of this type are included in this AIF and may be included in our other filings with Canadian securities regulators, or in our other communications. Statements other than historical facts are forward-looking and can often be identified by looking for words such as "believe", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues", or similar words, or the negative of such words. All such statements are made pursuant to the applicable provisions of, and are intended to be forward-looking statements under applicable Canadian securities legislation. Statements containing forward-looking information include, but are not limited to, comments with respect to our objectives and priorities for 2019 and beyond, our growth strategies or future actions and those of our Partners (as defined herein), the results of or outlook for our operations and those of our Private Company Partners (as defined herein) or for the Canadian and U.S. economies, the risks that may impact our business and that of our Private Company Partners, the timing and terms of any resolution to issues facing our Partners, timing of follow-on investments with Partners, restart of Distributions (as defined herein) from certain Partners, expected results of any CRA audit proceedings, estimates and adjustments of the annual Distribution (as defined herein) to be received by Alaris from each of the Private Company Partners and the percentage change in the applicable performance metric for a Private Company Partner. See "*Our Philosophy*", "*Our Growth Strategy*", "*Our Financing Arrangements*", "*Our Current Partners - LMS-Business Overview, Operations and Customers*", "*Our Current Partners - SCR - Business Overview and Operations*", "*Our Current Partners - SBI - Business Overview and Operations*", "*Our Current Partners - Kimco - Business Overview and Operations*", "*Our Current Partners - PFGP - Business and Operations*", "*Our Current Partners - DNT - Business Overview and Operations*", "*Our Current Partners - Federal Resources - Business Overview and Operations*", "*Our Current Partners - Sandbox - Business Overview and Operations*", "*Our Current Partners - Providence - Business Overview, Operations and Customers*", "*Our Current Partners - Unify-Business Overview, Operations and Customers*", "*Our Current Partners - ccComm-Business Overview, Operations and Customers*", "*Our Current Partners - Accscient - Business Overview and Operations*", "*Our Current Partners - Heritage - Business Overview and Operations*", "*Our Current Partners - Fleet - Business Overview and Operations*", "*Our Current Partners - GWM - Business Overview and Operations*", "*Our Current Partners - Body Contour Centers - Business Overview and Operations*", "*General Development of the Business*" and "*Risk Factors*" for specific forward-looking statements relating to these comments. To the extent that any forward-looking statements herein constitute a financial outlook, including without limitation, estimated annual Distributions to be received by us, the estimated change in performance metric and the outlook for our operations and those of our Private Company Partners, they were approved by Management as of the date hereof and have been included to assist readers in understanding Management's current expectations regarding Alaris' financial performance and are subject to the same risks and assumptions disclosed herein.

By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. Assumptions about the performance of the Canadian and U.S. economies over the next 24 months and how that will affect our business and our ability to identify and close new opportunities with new Private Company Partners are material factors we considered when setting our strategic priorities and objectives, and our outlook for our business. Key assumptions include, but are not limited to, assumptions that the Canadian and U.S. economies will continue to grow at a moderate pace and not deteriorate materially over the next 12 to 24 months; that interest rates will not increase dramatically more than current market forecasts over the next 12 to 24 months, that political leaders of both countries will not implement policies which negatively impact Alaris' business as well as the businesses of its Private Company Partners; that our Private Company Partners will continue to make distributions to Alaris as

anticipated based on the current arrangements with the Private Company Partners; that the businesses of our Private Company Partners will not experience material negative results, other than as may already be disclosed; that current issues including, without limitation, operational issues, industry issues and/or with our Private Company Partners will be resolved as currently anticipated; that Alaris will experience organic growth via positive resets to our annual cumulative royalties and Distributions from our Private Company Partners in 2019 based on the financial results of each Private Company Partner in their last fiscal year; that tax rates and tax laws will not change significantly in Canada, the U.S. or the Netherlands and any announced changes will not have a material adverse impact on the Corporation and its operations; that more private companies will require access to alternative sources of capital; Alaris and the applicable Private Company Partners will benefit from any temporary measures utilized by Alaris to assist a Private Company Partner's performance; and that we will have the ability to raise required equity and/or debt financing, if and when needed, on acceptable terms. We have also assumed that access to the capital markets will remain relatively stable, that the capital markets will perform with normal levels of volatility and that the Canadian dollar will not have a high amount of volatility relative to the U.S. dollar. In determining our expectations for economic growth, we primarily consider historical economic data provided by the Canadian and U.S. governments and their agencies.

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

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

NON-IFRS MEASURES

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

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

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

Annual Earnings Coverage Ratio refers to the Normalized EBITDA of each of our Private Company Partners for the twelve months ended in each of their fiscal years divided by the sum of each of their debt servicing (interest and principal), unfunded maintenance capital expenditures and distributions to Alaris over the same twelve month fiscal period.

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

U.S. INVESTOR DISCLOSURE

U.S. Investment Company Act Considerations and Restrictions

Based on its current assets, and absent an exemption under the U.S. Investment Company Act, Alaris may be deemed to be an "investment company" as defined in the U.S. Investment Company Act. The U.S. Investment Company Act, among other things, prohibits foreign investment companies from publicly offering their securities in the United States. However, Alaris relies on the exemption provided in Section 3(c)(7) of the U.S. Investment Company Act, which provides that a company is excluded from the definition of an "investment company", and is therefore excluded from regulation under the U.S. Investment Company Act, if its securities have only been issued, other than outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulations S, to persons that are: (a)(1) located in the United States, or (2) are U.S. Persons, or (3) acquiring securities for the account or benefit of persons located in the United States or U.S. Persons, and that are (b) Qualified Purchasers (as defined in Section 2(a)(51)(A) of the U.S. Investment Company Act), and (c) it does not make, or propose to make, a public offering of its securities in the United States. Consequently, to comply with the Section 3(c)(7) exemption, Alaris will issue Common Shares only: (i) outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulation S, or (ii) in the United States or to U.S. Persons, or for the account or benefit of persons located in the United States or U.S. Persons, that are Qualified U.S. Purchasers. Generally, Alaris has issued Common Shares to Qualified U.S. Purchasers (which are required to be Qualified Institutional Buyers). Additionally, generally, Qualified U.S. Purchasers that hold Common Shares may not resell their Common Shares in the United States or to U.S. Persons, or to persons acquiring securities for the account or benefit of persons located in the United States or, U.S. Persons. For a more complete description of the restrictions affecting the Common Shares, see "*Ownership and Transfer Restrictions*."

ERISA Restriction of No Ownership by Plans

Alaris will prohibit investment in Common Shares by "benefit plan investors" as well as other similar investors, and, therefore, transfers of Common Shares to such investors will also be prohibited. For these purposes, "benefit plan investors" are "employee benefit plans" (within the meaning of Section 3(3) of ERISA) subject to Part 4 of Subtitle B of Title I of ERISA, plans (including individual retirement accounts and other arrangements) subject to Section 4975 of the U.S. Tax Code, and entities whose underlying assets are deemed to include "plan assets" under the Plan Asset Rules. Other benefit plans that are not subject to the Plan Asset Rules, such as the plans of churches or governmental entities or other non-U.S. plans, may be subject to laws or regulations that are similar in effect to the Plan Asset Rules, the fiduciary responsibility requirements of ERISA or the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the U.S. Tax Code, and, therefore, will be treated by Alaris as benefit plan investors. For a more complete discussion of the prohibition on investment by and transfers to benefit plan investors, see "*Ownership and Transfer Restrictions*".

GLOSSARY OF TERMS

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

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

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

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

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

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

"**Alaris**", the "**Corporation**", "**we**", "**us**", or "**our**" means Alaris Royalty Corp., 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 formed under the laws of the Province of Alberta 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.

"**Amalgamation**" means the amalgamation of CanadaCo and 653Co on May 23, 2006 to form the Corporation as more particularly described under the "*Corporate Structure*" of this AIF.

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

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

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

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

"**CAD**" means Canadian dollars, the lawful currency of Canada.

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

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

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

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

"**Centric**" means Centric Health Corporation, a CBCA corporation having its common shares listed and trading on the TSX.

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

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

"**Distribution**" means each distribution received by Alaris from each of the Private Company Partners as more particularly described under the heading "*Description of the Business and Operation- Our Structure*" in this AIF.

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

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

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

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

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

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

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

in effect to the fiduciary responsibility requirements of ERISA or the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the U.S. Tax Code.

"**FATCA**" means the foreign account tax compliance provisions of the United States *Hiring Incentives to Restore Employment Act of 2010*.

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

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

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

"**FR Loan**" means the 15 year secured subordinated loan in the principal amount of US\$40,000,000 bearing an interest rate of 17.625% pursuant to a subordinated secured loan agreement between Alaris and Federal Resources, made as of June 25, 2015

"**FR Shares**" means the US\$7,000,000 of preferred shares in the capital of Federal Resources acquired by Alaris on June 25, 2015.

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

"**GWM Loan**" means the 20 year subordinated loan in the principal amount of US\$41,500,000 bearing an interest rate of 13.45% pursuant to a subordinated loan agreement between Alaris and GWM, made as of November 19, 2018.

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

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

"**Kimco Agreement**" means the first amended and restated limited liability company agreement of Kimco dated June 6, 2014.

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

"**KMH Preferred Units**" means the preferred partnership units in KMH.

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

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

"**MAHC**" means MAHC Holdings, LLC.

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

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

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

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

"**Option Plan**" means Alaris' option plan.

"**Partnership Units**" mean the partnership units of Alaris Partnership.

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

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

"**PFGP Agreement**" means the first amended and restated operating agreement of PFGP dated November 25, 2014.

"**PFGP Units**" means class B units in the capital of PFGP.

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

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

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

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

"**Prior Senior Credit Facility**" means Alaris prior senior credit facility with HSBC Bank Canada and the Bank of Montreal, which was replaced with the Senior Credit Facility in November 2015.

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

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

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

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

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

"**RSU Plan**" means Alaris' restricted share unit plan.

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

"**Salaris**" means Salaris Small Cap Royalty Corp., a corporation incorporated under the CBCA.

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

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

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

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

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

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

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

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

"**Solowave**" means Solowave Design LP, a limited partnership established under the laws of the Province of Ontario.

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

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

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

"**Unify Redeemable Units**" means the US\$6,000,000 preferred units of Unify held by Alaris that are redeemable at par at any time.

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

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

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

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

CORPORATE STRUCTURE

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

On November 18, 2008, our Common Shares were listed and posted for trading on the TSX. The Common Shares trade under the symbol "AD".

Our registered office and our head office are both located at 250, 333 – 24th Avenue SW, Calgary, AB T2S 3E6. We currently have fourteen full-time employees.

INTER-CORPORATE RELATIONSHIPS

Alaris currently has four subsidiaries: (i) AIC; (ii) Alaris Coöperatief U.A.; (iii) Alaris USA Inc.; and (iv) Salaris USA Royalty Inc. The following table shows our subsidiaries, where they are incorporated or formed, and the percentage of voting securities that we beneficially own or directly or indirectly exercise control over.

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

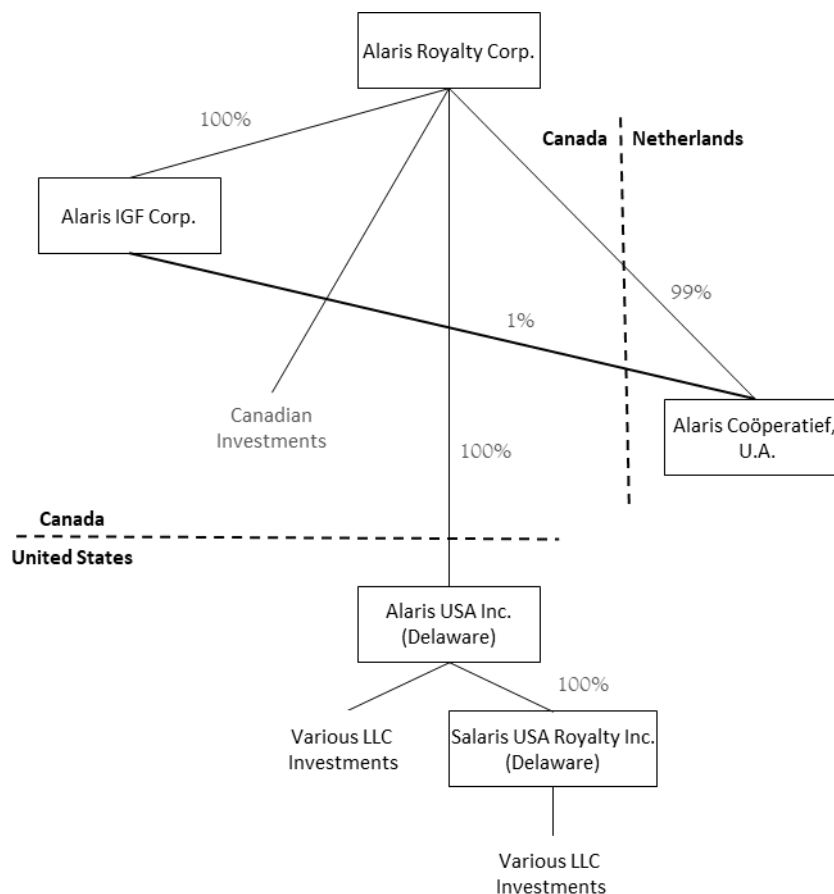
Notes:

- 1) Alaris owns 100% of the equity of this Corporation.
- 2) Alaris currently has 99% equity interest in Alaris Coop, and AIC has 1% equity interest therein, representing, together, 100% of the equity in Alaris Coop.
- 3) Alaris USA Inc. owns 100% of the equity of this corporation.

(See next page for organization chart referring to the table above)

ORGANIZATIONAL CHART

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



DESCRIPTION OF THE BUSINESS AND OPERATIONS

OUR BUSINESS

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

OUR STRUCTURE

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

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

In certain situations, the Corporation may look to supplement its standard preferred equity structure with a portion of common equity. Alaris believes that the use of common equity in certain transactions will enable the Corporation to access additional deal flow and can also provide the Corporation with the ability to participate in a larger share of the upside of a partner. Where Alaris utilizes common shares on an investment it will be a minority of any investment as the Corporation will continue to predominantly use preferred equity to ensure the investments are cash accretive and remain in line with strategic objectives.

Alaris generally has very limited voting rights, or no voting rights; accordingly, Alaris has a limited ability to exercise direct control and influence over the operations of a Private Company Partner. However, we have numerous positive and negative covenants in place with our Private Company Partners (see "Summary of Partner Agreements – Alaris Consent Rights" below for more information regarding such covenants) designed to protect our Distributions and typically Alaris' prior consent is required for items outside of the ordinary course of business, including, without limitation:

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

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

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

OUR PHILOSOPHY

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

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

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

The result for our investors is a revenue stream that is intended to have predictability and low volatility due to the "top line" nature of our Distributions from our Private Company Partners. Visibility is also created because of the twelve month pre-set payments we receive. Our structure gives us the ability to pay out the vast majority of our net cash from operating activities in the form of tax effective eligible dividends, thus providing our investors with a steady source of monthly income.

OUR GROWTH STRATEGY

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

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

OUR CURRENT PARTNERS

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

Our current Private Company Partners are:

1. Accscient
2. Body Contour Centers
3. ccComm
4. DNT
5. Federal Resources
6. Fleet
7. GWM
8. Heritage
9. Kimco
10. LMS
11. PFGP
12. Providence
13. Sandbox
14. SBI
15. SCR
16. Unify

Note:

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

Accscient

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

Body Contour Centers ("BCC")

<i>Business Overview</i>	Founded in 2008, BCC is a national leader in private plastic surgery practice in the United States with over 50 locations across the country.
<i>Operations</i>	With its head office in Kirkland, WA, BCC operates in nearly 30 states and over 50 cities and employs over 450 people. BCC combines a consistent patient experience with the art of treating each patient as an individual with unique plastic surgery needs. BCC has a focused service offering that primarily focuses on less-invasive procedures such as laser assisted body contouring (liposuction), mini tummy tucks and minor face procedures. These procedures are conducted by over 100 board-certified plastic surgeons and every surgical center is certified by AAAHC, the highest-level certification for plastic surgery. BCC is growing rapidly, doubling its location count over the last two years.
<i>Customers</i>	BCC targets the "everyday woman and man" with its service offerings and price points.
<i>Contribution Summary</i>	Alaris contributed US\$46 million to BCC in September 2018 in exchange for preferred units. BCC has the option to pay a portion of the distribution, subject to a maximum of 2% of the aggregate contributed capital to BCC in any given year as a PIK, provided that any amounts subject to the PIK must be paid every three years. If utilized, any amounts PIK'd will compound monthly. Alaris has also committed to future additional contributions consisting of US\$20 million (" BCC Tranche 2 ") and US\$25 million (" BCC Tranche 3 "). The BCC Tranche 2 and BCC Tranche 3 contributions may be funded upon BCC satisfying certain financial targets. US\$11.5 million of the Alaris preferred units in BCC are redeemable at par on the earlier of (i) the closing of Tranche 2, or (ii) September 2021.

ccComm

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

DNT

<i>Business Overview</i>	DNT was founded in 2009 and specializes in turnkey civil construction services to residential, commercial and municipal end markets.
<i>Operations</i>	Services include, excavation, the installation of wet and dry utilities such as electrical, gas, sewage and water as well as paving and the building of retaining walls. DNT has strong functional capabilities and believes it is the only company in its core markets capable of providing these turnkey infrastructure solutions to its customers. With its head office in Austin, Texas, DNT employs over 800 people during peak season and is one of the largest service providers of its kind in the Austin market while also holding significant market share in San Antonio. These markets are attractive, fast growing and have diverse economies with major industry employers including healthcare, government, technology and education. Both Austin and San Antonio have strong employment rates and significant job growth at

rates above the National average. These, among other factors, have placed both markets as amongst the most desirable for commercial and residential development.

<i>Customers</i>	DNT's customers include large publicly traded commercial and residential real estate developers, regional commercial and residential real estate developers and municipal governments.
<i>Contribution Summary</i>	Alaris contributed US\$70 million to DNT on June 1, 2015, which contribution consisted of (i) US\$40 million in exchange for Permanent DNT Units, and (ii) US\$30 million in exchange for Redeemable DNT Units. DNT redeemed US\$2 million of the Redeemable Units in 2017 and a further US\$200,000 in 2018.

Federal Resources

<i>Business Overview</i>	Founded in 1986 and employing over 200 people, Federal Resources is a Maryland based leading value-added provider of mission critical products and solutions to defense, first responder, homeland security and maritime end users.
<i>Operations & Services</i>	Federal Resources is a leading provider of detection and protection equipment to first line responders dealing with chemical, biological, radiological, nuclear and explosive ("CBRNE") threats, as well as supplying tactical gear, tools and maritime products. Federal Resources management believes that the CBRNE product category is one of the highest growth product categories in the defense procurement budget with potential CBRNE attacks representing the most widely anticipated global threat for the next 10 years.
<i>Customers</i>	Customers of Federal Resources include all branches of the US military, various municipal agencies, first responders, airports and various other private and governmental agencies.
<i>Contribution Summary</i>	Alaris invested US\$47 million in Federal Resources on June 25, 2015, consisting of the US\$40.0 million FR Loan and US\$7.0 million of FR Shares. Alaris also contributed US\$6.5 million in 2016 to Federal Resources as growth capital used for an acquisition by Federal Resources as well as an additional US\$13.5 million in 2017 for another acquisition by Federal Resources.

Fleet Advantage

<i>Business Overview</i>	Founded in 2008, Fleet serves America's top truck fleets and guarantees the absolute lowest cost of operation by providing truck leasing and matching proprietary data driven IT processes with fleet analytics using the latest eco-efficient clean diesel technology to achieve optimum vehicle productivity, while reducing operating costs.
<i>Operations</i>	Employing over 35 people located in Ft. Lauderdale, FL, the company provides private fleet operators with an end-to-end solution that leverages data analytics, asset management and flexible financing to continuously improve productivity and achieve the lowest total cost of ownership for Class 8 tractors. Services include flexible leasing, finance structure and management, turn-key administration, truck lifecycle performance monitoring, data analytics and remarketing.
<i>Customers</i>	Fleet targets large companies in the US who operate their own private fleets but for whom fleet management is not a core focus. Customers include fortune 500 companies and large multi-national businesses.
<i>Contribution Summary</i>	Alaris contributed US\$15 million to Fleet in June 2018. Fleet has the option to pay portion of the distribution, subject to a maximum of 2% of the contributed capital in any given year as payment-in-kind provided that any amounts subject to the PIK must be paid every three years. Fleet did not use the PIK option in 2018. US\$7.5 million of the Fleet Units are redeemable at par at any time.

GWM Holdings

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

Heritage Restoration

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

Kimco

<i>Business Overview</i>	Kimco and its predecessor companies have been providing route based commercial janitorial services throughout the United States since the 1970's.
<i>Operations</i>	Kimco is a significant sized service provider in a highly fragmented industry, which is estimated by Kimco management to generate over \$50 billion in annual sales in the United States. Kimco operates on a national scale with the majority of Kimco's revenue generated under long-term contracts (generally 1 to 3 years).
<i>Customers</i>	Kimco services customers, which range in size from multi-location national customers to regional single site customers.
<i>Contribution Summary</i>	Alaris contributed US\$29.2 million to Kimco in June of 2014 as well as US\$3 million on Dec 23, 2015, an additional US\$1 million in November 2016 and US\$1 million in December 2016. Alaris loaned Kimco US\$2 million in April 2017 and a further US\$2 million on July 31, 2017, both in the form of subordinated debt, bearing interest of 8% (current pay interest is being paid on one of the US\$2.0 million notes while interest is accruing on the other). In March 2018, Alaris loaned US\$6.0 million to Kimco by way of a loan bearing interest of 12% (current pay interest) and a 5 year term. The use of the proceeds from that transaction were used to replace existing subordinated debt that Kimco has been servicing since inception of the loan. In July 2018, Alaris loaned US\$3.8 million to Kimco by way of a loan bearing interest of 8% (payable quarterly) and a 4.5 year term.

LMS

<i>Business Overview</i>	LMS is Western Canada's leading concrete reinforcing steel (rebar) fabricator and installer also providing post tensioning, trucking and crane services. As an installer and supplier, LMS has the advantage of having low fixed costs and fixed assets, which allows the company to be profitable during various negative economic scenarios as it can adjust its labour force to match the activity level.
<i>Operations</i>	LMS fabricates and installs concrete reinforcing rebar and post tensioning services for construction projects primarily in British Columbia, Alberta, Saskatchewan, and Manitoba as well as California. Project types include: (i) Infrastructure Projects - light rail transit, water treatment plants, tunnels, hydro facilities and bridge decks; (ii) Commercial projects - high rise office space, aquatic centers or airport terminals; (iii) Residential - high rise developments; and (iv) Institutional – university residences, hospitals and community centers. LMS has up to 600 employees during peak season.
<i>Customers</i>	LMS' customers are typically large general contractors and/or developers.
<i>Contribution Summary</i>	Alaris provided \$51 million to LMS in 2 tranches during 2007 and converted a \$3 million short-term note for additional preferred units in LMS in 2013, provided an additional US\$4.35 million contribution in March 2016 to help fund a strategic acquisition in California bringing the total contributions to approximately \$60 million. Alaris loaned LMS \$5 million in September 2018 to fund an opportunistic rebar purchase ahead of tariffs being enforced. This loan bears interest of 8% and carries a one year term.

PFGP

<i>Business Overview</i>	PFGP is a franchisee of Planet Fitness® and was founded in 2008 by Victor and Lynne Brick. The Bricks and their management team are well-respected operators in the fitness industry and have over 30 years of experience as owner/operators of fitness clubs on an individual basis.
<i>Operations</i>	Through its affiliates, PFGP operates over 60 fitness clubs in Maryland, Tennessee, Florida, Washington DC, Washington State and California and has area development agreements ("ADA's") to open over 50 additional Planet Fitness® clubs in those same States. PFGP has grown to become one of the top 3 largest non-corporate affiliated franchisees in the Planet Fitness® system. PFGP has its head office in Timonium, MD, located just outside of Baltimore, MD where it employs over 20 people. PFGP has a very repeatable, predictable and scalable business model and intends to continue to open new clubs in 2019 and beyond and currently employs over 500 individuals company wide.
<i>Customers</i>	Individuals which want to exercise in the Judgment Free Zone® that Planet Fitness provides.
<i>Contribution Summary</i>	Alaris contributed US\$35 million to PFGP in November of 2014 as well as US\$5 million on July 1, 2015. In May 2018 PFGP redeemed 41% of the preferred units owned by Alaris in exchange for a payment of US\$25 million. Following that redemption, Alaris continues to hold the remainder of its preferred units in PFGP at a cost of US\$20.8 million.

Providence

<i>Business Overview</i>	Providence is a leading service provider to the apparel industry.
<i>Operations</i>	Founded in 2006 and headquartered in Long Beach, California, Providence (d.b.a. MyDyer) is a leading provider of design, engineering, development, manufacturing and sourcing services. Providence utilizes its extensive global network of sourcing and manufacturing partners to provide value-added sourcing excellence to customers, combined with rapid speed to market. In addition, Providence's unique design expertise and focus on innovation enables customers to remain at the forefront of evolving fashion trends. The company has an experienced management team supported by a talented workforce of over 300 employees.
<i>Customers</i>	Customers include publicly traded and private apparel companies and apparel retailers.
<i>Contribution Summary</i>	Alaris contributed US\$30.0 million to Providence in March 2016.

Sandbox

<i>Business Overview</i>	Sandbox is a leading advertising and marketing firm with its headquarters' in Chicago, IL and offices in Chicago, Kansas City, Indianapolis, Santa Monica, New York and Toronto.
<i>Operations & Services</i>	Sandbox offers a wide range of marketing and advertising services including strategic marketing and planning, creative development for all media and digital strategy solutions including CRM and data analytics for clients in a variety of industries within the US and Canada. Sandbox has decades of proven results and is owned and managed by highly experienced advertising professionals with global experience. The company plans to continue to acquire and combine regional marketing communication companies that would complement the entire organization through diversity of clients and industries, skill sets and expertise.
<i>Customers</i>	Sandbox focuses on serving business to business clients primarily in highly specialized industries such as life sciences, agriculture and financial services.
<i>Contribution Summary</i>	Alaris contributed a total of US\$22 million on March 4, 2016 as well as an additional US\$13 million of capital in 2017 to support acquisitions (US\$6 million) made by Sandbox as well as to fund a performance earnout (US\$7 million) on a prior acquisition. Alaris assumed Sandbox's senior debt in October 2018 (US\$12.5 million) and provided an additional US\$1 million of funds under that credit facility in December 2018 to use for working capital purposes. Alaris is receiving an interest rate of 8.75% on all Sandbox debt. Principal is paid monthly on the term debt while interest on all debt is also paid monthly. Alaris also contributed an additional US\$5 million (as preferred equity) in February 2019 in exchange for annual distributions of US\$750,000 to reduce certain liabilities held by the company bringing total equity contributions to US\$40 million.

Sales Benchmark Index LLC (“SBI”)

<i>Business Overview</i>	Founded in 2006, SBI is a US based management consulting firm specializing in sales and marketing that is dedicated to helping their clients exceed their revenue growth number. SBI uses the benchmarking method to help clients accelerate their rate of revenue growth. Benchmarking allows SBI’s clients to leap frog their competitors by getting access to emerging best practices from the top sales and marketing leaders.
<i>Operations</i>	SBI believes it is different from other management consulting firms for 3 reasons: (i) Agilitrust – The SBI delivery methodology involves getting to a working prototype very quickly and then rapidly iterating from this to a finished solution. SBI offers a much faster cycle time from problem identification to problem resolution; (ii) Staffing Process – SBI staffs projects with senior-level executives and former heads of sales and marketing who have real-world experience, which results in practical solutions that actually get implemented; and (iii) Compensations Practices – 30% to 50% of every SBI employee’s compensation package is tied to a bonus that is entirely based on client feedback and overall impact, which naturally fosters client intimacy.
<i>Customers</i>	Customers include private equity funds, mid to large regional businesses and Fortune 500 businesses.
<i>Contribution Summary</i>	Alaris contributed US\$85 million to SBI in August 2017 (\$10 million of redeemable units redeemable at par for three years from August 2017).

SCR

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

Unify (formerly Matisia)

<i>Business Overview</i>	Founded in 2006, Unify is a management consulting firm that provides companies with local, customized consulting solutions.
<i>Operations</i>	Located in Seattle, Washington, Unify employs over 200 experienced consultants that provide consulting solutions across six primary service lines: Business Intelligence, Business Transformation, Enterprise Resource Planning, Project and Product Management, Visual Communication and Organizational Change Management. Unify expects continued growth in the Seattle region, one of the fastest growing markets in the U.S., coupled with growth opportunities in other identified regions. Unify has been recognized as one of the fastest growing consulting firms in the U.S. as well as one of Washington’s top workplaces.
<i>Customers</i>	Customers include a blend of Fortune 500 companies across a diverse set of industries.
<i>Contribution Summary</i>	Alaris contributed US\$18.0 million to Unify in October 2016 through its subsidiary Salaris USA. The US\$18.0 million consisted of US\$12.0 million of permanent units and US\$6.0 million of redeemable units. All the redeemable units were redeemed at par in December 2018.

GENERAL DEVELOPMENT OF THE BUSINESS

GENERAL

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

THREE YEAR HISTORY

2016

- 1) On March 4, 2016 Alaris contributed US\$22.0 million to Sandbox in exchange for preferred units of Sandbox providing for a pre-tax annualized Distribution of US\$3.3 million.
- 2) On March 7, 2016 all of the Corporation's remaining preferred units in LifeMark were redeemed for \$30 million of cash and an \$8.4 million note in Centric.
- 3) On March 16, 2016 Alaris contributed an additional US\$4.35 million to LMS in exchange for an annualized Distribution of US\$622,000. The capital from Alaris was used in part to fund LMS's expansion into California. The distributions on this funding are subject to a collar of +/-6%.
- 4) On March 22, 2016 Centric repaid the \$8.4 million note issued to Alaris on March 7, 2016. Following this, Alaris no longer had a financial interest in LifeMark or Centric.
- 5) In March 2016, Alaris agreed to defer certain monthly payments from Agility through to September 2016.
- 6) During the first six months of 2016 the corporation increased the aggregate principal amount of the credit facility it had provided to SMI to approximately \$17 million.
- 7) On April 1, 2016, Alaris contributed US\$30.0 million to Providence in exchange for preferred units of Providence providing for an initial pre-tax annualized Distribution of US\$4.5 million.
- 8) On April 29, 2016, Alaris contributed an additional US\$6.5 million in Federal Resources (by way of an investment into a wholly-owned subsidiary of Federal Resources) in exchange for an additional initial pre-tax annualized distribution of US\$910,000.
- 9) In June 2016, SCR ceased paying its monthly Distribution to Alaris in order for SCR to preserve sufficient liquidity during a downturn in its industry.
- 10) In September 2016, the Senior Credit Facility was amended to: (i) increase the amount of permanent debt allowed from 1.5x contracted EBITDA (as defined in the Senior Credit Facility) to 1.75X contracted EBITDA (with an additional temporary allowance for 2.25x contracted EBITDA for up to 90 days); and (ii) extend the term of the facility for an additional year through to the end of November 2020.
- 11) On October 3, 2016, all of Alaris' preferred units in Solowave were purchased for an aggregate purchase price of \$44.6 million.
- 12) On October 7, 2016, Alaris contributed US\$18.0 million to Unify (formerly Matisa) in exchange for preferred units providing for an initial annualized pre-tax Distribution of US\$2.7 million.
- 13) On November 2, 2016, Alaris provided Agility with a formal notice of default under the terms of its operating agreement.
- 14) On November 9, 2016 and again in December 29, 2016 Alaris contributed an additional US\$1.0 million (for an aggregate of US\$2.0 million) to Kimco in exchange for additional preferred units pursuant to an agreement between the Corporation and Kimco's senior lenders. The Distribution payable to Alaris for such additional units can only be paid if Kimco hit certain financial targets.
- 15) On December 21, 2016, all of Alaris preferred units in MAHC were repurchased for approximately US\$14.52 million and Alaris received an additional payment of approximately US\$3.98 as prepayment of Distributions through to the end of the 3rd anniversary of Alaris' investment in MAHC.
- 16) On December 16, 2016, the Corporation received approximately \$1.1 million from KMH as a prepayment on the \$28 million repurchase price Alaris has agreed to with respect to the repurchase of its preferred equity in KMH.

2017

- 1) On January 13, 2017, Alaris contributed US\$4.0 million to ccComm in exchange for preferred equity providing for an initial annualized pre-tax Distribution of US\$0.6 million.

- 2) In March, 2017, Alaris provided an extension to the repurchase period in its notice of default to Agility through April 30, 2017, provided that Agility complied with certain conditions, including, without limitation, repaying a portion of the unpaid Distributions that were deferred in 2016 in March and April (US\$225,000 in total) as well as continuing regularly scheduled monthly distributions to Alaris.
- 3) In March 2017, Alaris received an additional payment from KMH of approximately \$0.5 million representing a further payment of the repurchase price of \$28.0 million for Alaris' preferred equity in KMH.
- 4) On March 30, 2017, Alaris provided a \$5 million loan to SMi. Alaris' proceeds along with proceeds from a new lender resulted in the repayment of all of SMi's current senior debt, bearing interest at an annual rate of 12%. In May 2017 Alaris loaned an additional \$5 million to SMi. The two loans were secured first priority over all the accounts receivable of the business while the loan is outstanding.
- 5) On June 28, 2017 Alaris contributed US\$20.0 million to Accscient, in exchange for preferred equity providing for an initial annualized pre-tax Distribution of US\$3.0 million.
- 6) On June 28, 2017 Alaris announced the formalizing of exit terms with KMH including the receipt of an additional \$9.8 million of cash proceeds and promissory notes in the amount of \$25.7 million.
- 7) On August 31, 2017 the Corporation contributed US\$85.0 million to a new partner, SBI in exchange for US\$11.1 million of pre-tax annualized Distributions in the first 12 months following closing of the SBI Contribution.
- 8) On August 31, 2017 Alaris contributed an additional US\$2.2 million to ccComm in exchange for a pre-tax annualized distribution of US\$315 thousand to support ccComm's acquisition initiatives.
- 9) On September 1, 2017 Alaris announced it closed the redemption of all of its interest in Sequel and had received US\$91.7 million from Sequel for all of Alaris' units in Sequel. In October 2017 Alaris received an additional US\$4.3 million upon confirmation of the percentage change in same program sales (for the fiscal year ended June 30, 2017).
- 10) On September 20, 2017 Alaris provided an update regarding the previously announced arbitration award to SMi. The amount awarded to SMi was materially less than expected. Therefore, alternative measures needed to be looked at in order to meet liabilities owed to Alaris.
- 11) On September 21, 2017 Alaris contributed an additional US\$6.0 million to Sandbox in exchange for a pre-tax annualized Distribution of US\$858 thousand to support Sandbox' acquisition initiatives.
- 12) On December 13, 2017, Alaris contributed an additional US\$13.5 million to Federal Resources in exchange for a pre-tax annualized Distribution of US\$1.76 million to support Federal Resources acquisition initiatives.
- 13) On December 15, 2017 Alaris contributed an additional US\$7.0 million to Sandbox in exchange for a pre-tax annualized Distribution of US\$1.0 million to fund a performance earnout on a prior acquisition.

2018

- 1) On January 19, 2018 Alaris closed the amended HSBC Credit Facility. A summary of changes are as follows: (i) an increase in capacity from \$200 million to \$280 million; (ii) increasing the accordion feature from \$50 million to \$70 million; (iii) the term of the Facility has been extended for another year to December 2021; and (iv) an increase to the permanent leverage covenant from 1.75x EBITDA to 2.5x EBITDA, and the bridge covenant (for 90 days following certain approved transactions) from 2.25x EBITDA to 3.0x EBITDA. There continued to be no amortization payments required and pricing also remained the same.
- 2) On January 23, 2018, Alaris contributed US\$15 million to Heritage in exchange for a pre-tax annualized Distribution of US\$2.25 million. The funds were used by Heritage to complete a management buyout of the founder of the company.
- 3) On February 28, 2018, Agility was purchased by a third party; Alaris received \$26.67 million, which represents our full unpaid Distributions, loans provided as well as unpaid interest, return of capital and a premium on our initial capital investment.
- 4) In March 2018, the HSBC Credit Facility was amended to increase the borrowing capacity from \$280 million to \$300 million and decrease the accordion to \$50 million from \$70 million.
- 5) On May 8, 2018 Mr. John (Jay) Ripley was nominated to the Alaris board of directors, replacing Mr. John Budreski who had not run for re-election.
- 6) On May 11, 2018, Planet Fitness redeemed approximately 41% of the outstanding Alaris preferred units (representing a cost basis of US\$19.1 million) in exchange for US\$25 million.
- 7) On May 31, 2018, Salaris USA contributed US\$10 million to ccComm in exchange for a pre-tax annualized Distribution of US\$1.4 million. The contributed funds were used to fund an acquisition of an additional 33 Sprint locations.
- 8) In June 18, 2018, Alaris contributed US\$3 million to Accscient in exchange for a pre-tax annualized Distribution of US\$0.4 million. The funds were used by Accscient to make an acquisition complimentary to its business.
- 9) On June 15, 2018, Alaris contributed US\$15 million to Fleet Advantage, LLC in exchange for a pre-tax annual Distribution of US\$2.1 million. The Fleet Contribution was used to fund continued growth and provide partial liquidity to existing shareholders.

- 10) On June 25, 2018, Labstat redeemed Alaris in full, with Alaris receiving gross proceeds of \$69.5 million, which included \$4.2 million of previously foregone distributions, \$4.0 million of debt repayment and accrued interest, return of capital and a premium on our initial capital invested.
- 11) On June 28, 2018, End of the Roll repurchased its intellectual property from Alaris in exchange for a payment of \$12.6 million.
- 12) On July 27, 2018, Alaris loaned US\$3.8 million to Kimco.
- 13) On August 10, 2018, Alaris contributed US\$7.0 million to Accscient in exchange for a pre-tax annualized Distribution of US\$1.0 million. Proceeds were used by Accscient to acquire a business complimentary to their current operations.
- 14) On September 14, 2018, Alaris contributed US\$46 million to Body Contour Centers, in exchange for a pre-tax annualized Distribution of US\$6.44 million. The funds were used by BCC to provide partial liquidity for existing shareholders.
- 15) On September 20, 2018, Alaris loaned US\$5 million to LMS; the loaned funds, together with all interest, are due and payable in full on September 20, 2019.
- 16) In October 2018 assumed certain credit facilities from Sandbox's senior lender. Sandbox was in breach of certain financial covenants under that senior credit facility and as per Alaris' subordination agreement with such senior lender, it had the right to assume the debt position for a total of US\$12.5 million. Alaris is now the sole senior creditor of Sandbox.
- 17) On November 19, 2018, Alaris contributed a total of US\$46 million to GWM and a subsidiary; of this amount, Alaris contributed US\$4.5 million to GWM in exchange for preferred equity, and loaned US\$41.5 million to its subsidiary, Global Wide Media, Inc. pursuant to a credit agreement. The contributed funds will yield an annualized pre-tax return of US\$5.55 million in the first calendar year after the investment. The funds were used by GWM to complete a management buyout of an existing equity sponsor.
- 18) In late August 2018, Group SM filed for and received a protection order under the CCAA, and a restructuring officer and monitor were put in place. In November 2018, a court approved purchase agreement was entered into by Group SM, its affiliates and FNX, pursuant to which Group SM would sell all or substantially all of its operating assets to FNX and an aggregate of \$28 million of Group SM's senior secured debt (including secured debt owing to the Corporation) would be assumed by FNX. In December 2018, Alaris received approximately \$5.5 million of proceeds from the CCAA proceedings as a partial repayment of the \$10 million in senior secured indebtedness owed to Alaris by Group SM with the balance of \$4.5 million being assumed by FNX (with such amount to be reduced by any additional funds received by Alaris through the CCAA proceedings and any remaining assets of Group SM).
- 19) On December 11, 2018, Unify redeemed all outstanding redeemable units for US\$6 million (at par per our agreement with Unify). Alaris continues to have US\$12 million in non-redeemable units held in Unify.
- 20) On December 28, 2018, Alaris provided Sandbox with an additional US\$1 million under the terms of Sandbox's senior credit facility to use for general working capital purposes.

Subsequent to year end:

- 1) On January 8, 2019, Alaris contributed US\$8 million to Accscient in exchange for an annualized distribution of US\$1.11 million. The funds were used by Accscient to make an acquisition.
- 2) In January 2019, Alaris received an additional \$0.9 million of proceeds from the Group SM CCAA proceedings, thus reducing the amount of debt owed to Alaris by FNX to approximately \$3.6 million.
- 3) On Feb 22, 2019 Alaris contributed US\$5 million to Sandbox in exchange for preferred equity entitling it to a pre-tax annualized Distribution of US\$750,000.
- 4) In March 2019 Alaris received a notice from the senior lenders of Providence notifying Alaris that its distribution from Providence has been blocked for future payments due to Providence's loss of a material customer. Alaris, Providence and the senior lender are working on viable solutions to minimize the disruption to distributions. Timing and amounts of distributions collected for the remainder of the year are unknown at this time but there should be a meaningful update available when Alaris releases Q1, 2019 results on May 6, 2019.

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OUR FINANCING ARRANGEMENTS

The following table shows the relevant performance metric for each of our Private Company Partners, the Current Annual Distributions owed to us by each of our Private Company Partners during fiscal 2019, and the percentage change in such Private Company Partner's performance metric in each of the last three fiscal years. Also included is each Private Company Partner's Annual Earnings Coverage Ratio ("ECR") for each of their last three fiscal years. In most cases, the percentage change in performance metric and the Annual Earnings Coverage Ratio for each Private Company Partner's most recent fiscal year are estimated based on unaudited internal information prepared by management of each of our Private Company Partners as we do not have audited financial information from the majority of our Private Company Partners as of the date of this AIF. Non-material audit adjustments are common and non-material changes versus internal unaudited results are expected by the Corporation. As such, some of the fiscal 2018 numbers below may change based on the final audited results, which are expected to be received by the end of Q2 2019. Alaris is utilizing a range for the Annual Earnings Coverage Ratio for the most recent fiscal year for each Partner for which audited financials have not been received. Alaris has and will continue to replace the estimated numbers in the most recently completed fiscal year as presented in the table below, with the actual Annual Earnings Coverage Ratio based on audited financials in the next AIF, with any material variances in reported numbers from the prior year's AIF included in the footnotes following the table below. The information for each Partners fiscal 2017 and 2016 in the table below is based on audited information from each Partner. In the first year of a partnership, where a new partner is added during the current fiscal year, the Annual Earnings Coverage Ratio was calculated for that fiscal year based on proforma results for the unaudited internally prepared twelve months ended in the most recent fiscal year and assumes the capital structure at closing was in place for the entire fiscal year, including twelve months of distributions to Alaris, despite Alaris not contributing capital on January 1st of such year.

Private Company Partner	Performance Metric	Current Annual Distribution ⁽¹⁾⁽²⁾ (US\$ millions unless noted)	Year End	Annual % change in Performance Metric ⁽²⁾⁽³⁾	Annual Earnings Coverage Ratio ⁽²⁾⁽⁴⁾
Accscient	% Change in "Gross Profit" ⁽⁵⁾ Collar of +/-5%	\$5.57	12/31/2018	0.0%	1.5 to 2.0
			12/31/2017	NA	1.2
			12/31/2016		
Body Contour Centers	% Change in "Same Clinic Revenue" ⁽⁶⁾ Collar of +/-6%	\$6.44	12/31/2018	NA ⁽⁷⁾	<1.0
			12/31/2017		
			12/31/2016		
ccComm	% Change in "Gross Revenues" ⁽⁸⁾ Collar of +/-6%	\$2.35	12/31/2018	-3.0%	<1.0
			12/31/2017	0% ⁽⁹⁾	2.8
			12/31/2016	NA	3.1
DNT	% Change in "Gross Revenues" ⁽¹⁰⁾ Collar of +/- 6%	\$11.42	12/31/2018	-1.5%	1.2 to 1.5
			12/31/2017	+6.0%	1.5
			12/31/2016	+6.0%	1.8
Federal Resources	% Change in "Gross Revenues" ⁽¹¹⁾ Collar of +/- 6%	\$11.35	12/31/2018	+6.0%	1.0 to 1.2
			12/31/2017	+6.0%	1.4
			12/31/2016	+6.0%	1.4
Fleet	% Change in "Net Revenues" ⁽¹²⁾ Collar of +/- 6%	\$2.10	12/31/2018	NA ⁽¹³⁾	1.2 to 1.5
			12/31/2017		
			12/31/2016		
GWM	% Change in "Gross Revenues" ⁽¹⁴⁾ Collar of +/- 8%	\$5.56	12/31/2018	NA ⁽¹⁵⁾	1.5 to 2.0
			12/31/2017		
			12/31/2016		
Heritage	% Change in "Gross Profit" ⁽¹⁶⁾ Collar of +/- 6%	\$2.36	12/31/2018	+6.0%	>2.0
			12/31/2017	NA	1.9
			12/31/2016		
Kimco	% Change in "Gross Revenues" ⁽¹⁷⁾ Collar of +/- 6%	\$4.70 ⁽¹⁸⁾	12/31/2018	-6.0%	<1.0 ⁽¹⁹⁾
			12/31/2017	-4.0%	(0.4) ⁽²⁰⁾
			12/31/2016	+2.6%	(0.7)

Private Company Partner	Performance Metric	Current Annual Distribution ⁽¹⁾⁽²⁾ (US\$ millions unless noted)	Year End	Annual % change in Performance Metric ⁽²⁾⁽³⁾	Annual Earnings Coverage Ratio ⁽²⁾⁽⁴⁾
LMS	% Change in "Gross Profit" ⁽²¹⁾ <i>Collar of +/- 6% on US distributions</i>	CAD\$5.20	12/31/2018	+5.0%	1.2 to 1.5
			12/31/2017	+12.5% ⁽²²⁾	1.2
			12/31/2016	+1.6%	1.5
PFGP	% Change in "Same Club Revenues" ⁽²³⁾ <i>Collar of +/- 5%</i>	\$3.70	12/31/2018	+5.0%	>2.0
			12/31/2017	+5.0%	2.0
			12/31/2016	+5.0%	1.5
Providence	% Change in "Same Customer Sales" ⁽²⁴⁾ <i>Collar of +/- 5%</i>	\$4.49 ⁽²⁵⁾	12/31/2018	-5.0%	1.2 to 1.5
			12/31/2017	+5.0%	13.6
			12/31/2016	NA	20.8
Sandbox	% change in "Gross Revenues" ⁽²⁶⁾ <i>Collar of +/- 6%</i>	\$6.18	12/31/2018	0.0%	1.0 to 1.2
			12/31/2017	2.0% ⁽²⁷⁾	1.1 ⁽²⁸⁾
			12/31/2016	+6.0%	1.1
SBI	% change in "Gross Revenue" ⁽²⁹⁾ <i>Collar of +/- 8%</i>	\$11.93	12/31/2018	+8.0%	1.2 to 1.5
			12/31/2017	NA	1.02
			12/31/2016		
SCR	% Change in "Gross Revenues" ⁽³⁰⁾ <i>Collar of +/- 6%</i>	CAD\$6.02 ⁽³¹⁾	12/31/2018	+6.0%	1.0 to 1.2 ⁽³²⁾
			12/31/2017	-3.1% ⁽³³⁾	1.7 ⁽³⁴⁾
			12/31/2016	-6.0%	(0.7)
Unify	% Change in "Gross Revenues" ⁽³⁵⁾ <i>Collar of +/- 5%</i>	\$1.92	12/31/2018	+5.0%	>2.0
			12/31/2017	+2.0%	1.9
			12/31/2016	NA	2.7

Footnotes to "Our Financing Arrangements" Table:

General:

- 1) Current Annual Distribution to Alaris is calculated as the total contractual distribution owed to Alaris from each Private Company Partner over the twelve (12) month period following the Private Company Partner's most recent fiscal year end in accordance with Alaris' agreements with each Private Company Partner. In certain cases the Current Annual Distribution actually collected will be materially less than what is displayed in this column (see note for SCR and Kimco) due to certain amendments to agreements with these Partners likely due to underperformance of the business. Due to the timing of receiving audited annual financial information from each Private Company Partner and the filing of this AIF, the majority of the adjustments to the Current Annual Distribution are based on estimates of the percentage change in the performance metric for the most recently completed fiscal year of each of our Private Company Partners. Specifically, for all Private Company Partners listed in this table, the Current Annual Distribution is an estimate based on internal unaudited financial statements until audited results confirm the annual percentage change. All amounts are in US dollars unless otherwise noted with CAD\$.
- 2) The Current Annual Distribution, Annual % Change in Performance Metric and Annual Earnings Coverage Ratio are calculated based on the fiscal year end of the Private Company Partner not Alaris' fiscal year end. For information regarding revenues Alaris received from each Partner during Alaris' fiscal year ending December 31, 2018, please refer to Alaris' audited financial statements and management discussion and analysis for the year ended December 31, 2018, both of which have been filed under our profile at www.sedar.com.
- 3) The Annual % Change in Performance Metric reflects the change in the relevant performance metric at the end of each Private Company Partner's fiscal year compared against the prior fiscal year. The change in the relevant performance metric is used to calculate the annual Distributions payable to Alaris for the next fiscal year for each Private Company Partner. The performance metric is calculated using audited financial statements once they are received from each Private Company Partner. However, in most instances for the purposes of this AIF, the Performance Metric has been estimated based on internal unaudited financial information. Specifically, for all Private Company Partners listed in this table the Annual % Change in Performance Metric is an estimate based on internal unaudited financial statements until audited results confirm the annual percentage change. The Annual % Change in Performance Metric estimated in the 2018 AIF for the fiscal year 2017, is now updated with the actual change upon having received audited statements from each Partner. Any material variances will be listed in the footnotes below under each Partner.
- 4) The Annual Earnings Coverage Ratio is used by Management to evaluate a Private Company Partner's ability to pay our Distributions. It is defined as normalized EBITDA divided by interest, principal repayments, unfunded capital expenditures and Distributions to Alaris. Such ratio indicates the number of times a Private Company Partner's fixed commitments can be covered by such Private Company Partner's earnings. As a failure to meet such commitments may mean a default under the terms of any such commitment, this ratio indicates the available margin of safety, and therefore, the risk involved in determining a Private Company Partner's ability to pay its commitments when business activity slows. A ratio of 1.0 or higher is generally considered sufficient by Management to demonstrate a company's ability to pay

its distributions to Alaris. The Annual Earnings Coverage Ratio, in the table above, for the most recently completed fiscal year ending 2018 for each Partner, was calculated using either: (i) audited financial statements of a Private Company Partner for its most recent fiscal year; or (ii) unaudited internal financial statements prepared by management of the Private Company Partner where audited financial statements are not yet available. Specifically, for all Private Company Partners listed in this table the Annual Earnings Coverage Ratio for each Partners fiscal 2018 is based on internal unaudited financial statements until audited results confirm the Annual Earnings Coverage Ratio. All ECR's for 2016 and 2017 are based on audited information. Where a Distribution was only payable for a partial fiscal year of a Private Company Partner, the Annual Earnings Coverage Ratio was calculated using a proforma capital structure to reflect the balance sheet following the Alaris contribution, which assumes a full year of Distributions to Alaris for such fiscal year as well as a full year of interest and principal payments on proforma debt obligations.

Accscient:

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

Body Contour Centers:

- 6) % Change in **"Same Clinic Revenue"** – "Same Clinic Revenue" means all revenue attributable to BCC and all affiliates ("**BCC Group**"), determined on a consolidated basis in accordance with GAAP. In the event any new business line, procedure or service (excluding any New Surgical Center or New Consult Center) (each a "New Business Line") is opened, revenue attributable to such New Business Line will be included in Same Clinic Revenue in the period in which such revenue is generated. In the event any new surgical center (a "New Surgical Center") is opened, no revenue attributable to such New Surgical Center will be included in Same Clinic Revenue until the first Fiscal Year that begins after the completion of 12 calendar months following the date on which such New Surgical Center generates its first dollar of revenue. In the event any new consult center (each a "New Consult Center") is opened, no revenue attributable to such New Consult Center will be included in Same Clinic Revenue until such time as the New Surgical Center with which the consult center is affiliated has been included in Same Clinic Revenue. In the event any surgical center or consult center is acquired from an independent third party, revenue attributable to such acquired center will not be included in Same Clinic Revenue until the first fiscal year that begins after the completion of twelve (12) calendar months following the effective date of the acquisition of such acquired business. In the event any business line, procedure, service or product offering, surgical center or consult center is terminated, closed or liquidated, or sold, transferred or otherwise assigned to an independent third party, the revenue attributable to such business be excluded from "same clinic revenue" in respect of both the fiscal year in which the business is terminated and the preceding fiscal year. The % change in Same Clinic Revenue is subject to a collar of 6% (plus or minus).
- 7) The Distribution from BCC will reset for the first time on January 1, 2020. Therefore, there was no estimated change to the performance metric based on 2018 financial results.

ccComm:

- 8) % Change in **"Gross Revenues"** – "Gross Revenues" are defined as all operating revenues of ccComm and its affiliates (collectively the "ccComm Group") for a specified period, less the "total overlay" for such period plus the "continuing service award", determined on a consolidated basis in accordance with GAAP. Gross revenues of any new business line, entity or division commenced or opened by the ccComm Group or acquired by an acquisition will be excluded from the definition of "gross revenues" until such new business has been a new business of the ccComm Group for at least eighteen (18) months (twelve (12) months in the case of an acquisition). In addition, the gross revenues from any business line, entity or division that is terminated, closed, sold, transferred or otherwise assigned to a non-affiliated person will be excluded from "gross revenues" in respect of both the fiscal year in which the business is terminated and the preceding fiscal year. The % change in gross revenues is subject to a collar of 6% (plus or minus).
- 9) The estimate for the percentage change in performance metric for 2017 at the time of publishing the 2017 AIF was +6% for ccComm. After receiving their audit for the fiscal year ended December 31, 2017 the reset came in lower at 0%

DNT:

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

Federal Resources:

- 11) % Change in **"Gross Revenues"** – "Gross Revenues" means for any specified period all operating revenues of Federal Resources and its affiliates (the "FR Group") for such period. Gross revenues of any new business line, division or any acquired business will be excluded from the definition of "gross revenues" until such new business has been a part of the FR Group for at least twenty four (24) months. In

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

Fleet:

- 12) % Change in "**Net Revenues**" – "Net Revenues" are defined as all of the net revenues of all entities of Fleet and its affiliates for such period, determined on a consolidated basis and in accordance with an agreed upon formula. Net Revenues of any new business line, entity or division acquired from an independent third party will be excluded from the definition of "net revenues" until the first Fiscal Year that begins after the completion of twelve (12) calendar months following the effective date of the acquisition of such acquired business. In addition, the net revenues from any business line, entity or division that is terminated, closed, sold, transferred or otherwise assigned to an independent third party will be excluded from "net revenue" in respect of both the fiscal year in which the business is terminated and the preceding fiscal year. The % change in gross revenues is subject to a collar of 6% (plus or minus).
- 13) The Distribution from Fleet will reset for the first time on January 1, 2020. Therefore, there was no estimated change to the performance metric based on 2018 financial results.

GWM:

- 14) % Change in "**Gross Revenues**" – "Gross Revenue" means, for any specified period, all gross revenue of GWM and its subsidiaries (collectively, the "GWM Group") for such period, determined on a consolidated basis in accordance with GAAP. Gross revenues of any new business line that is commenced or opened by the GWM Group will be excluded from the definition of "gross revenues" until the first fiscal year that begins after the completion of twenty-four (24) months after the date on which such new business generates its first dollar of operating revenue. Gross revenues of any new business line, entity or division acquired from a third party will be excluded from the definition of "gross revenues" until such new business has been a new business of the GWM Group for at least twelve (12) months. In addition, the gross revenues from any business line that is terminated, closed, sold, transferred or otherwise assigned to an independent third party will be excluded from "gross revenues" in respect of both the fiscal year in which the business is terminated and the preceding fiscal year. The % change in gross revenues is subject to a collar of 8% (plus or minus).
- 15) The Distribution from GWM will reset for the first time on January 1, 2020. Therefore, there was no estimated change to the performance metric based on 2018 financial results.

Heritage:

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

Kimco:

- 17) % Change in "**Gross Revenues**" – "Gross Revenues" are defined as all operating revenues of Kimco and its affiliates (collectively the "**Kimco Group**") for a specified period, less provision for bad debts and discounts to customers made in the ordinary course of business consistent with past practice, as determined on a consolidated basis. Gross revenues of any new business acquired by the Kimco Group will be excluded from the definition of "gross revenues" until such new business has been a new business of the Kimco Group for at least twenty four (24) months. In addition, the gross revenues from any business that is sold, transferred or otherwise assigned to a non-affiliated person will be excluded from "gross revenues" for the fiscal year in which it is being calculated and such gross revenues will be excluded from any prior comparison year utilized in calculating the percentage change in gross revenues. The % change in gross revenues is subject to a collar of 6% (plus or minus).
- 18) As previously disclosed and as indicated by the ECR being below 1.0x in 2016, 2017 and 2018, Kimco has not been paying a full distribution to Alaris and stopped paying distributions to Alaris in June 2015, with the exception of \$0.9 million of distributions in 2018. Therefore, the actual amount of Distributions paid to Alaris will be less than US\$4.7 million in 2019 and any amounts paid will depend on the financial performance of Kimco over the remainder of 2019. Alaris is currently not using any distributions from Kimco in its run-rate analysis.
- 19) The ECR for Kimco's fiscal year end 2018 was calculated using actual distributions paid to Alaris (\$0.9 million). If you were to use the contractual amounts owed to Alaris the ECR would still be below 1.0x for the period.
- 20) The ECR for Kimco's fiscal year end 2017 was calculated assuming all distributions owed to Alaris, despite Alaris not receiving any distributions in that year.

LMS:

- 21) % Change in "**Gross Profit**" – "Gross Profit" means LMS' net sales less its cost of sales for the applicable fiscal year. Net sales include all sales (including brokerage sales) net of bad debts and sales credits. Gross profit for any new business acquired shall not be included in the calculation of gross profit for the purposes of adjusting the Distribution payable to Alaris until such business has been operated by LMS for

at least 36 months. In addition, any gross profit attributed to a disposition by LMS shall not be included in the calculation for adjusting the Distribution payable to Alaris. The % change in gross profits is not subject to any collar (plus or minus) other than the distributions associated with the US\$4.5 million contribution Alaris made to LMS in March 2016.

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

PFGP:

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

Providence:

- 24) % Change in **"Same Customer Sales"** – "Same Customer Sales" are defined as all gross sales of Providence and its affiliates (collectively the "Providence Group") from all Customers from whom gross sales were also recognized by the Providence group in the immediately preceding fiscal year, less discounts and adjustments consistent with the Company's revenue recognition policies, determined on a consolidated basis in accordance with GAPP. If any new customer is engaged or added by the Providence Group, or if such customer is acquired from a non-affiliated entity, then the gross sales attributable to that customer will be excluded from "Same Customer Sales" until the first fiscal year after such new customer has been a customer for at least twelve (12) months. In addition, if there is a reduction in any fiscal year of at least 80% in the gross sales attributable to a specified customer, then the gross sales attributable to such customer shall be excluded from "Same Customer Sales" in respect of both the fiscal year in which the reduction occurs and the preceding fiscal year. The % change in gross revenues is subject to a collar of 5% (plus or minus).
- 25) In March 2019 Alaris received a notice from the senior lenders of Providence notifying Alaris that its distribution from Providence has been blocked for future payments due to Providence's non-compliance with certain covenants. Alaris, Providence and the senior lender are working on viable solutions to minimize the disruption to distributions. It is too early in discussions to know if the actual amount of Distributions will be materially less than what is contractually owed to Alaris in 2019. There should be a meaningful update available when Alaris releases Q1, 2019 results on May 6, 2019.

Sandbox:

- 26) % Change in **"Gross Revenues"** – "Gross Revenues" means, for any specified period, all gross revenues of Sandbox and its affiliates (the "Sandbox Group") for such period. Gross revenues of any new business line or division or any acquired business will be excluded from the definition of "gross revenues" until such new business has been a part of the Sandbox Group for at least twenty four (24) months. In addition, the gross revenues from any business that is sold, transferred or otherwise assigned to a non-affiliated person will be excluded from "gross revenues" for the fiscal year in which it is being calculated and any comparison year utilized in such calculation of the percentage change in gross revenues. The % change in gross revenues is subject to a collar of 6% (plus or minus).
- 27) At the time of publication of the 2017 annual information form, we had estimated Sandbox's annual change in performance metric to be 6% for 2017. After receiving audited results the percentage reset was confirmed to be +2.0%.
- 28) At the time of publication of the 2017 AIF, we had estimated Sandbox's ECR for 2017 to be in the 1.2 to 1.5x range. After receiving audited results for the year ended December 31, 2017 the ECR came in lower at 1.11x.

SBI:

- 29) % Change in **"Gross Revenue"** – "Gross Revenue" means, for any specified period, all means, for any specified period, all gross revenue of SBI and its affiliates (collectively, the "SBI Group") for such period, determined on a consolidated basis in accordance with GAAP. Gross revenues of any new business line, entity or division commenced or opened by the SBI Group or acquired by an acquisition will be excluded from the definition of "gross revenues" until such new business has been a new business of the SBI Group for at least twelve (12) months. In addition, the gross revenues from any business line, entity or division that is terminated, closed, sold, transferred or otherwise assigned to a non-affiliated person will be excluded from "gross revenues" in respect of both the fiscal year in which the business is terminated and the preceding fiscal year. The % change in gross revenues is subject to a collar of 8% (plus or minus).

SCR:

- 30) % Change in **"Gross Revenues"** – "Gross Revenues" are defined as all gross revenues of SCR and its subsidiaries excluding any one-time non-recurring revenue, bad debts and amounts arising solely due to a change in generally accepted accounting principles. Gross revenues attributable to a new business are not included in the calculation of gross revenues until such new business has been a new business of SCR for at least 24 months. The % change in gross revenues is subject to a collar of 6% (plus or minus).
- 31) SCR is contractually obligated to pay Alaris CAD\$6.02 million in 2019 but is currently only paying a fixed amount of CAD\$150,000 per month (CAD\$1.8 million annually). This amount may increase throughout the year if SCR's performance allows for such increase. However, the actual amount of distributions received by Alaris from SCR in 2019 will likely be less than CAD\$6.02 million.
- 32) The ECR for 2018 is based on the actual amount SCR paid Alaris in 2018 (CAD\$1.65 million). If you include all distributions owed to Alaris in the ECR calculation for 2018 the number would be below 1.0x.
- 33) The estimate for the percentage change in performance metric for 2017 at the time of publishing the 2017 AIF was 0.5% for SCR. After receiving their audit for the fiscal year ended December 31, 2017 the reset came in lower at -3.1%.
- 34) SCR was contractually obligated to pay Alaris CAD\$5.66 million in 2017 but only paid CAD\$0.6 million. The ECR in this table is based on what was actually paid to Alaris. Had you used what was contractually owed to Alaris for this period the ECR would have been 0.3x.

Unify:

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

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

RISK FACTORS

An investment in our securities involves a number of risks. The risks and uncertainties described below are all of the risks that we know about and that we have deemed to be material to our business or results of our operations. When reviewing forward-looking statements and other information contained in this AIF, investors and others should carefully consider these factors, as well as other uncertainties, potential events and industry and company-specific factors that may adversely affect our future results. We operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for Management to predict all risk factors or the impact of such factors on our business. We assume no obligation to update or revise our risk factors or other information contained in this AIF to reflect new events or circumstances, except as may be required by law.

We have organized our risks into the following categories:

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

STRATEGIC RISK FACTORS RELATING TO OUR BUSINESS

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

We are entirely dependent on the operations, assets and financial health of our Private Company Partners through our agreements with them. Our ability to pay dividends, to satisfy our debt service obligations and to pay our operating expenses is dependent on the Distributions received from our Private Company Partners, our sole source of cash flow. Adjustments of Distributions to Alaris from our Private Company Partners are generally based on the percentage change of the Private Company Partner's revenues, same-store sales, gross margin or other similar top-line measure. Accordingly, subject to certain conditions, to the extent that the financial performance of a Private Company Partner declines with respect to the relevant performance measure, cash payments to Alaris will decline. The failure of any material Private Company Partner or collectively a number of non-material Private Company Partners to fulfill its Distribution obligations to Alaris could materially adversely affect our financial condition and cash flows. We conduct due diligence on each of our Private Company Partners and the industries they operate in prior to entering into our agreements with them. In addition, we continue to have regular discussions with our Private Company Partners, we receive regular financial and other reports from them and we continue to monitor changes in the industries in which they operate. However, there is a risk that there may be liabilities or other matters that are not identified by us through our due diligence or ongoing communications and monitoring procedures, which may have a material adverse effect on the Private Company Partners and the applicable performance measure.

Our agreements with our Private Company Partners provide us with certain remedies in the event of non-payment of Distributions by the applicable Private Company Partner. In addition, some of our arrangements are secured by the assets of the Private Company Partner (for example, Federal Resources) or are guaranteed by an affiliated entity (for example, GWM). However, our rights to payment, our remedies, and our security interests are generally subordinated to the payment rights and security interests of a Private Company Partner's senior lenders and could be impacted by rights of certain unsecured creditors. Specifically, our agreements with a Private Company Partner may include a standstill provision limiting our ability to exercise certain remedies until the senior debt is paid or for a specified period of time.

We have numerous positive and negative covenants in place with our Private Company Partners designed to protect our Distributions and typically our prior consent is required for items outside of the ordinary course of business; however, we generally do not have significant voting rights in our Private Company Partners and accordingly our ability to exercise direct control or influence over the operations of our Private Company Partners (except with respect to our consent rights and in circumstances where there has been an

uncured event of default and Distribution payments to Alaris have not been made as required) may be limited. The Distributions received by us from the Private Company Partners therefore depend upon a number of factors that may be outside of our control.

There is generally no publicly available information, including audited or other financial information, about our Private Company Partners and the boards of directors and management of these companies are not subject to the same governance and disclosure requirements applicable to Canadian public companies. Therefore, we rely on our Management and third party service providers to investigate these businesses. There can be no assurance that our due diligence efforts or ongoing monitoring procedures will uncover all material information about the privately held businesses necessary to make fully informed decisions. In addition, our due diligence and monitoring procedures will not necessarily ensure that an investment will be successful. Private Company Partners may have significant variations in operating results; may from time to time be parties to litigation; may be engaged in rapidly changing businesses; may expand business operations to new jurisdictions or business lines; may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position; or may be adversely affected by changes in their business cycle or changes in the industries in which they operate.

Numerous factors may affect the quantum of a Private Company Partner's Distribution to Alaris, or the ability of a Private Company Partner to service such Distribution obligations, including, without limitation: the failure to meet its business plan; regulatory or other changes affecting its industry; integration issues with respect to acquisitions, new locations or new business lines; a downturn in its industry; negative labour trends in a Private Company Partners industry or the economy as a whole; negative economic conditions; changes in legislation or regulations governing a business or industry; disruptions in the supply chain; disputes with suppliers, customers, or service providers or changes in arrangements therewith; and working capital and/or cash flow management issues. Deterioration in a Private Company Partner's financial condition and prospects may be accompanied by a material reduction in the distributions or payments received by Alaris. See "*Risk Factors Relating to our Private Company Partners*".

We are subject to risks affecting any new Private Company Partners

If Alaris is successful in partnering with one or more new Private Company Partners, the businesses of these Private Company Partners may be subject to one or more of the risks referred to under "*Risk Factors Relating to our Private Company Partners*" or similar risks and may be subject to other risks particular to such business or businesses. A material change in a Private Company Partner's business and/or their ability to pay the Distribution payable to us could have an adverse effect on our business.

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

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

We have limited diversification in our Private Company Partners

Alaris does not have stringent fixed guidelines for diversification with respect to our Private Company Partners. At any given point in time, we may have a significant portion of our assets dedicated to a single business or industry. In the event that any such business or industry is unsuccessful or experiences a downturn, this could have a material adverse effect on our business, results from operations and financial condition.

Our business and the business of each of the Private Company Partners are subject to changes in North American and international economic conditions, including but not limited to, recessionary or inflationary trends, capital market volatility, consumer credit availability, interest rates, consumers' disposable income and spending levels, job security and unemployment, international trade disputes and tariffs, corporate taxation and overall consumer confidence. As has been experienced over the last decade, market events and conditions, including disruptions in the international credit markets and other financial systems, may result in a deterioration of global economic conditions. These conditions could cause a decrease in confidence in the broader North American and global credit and financial markets and create a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, from time to time there may be concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions. These factors could negatively impact company valuations and impact the performance of the global economy. A return of any these negative economic events could have a material adverse effect on our Company and our Private Company Partners' business, financial condition, results of operations and cash flows.

In addition, economic conditions in North America and globally may be affected by geopolitical events throughout the world that cause disruptions in the financial markets, either directly or indirectly. In particular, conflicts, or conversely peaceful developments, arising in

the Middle-East, Asia, or Eastern Europe and other areas of the world that have a significant impact on the price of important commodities can have a significant impact on financial markets and global economy. Any such negative impacts could have a material adverse effect on our Company and our Private Company Partners' business, financial condition, results of operations and cash flows.

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

Our ability to sustain continued growth depends on our ability to identify, evaluate and contribute financing to suitable private businesses that meet our criteria. Accomplishing such a result on a cost-effective basis is largely a function of Alaris' sourcing capabilities, our management of the investment process, our ability to provide capital on terms that are attractive to private businesses and our access to financing on acceptable terms. As Alaris grows, we will also be required to hire, train, supervise and manage new employees. Failure to manage effectively any future growth or to execute on our business plans to add new Private Company Partners could have a material adverse effect on our business, reputation, financial condition and results of operations.

We face competition with other investment entities

Alaris competes with a large number of private equity funds, mezzanine funds, equity and non-equity based investment funds, royalty companies and other sources of financing, including the public and private capital markets as well as senior debt providers. Some of our competitors, particularly those operating in the United States, are substantially larger and have considerably greater financial resources and more diverse funding structures than Alaris. Competitors may have a lower cost of funds and many have access to funding sources and unique structures that are not available to Alaris. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships and build their market shares as well as to use high amounts of leverage to increase valuations given to entrepreneurs. There is no assurance that the competitive pressures that we face will not have a material adverse effect on our business, financial condition and results of operations. Also, as a result of this competition, we may not be able to take advantage of attractive investment opportunities and there can be no assurance that Alaris will be able to identify and make investments that satisfy our business objectives or that we will be able to meet our business goals. Where necessary, Alaris has developed several strategies to address competitive pressures, including the use of a "paid in kind" structure for a portion of a Distribution, adjusting initial dividend rates and exit multiples as well as adding a common equity component for investments. There can be no guarantee that these strategies or any additional strategies utilized by the Corporation will be successful in addressing competitive pressures.

OPERATIONAL AND FINANCIAL RISK FACTORS RELATING TO OUR BUSINESS

We are subject to tax related risks

CRA Re-Assessment

In 2015, the Corporation received a notice of reassessment from the Canada Revenue Agency in respect of its taxation year ended July 14, 2009. The Corporation has since received notices of reassessment from the Canada Revenue Agency in respect of its taxation years ended December 31, 2009 through December 31, 2017 (collectively the "Reassessments"). Pursuant to the Reassessments, the deduction of approximately \$121 million of non-capital losses and utilization of \$7.9 million in investment tax credits by the Corporation was denied, resulting in reassessed taxes and interest of approximately \$47.7 million. Subsequent to filing the notice of objection for the July 14, 2009 taxation year, Alaris received an additional proposal from the CRA pursuant to which the CRA is proposing to apply the general anti avoidance rule to deny the use of non-capital losses, accumulated scientific research and experimental development expenditures and investment tax credits. The proposal does not impact the Corporation's previously disclosed assessment of the total potential tax liability (including interest) or the deposits required to be paid in order to dispute the CRA's reassessments. The Corporation has received legal advice that it should be entitled to deduct the non-capital losses and as such, the Corporation remains of the opinion that all tax filings to date were filed correctly and that it will be successful in appealing such Reassessments. The Corporation intends to vigorously defend its tax filing position. In order to do that, the Corporation was required to pay 50% of the reassessed amounts as a deposit to the Canada Revenue Agency. The Corporation has paid a total of \$20.2 million in deposits to the CRA relating to the Reassessments to date, including \$3.0 million deposited in 2017 and \$0.9 million deposited in 2018. It is possible that the Corporation may be reassessed with respect to the deduction of its non-capital losses in respect of its tax filings in respect of the 2018 taxation year, on the same basis. The carrying values of the remaining ITC's of \$2.8 million at December 31, 2018 and the ITC's claimed in 2018 of \$0.2 million are at risk should the Corporation be unsuccessful in defending its position. The Corporation anticipates that legal proceedings through the CRA and the courts will take considerable time

to resolve and the payment of the deposits, and any taxes, interest or penalties owing will not materially impact the Corporation's payout ratio.

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

International Structure

Alaris has established Alaris Coop, Alaris USA, and Salaris USA for the purpose of financing and entering into arrangements with potential Private Company Partners in the United States and other jurisdictions on a tax efficient basis. Our corporate structure for this purpose was implemented having regard to the complex corporate and tax laws and regulations of Canada, The Netherlands and the United States, as well as the income tax conventions between those countries to date, and our understanding of the current administrative practices and policies of the taxation authorities of each such jurisdiction, as well the structure of our Private Company Partners. Such laws, regulations and conventions are subject to change from time to time. There is a possibility that such a change may be made, including with retroactive or retrospective effect. In 2018, the U.S. Treasury and the Internal Revenue Service issued proposed regulations relating to the 2017 Tax Cuts and Jobs Act, which provided administrative guidance and clarified certain aspects of the new laws. The proposed regulations are complex and comprehensive, and considerable uncertainty continues to exist until the final regulations are released, which is expected to occur in 2019. The Corporation continues to review, analyze and assess the impact these new proposed regulations could have on the Company as the impact could be material.

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

International Tax Audit

In early January 2017, the CRA began an international tax audit of Alaris with respect to its 2013, 2014 and 2015 taxation years and in December 2017, the CRA issued a letter proposing adjustments relating to intercompany services provided by Alaris to its foreign subsidiaries. If unsuccessfully defended, the audit would likely result in a onetime payment of an amount that is immaterial to the Corporation. Alaris strongly disagrees with the CRA's assessment and intends to vigorously defend its tax filing position. The two parties continue to work through this matter.

General

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

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

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

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

Certain features of our outstanding debt, including the renewal of such debt on substantially similar terms, and the nature of any outstanding debt of the Private Company Partners could adversely affect our ability to raise additional capital, to fund our operations, to pay dividends, and could limit our ability to react to changes in the economy and our industry, expose us to interest rate risks and could prevent us from meeting certain of our business objectives. An inability to meet our debt covenants could result in a default under our senior credit facility, which may then require repayment of any outstanding amounts at a time when Alaris may not have

sufficient cash available to make such repayment. In addition, a default under our debt facility may impact our ability to obtain future debt financing on terms favorable to Alaris. Furthermore, an inability of any material Private Company Partner (or a group of non-material Partners collectively representing a material portion of our revenues) to meet their debt covenants and a failure of a Private Company Partner to refinance or restructure its debt where necessary can have an impact on their ability to pay our Distributions and therefore impact Alaris' cash flows. In addition, where a Private Company Partner has defaulted under our agreements, our right to exercise our remedies may be subordinate to the Partner's senior lender and subject to a standstill provision until the senior debt is repaid or for a specified period of time.

Alaris and our Partners are subject to significant regulation

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

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

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

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

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

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

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

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

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

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

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

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

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

Our Private Company Partners have termination rights which may be exercised

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

We and our Private Company Partners rely heavily on key personnel

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

Our share price is unpredictable and can be volatile

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

We may issue additional Common Shares diluting existing Shareholders' interests

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

We are subject to a risk of legal proceedings

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

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

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

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

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

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

Foreign Account Tax Compliance Act ("FACTA") Provisions

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

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

and will report, such information about U.S. reportable accounts and such U.S. persons and non-U.S. entities to the IRS pursuant to the exchange-of-information provisions in the Canada-U.S. tax treaty.

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

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

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

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

Sections 1291 through 1298 of the U.S. Tax Code provide for special (and generally unfavorable for U.S. shareholders) rules applicable to non-U.S. corporations that constitute PFICs. A non-U.S. corporation will constitute a PFIC for any taxable year in which either (1) at least 75% of its gross income for such taxable year is passive income (which would include, among other things and subject to certain exceptions, dividends, interest, royalties, rents, annuities and other income of a kind that would be "foreign personal holding company income", as defined in Section 954(c) of the Code), or (2) the average percentage of assets, by value (determined on the basis of a quarterly average), held by it during such taxable year which produce passive income or which are held for the production of passive income is at least 50%. For this purpose, the non-U.S. corporation will be considered to receive directly its proportionate share of the income and hold its proportionate share of the assets, of any corporation (whether U.S. or non-U.S.) at least 25% (by value) of the stock of which the non-U.S. corporation owns directly or indirectly.

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

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

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

income by the U.S. shareholder under the MTM Election for prior taxable years. If an MTM Election is made, then distributions from Alaris with respect to the Common Shares would be treated as if Alaris were not a PFIC, except that the lower tax rate currently imposed on dividends to individuals would not apply.

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

RISKS RELATING TO OUR MATERIAL PRIVATE COMPANY PARTNERS

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

Risks Relating Specifically to SBI

<i>A loss of a key revenue generating principal in the business</i>	If SBI were to lose a key member of its revenue generating team to attrition or other reasons there could be a short-term impact on revenue and cash flows. Although key account relationships are held at the company level, losing a top producing principal may result in the loss of future business with companies that a principal may have had in its sales pipeline.
<i>An inability to attract the skilled workforce SBI relies on</i>	SBI must retain and be able to attract the highly skilled workforce it requires to meet the demand of its clients. Management has indicated it has not had and does not expect to have an issue attracting top talent due to its corporate culture and compensation packages. However, an inability to continue to attract high quality employees could impact the business in the short and long-term.
<i>Contracts are short-term in nature</i>	Although some client revenues are reoccurring in nature, the contracts SBI has with clients tend to be short-term (project based) and therefore make long-term planning a bit more difficult. Forecasting the business outside of a 3 to 6 month window is relatively tough and based on historic lead generation and conversation rates. A failure to convert new leads into actionable mandates can have a negative impact on SBI's revenue and cash flow following the completion of existing contracted business. Although SBI tends to differentiate itself from its competitors on processes and procedures rather than price, it does also have to compete on price. If SBI cannot be competitive when bidding on new contracts it may not be able to replace business that is running off.
<i>Exposed to the M&A market in the United States</i>	SBI generates a large portion of its revenue by working for private equity clients with purchase mandates. Although all indicators are pointing to continued momentum in the private equity space, if the level of private equity activity slows down from current record levels SBI may face a decrease in revenues and cash flow.
<i>Highly fragmented industry with low costs to enter</i>	The industry in which SBI competes in is highly fragmented with many small to medium sized businesses as well as a few large well capitalized competitors. The cost to enter this industry is relatively low and therefore the barriers to entry are minimal. Although the cost to enter the industry are low, new entrants to the market must also be able to prove their processes and procedures lead to a successful outcome for its client and therefore new entrants can take a while to gain significant market share. Entry of new competitors or discount pricing strategies by a few large competitors could impact the revenues and margins of SBI's business and lead to lower cash flow.
<i>Needs sufficient cash flow to incentivize principals for performance</i>	The compensation structure of SBI is such that a significant portion of a principal's income comes by way of partner distributions at year end. In order to incentivize minority owner partners as well as principals, SBI needs to have enough cash to pay out meaningful partner distributions on an annual basis going forward.

Risks Relating Specifically to DNT

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

Risks Relating Specifically to Federal Resources

<i>Complex procurement rules and regulations on U.S. government contracts</i>	<p>Federal Resources derives a large portion of its revenue from contracts with the U.S. government, as well as other State level and municipal contracts. U.S. government contracts have complex procurement rules and certain regulations. A failure to abide by these rules/regulations can result in penalties such as termination of certain contracts, disqualification from bidding on future contracts and suspension or permanent removal from bidding on U.S. government contracts.</p>
<i>Subject to reviews, audits and costs adjustments by the U.S. government</i>	<p>If a review, audit or cost adjustment conducted by the U.S. government results in an outcome negative to Federal Resources, it could adversely affect their profitability, cash flow or growth prospects.</p>
<i>Contracts can be cancelled at anytime</i>	<p>The U.S. government can cancel contracts at any time through a termination of convenience provision, provided that they cover Federal Resources for costs incurred. Although cost coverage would result in Federal Resources not incurring a loss on the inventory it purchased, it will not make a profit on the sale and will need to find a substantial new customer or customers and sell the product over a prolonged period of time in order to eventually realize a profit on the inventory.</p>

<i>Competition is intense</i>	Federal Resources competes with a number of large established multinational companies. This results in competitive pricing and low profit margins. Successfully winning contracts in a competitive environment can result in losses on certain contracts if certain variables change given the low profit margins Federal Resources operates with.
<i>Seasonality/variability of revenue</i>	Due to the timing of government budget cycles, a large portion of Federal Resources sales can come within a certain time of the year. This requires Federal Resources to manage its cash flows for operations, debt payments and distribution payments to Alaris for the remaining months of a given year out of the cash generated from prior sales. Failure to properly manage cash flow from seasonal sales could negatively impact Federal Resources cash flow.
<i>Working capital requirements at certain times of the year can be significant</i>	Due to the amount of inventory Federal Resources has to carry to satisfy certain contracts at certain times of the year, it can result in significant requirements for working capital to fund operations. If Federal Resources fails to have sufficient working capital to support periodic needs it could negatively impact the cash flows of the business and thus payment of Distributions to Alaris.
<i>A decline in U.S. government defense budgets can impact FRS</i>	Given that Federal Resources generates a majority of its revenue from U.S. government defense contracts it could be negatively impacted by a general decrease in defense budget spending in a given year.

RISKS RELATING TO ALL OF OUR PRIVATE COMPANY PARTNERS, GENERALLY

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

How a Private Company Partner is leveraged may have adverse consequences to them

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

Our Private Company Partners rely on key personnel

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

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

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

Failure to Realize Anticipated Benefits of Acquisitions, New Business Lines or Locations

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

anticipated benefits of such acquisitions, new business lines or locations could have a material adverse impact on a Private Company Partner's operations and therefore on our operations.

Our Private Company Partners may suffer damage to their brand reputations

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

Our Private Company Partners face intense competition

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

Additional franchise operations may be limited

PFGP is a franchisee of Planet Fitness. As such, PFGP's operations depend, in part, on decisions made by the Planet Fitness franchisor, including decisions relating to pricing, advertising, policy and procedures as well as approvals required for acquisitions and territory expansion. Business decisions made by the franchisor could impact PFGP's operating performance and profitability. In addition, PFGP must comply with the terms of its franchise agreements with the franchisor and its applicable land development agreements. A failure to comply with such obligations or a failure to obtain renewals on any expiring franchise agreements could adversely affect PFGP's operations.

Changes in the industry in which the Private Company Partners operate

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

Risks regarding legal proceedings involving our Private Company Partners

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

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

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

Customer Concentration

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

SUMMARY OF PARTNER AGREEMENTS

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

<i>Structure</i>	With the exception of our agreement with GWM and loan to Federal Resources, each of our arrangements with our Private Company Partners is structured as a limited partnership or a limited liability company with such Private Company Partner, in which Alaris holds preferred units. The general partner, (in the case of a limited partnership), or the other members, (in the case of a limited liability Company), holds voting common units. Our arrangement with Federal Resources consists of a combination of a subordinated secured loan and preferred equity. Our agreement with GWM consists of a subordinated credit agreement and preferred equity.
<i>Voting Entitlements</i>	Alaris has no voting rights or very limited voting rights in its Private Company Partners (generally 10% of the outstanding voting rights in the case where Alaris holds voting securities). Notwithstanding the foregoing, and except for our arrangements with Federal Resources, each of our agreements with our Private Company Partners provides Alaris with special voting rights that only operate in the event of certain uncured events of default. Such special voting rights entitle us to a sufficient number of votes, to, among other things, appoint the board of directors of the applicable Private Company Partner. See "Step In Rights or Other Remedies" below.
<i>Annual Distribution Entitlement</i>	The preferred units/shares held by Alaris in our Private Company Partners entitle Alaris to receive an annual preferred distribution in priority to distributions on all other partnership or membership units issued by such Private Company Partners (but subordinate to a Private Company Partner's senior lenders or other specified parties). In the case of Federal Resources and GWM, the terms of our loan with each such party provide that Alaris is entitled to receive an annual interest payment paid in priority to payments to the common equity holders (but subordinate to each partner's senior lenders).
<i>Financial & Operational Reporting</i>	Each Private Company Partner must provide regular financial, operating, legal and tax information to Alaris on a monthly (unaudited) and annual (audited) basis and some are required to provide additional quarterly reports. The information is used by Alaris to verify distribution calculations and to monitor the Private Company Partner's compliance with the terms of its agreements with Alaris.
<i>Repurchase Option</i>	Other than with respect to the FR Loan and GWM Loan, each Private Company Partner or its general partner has the ability to repurchase the preferred units held by Alaris at a pre-negotiated price (generally calculated as the greater of (i) total cash contributed and (ii) the amount obtained by multiplying the distribution in the year of the repurchase by a pre-set multiple which represents a premium to the initial investment multiple). In each case, a Private Company Partner may not exercise such option until the third anniversary of Alaris' initial contribution to such Private Company Partner. Notwithstanding the foregoing: the DNT Redeemable Preferred Units are redeemable at par for a period of five (5) years (with an annual mandatory redemption commencing in 2017, with such redemption being based on certain excess cash flow requirements); the redeemable Accscient units are redeemable at par for three (3) years; the redeemable SBI units are redeemable at par for three (3) years; the redeemable Heritage units are redeemable at par indefinitely; the redeemable BCC units are redeemable at par on the earlier of (i) the closing of Tranche 2, or (ii) September 2021. The terms of the FR Loan do not contemplate an early repayment of the outstanding loan, other than as set forth below in "Rights on an Event of Default or on a Change of Control" or in connection with a redemption of our preferred equity; however, US\$3.0 million of the aggregate US\$ 6.0 million contributed to a subsidiary of Federal Resources in 2016 is redeemable at par value at any time. In addition, Alaris' US\$13.5 million contribution to a subsidiary of Federal Resources in December 2017 includes a make whole provision whereby if it is repurchased in the first eighteen (18) months, Alaris is entitled to a payment equal to the distributions Alaris would have received from the date of the redemption through

to the 3rd anniversary of the contribution. The GWM Loan may not (absent certain exceptions) be repaid before the third anniversary of such loan.

Rights on an Event of Default or on a Change of Control

On an uncured event of default (other than a liquidation event) by a Private Company Partner or on a change of control of a Private Company Partner or its general partner, Alaris is generally entitled to have its preferred units repurchased by the Private Company Partner (or a third party) for an amount equal to a pre-negotiated formula generally calculated by multiplying the Distribution in the year of the repurchase by a pre-set multiple and, in certain circumstances, Alaris may be entitled to a floor of its contributed capital (on a default Alaris generally has the right to have its units purchased for an amount equal to the greater of our contributed capital or a pre-set multiple multiplied by the current distribution). Alaris is generally entitled to receive such amount in priority to holders of common equity in such Private Company Partner, but subject to such Private Company Partner's senior creditors or certain other parties specified in the particular agreement between Alaris and the Private Company Partner. With respect to the FR Loan and GWM Loan, Alaris has the right to be repaid upon a change of control or upon an event of default, provided that such repayment is subordinate to that partner's senior lenders.

Liquidation or Dissolution of the Private Company Partner

In the event of a liquidation or dissolution or insolvency of the Private Company Partner, Alaris is entitled to receive either (i) a preferred liquidation entitlement in respect of its preferred units (as determined by a pre-negotiated formula or amount in its agreements with the Private Company Partners) in priority to the holders of the common equity or (ii) its pro rata portion of the remaining assets, but in either case subject to the Private Company Partner's senior lenders. In the case of Federal Resources, the FR Loan is secured against the assets of Federal Resources, as such Alaris would rank as a secured creditor ahead of any unsecured creditors and common equity holders with respect to the obligations under the FR Loan; however, Alaris' security on the FR Loan is subordinate to Federal Resources' senior lenders.

Alaris consent rights

Although Alaris does not have any significant voting rights in any of its Private Company Partners, the approval of Alaris is required for a number of matters for each Private Company Partner. Each of these consent matters have been tailored to the unique circumstances of the transaction with the particular Private Company Partner. Such matters include, but are not limited to, some or all of the following: (i) changes in the terms of the outstanding units in each Private Company Partner; (ii) creating additional classes of units that rank ahead of the preferred units held by Alaris; (iii) amending the terms of the Private Company Partner's agreement with Alaris; (iv) a transfer of any equity in the Private Company Partner except in limited circumstances, including but not limited to related party transfers; (v) any material change (or for some Partners, any change) to a Private Company Partner's senior credit facility; (vi) entering into any new credit facility or incurring additional indebtedness in excess of a specified amount; (vii) amending the terms of any management, non-competition or non-solicitation agreement with the Private Company Partner's senior management team; (viii) undertaking any acquisitions or other transactions outside the ordinary course of business for a value in excess of a specified amount; (ix) non-arm's length transactions exceeding a specified amount; (x) encumbering assets other than as permitted in the particular agreement; (xi) undertaking any material change in the business or organizational structure of the Private Company Partner outside the ordinary course of business; (xii) any capital expenditures or series of related capital expenditures outside the ordinary course of business in excess of a specified amount in any fiscal year; (xiii) dissolving the Private Company Partner; (xiv) exceeding certain financial covenants; (xv) entering into any business competitive with the Private Company Partner; (xvi) any changes in the accounting policies, procedures or practices of the Private Company Partner or its affiliates; (xvii) any increases above a pre-determined amount in the compensation paid to certain members of the Private Company Partner's management team; (xviii) certain changes in management; and (xix) certain changes in executive compensation. Depending on the circumstances of a particular Partner we may add additional consent rights or modify existing consent rights.

Step-In Rights or Other Remedies

In circumstances where there is an uncured event of default which entitles Alaris to have its preferred units repurchased (see "*Rights on an Event of Default or on a Change of Control*" above) and such units have not been repurchased within a specified timeframe, Alaris' preferred units in the Private Company Partners (with the exception of Federal Resources) become entitled to special voting rights that, among other things, provides Alaris with sufficient votes to elect the board of directors of the Private Company Partner, appoint new management and generally exert control over the operations of a Private Company Partner until such time as the units are repurchased and the repurchase price has been paid to Alaris (such voting rights may be subordinate to the Private Company Partner's senior

lenders in certain circumstances, and may require such lenders' consent or a standstill period before exercising).

In the case of the FR Loan, the obligations and liabilities of Federal Resources are secured against the assets of Federal Resources, subject to certain permitted encumbrances and the senior security interests of Federal Resources senior lenders. Our most recent agreements also include a mandatory sale provision, whereby if there is an uncured event of default for longer than the negotiated time period, we have the ability to cause the Private Company Partner to sell the business (the intention is to include this provision in all future agreements).

Pre-payment Rights

Should certain specified events of default occur on more than one occasion, Alaris is entitled to require the Private Company Partner to make a pre-payment representing a pre-determined number of monthly payments of the then current preferred distribution to Alaris, such amount to be held in trust and applied to future payments.

Further Contributions

From time to time our agreements with one or more Private Company Partners may provide a Private Company Partner with the option, exercisable at a pre-determined time, to require Alaris to make a further contribution to the Private Company Partner for additional preferred partnership units of such Private Company Partner that entitle Alaris to receive an additional Distribution. Except as set forth herein, as of the date hereof all such options have expired or were terminated. Alaris has agreed to make the BCC Tranche 2 and BCC Tranche 3 investments upon BCC satisfying certain financial targets.

Additional Information

From time to time Alaris has, and may do so in the future, made loans to its Private Company Partners where deemed appropriate. The following are the amounts of loans outstanding with former partners of Alaris as of the date of this filing:

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

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

DIVIDENDS

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

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

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

The following table describes the dividends declared and paid by in the last three years and up to the date of December 31, 2018:

Dividend Payment Date	Amount per Common Share	Record Date
January 15, 2016	\$0.135/Share	December 31, 2015
February 16, 2016	\$0.135/Share	January 29, 2016
March 15, 2016	\$0.135/Share	February 29, 2016
April 15, 2016	\$0.135/Share	March 31, 2016
May 16, 2016	\$0.135/Share	April 29, 2016
June 15, 2016	\$0.135/Share	May 31, 2016
July 15, 2016	\$0.135/Share	June 30, 2016
August 15, 2016	\$0.135/Share	July 29, 2016
September 15, 2016	\$0.135/Share	August 31, 2016
October 17, 2016	\$0.135/Share	September 30, 2016
November 15, 2016	\$0.135/Share	October 31, 2016
December 15, 2016	\$0.135/Share	November 30, 2016
January 16, 2017	\$0.135/Share	December 30, 2016
February 16, 2017	\$0.135/Share	January 31, 2017
March 15, 2017	\$0.135/Share	February 28, 2017
April 17, 2017	\$0.135/Share	March 31, 2017
May 15, 2017	\$0.135/Share	April 28, 2017
June 15, 2017	\$0.135/Share	May 31, 2017

Dividend Payment Date	Amount per Common Share	Record Date
July 17, 2017	\$0.135/Share	June 30, 2017
August 15, 2017	\$0.135/Share	July 31, 2017
September 15, 2017	\$0.135/Share	August 31, 2017
October 16, 2017	\$0.135/Share	September 29, 2017
November 15, 2017	\$0.135/Share	October 31, 2017
December 15, 2017	\$0.135/Share	November 30, 2017
January 15, 2018	\$0.135/Share	December 29, 2017
February 15, 2018	\$0.135/Share	January 31, 2018
March 15, 2018	\$0.135/Share	February 28, 2018
April 16, 2018	\$0.135/Share	March 29, 2018
May 15, 2018	\$0.135/Share	April 30, 2018
June 15, 2018	\$0.135/Share	May 31, 2018
July 16, 2018	\$0.135/Share	June 29, 2018
August 15, 2018	\$0.135/Share	July 31, 2018
September 17, 2018	\$0.135/Share	August 31, 2018
October 15, 2018	\$0.135/Share	September 28, 2018
November 15, 2018	\$0.135/Share	October 31, 2018
December 17, 2018	\$0.1375/Share	November 30, 2018

DESCRIPTION OF CAPITAL STRUCTURE

Alaris is authorized to issue an unlimited number of Common Shares and Non-Voting Shares. As of the date hereof, 36,496,247 Common Shares were issued and outstanding, and there were no Non-Voting Shares issued and outstanding. In addition, as of the date hereof, there were stock options outstanding to acquire 2,242,364 Common Shares pursuant to the Option Plan, and there were restricted share units outstanding entitling the holders thereof to receive an aggregate of 276,651 Common Shares pursuant to the RSU Plan upon the satisfaction of certain vesting criteria.

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

COMMON SHARES

The material characteristics of the Common Shares are as follows:

- a) each Common Share carries the right to attend at Shareholder meetings and to one vote on each resolution voted on at a Shareholders' meeting;
- b) holders of Common Shares are entitled to receive dividends when declared by the Board. However, no dividend may be declared on the Common Shares unless the same dividend is also declared concurrently on the Non-Voting Shares;
- c) in the event of liquidation, dissolution or winding-up, or any other distribution of our assets among our Shareholders, holders of Common Shares are entitled to share prorata in such assets as are available for distribution; and
- d) the terms of the Common Shares also contain certain provisions designed to ensure that Alaris complies with applicable U.S. securities laws, including a restriction on treasury issuances to persons located in the United States or that are U.S. Persons that are not Qualified Purchasers and restrictions on ownership by ERISA Persons. See "*Ownership and Transfer Restrictions*". A full copy of the terms of the Common Shares is available on the Company's SEDAR profile at www.sedar.com.

NON-VOTING SHARES

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

- a) holders of Non-Voting Shares are entitled to receive notice of and to attend any meeting of the Shareholders provided that, except as required by law, the holders of the Non-Voting Shares are not entitled to vote at any such meeting;
- b) holders of Non-Voting Shares are entitled to receive dividends as and when declared by our Board. However, no dividend may be declared on the Non-Voting Shares unless the same dividend is also declared concurrently on the Common Shares;
- c) in the event of any liquidation, dissolution or winding-up of Alaris, or any other distribution of our assets among our Shareholders, holders of Non-Voting Shares are entitled to share prorata in such assets as are available for distribution; and
- d) if an offer is made to purchase Common Shares which, by reason of applicable securities legislation or by-laws, regulations or policies of a stock exchange require that the offer be made to each holder of Common Shares, holders of Non-Voting Shares have the option to require Alaris to redeem their Non-Voting Shares, upon written notice in accordance with the terms of the Non-Voting Shares. This redemption right will not come into effect in certain circumstances that are more particularly outlined in the terms of the Non-Voting Shares.

MARKET FOR SECURITIES AND PRIOR SALES

TRADING PRICE AND VOLUME

The Common Shares are listed and posted for trading on the TSX under the symbol "AD". The following table describes the intraday price range and trading volume of the Common Shares (as reported by the TSX and all other alternative exchanges located in Canada-Source: Bloomberg) in 2018 up to and including March 29, 2019.

Common Shares			
	High (\$/share)	Low (\$/share)	Volume
January 2018	20.87	18.96	4,726,588
February 2018	19.76	18.48	3,761,639
March 2018	19.38	16.36	5,802,700
April 2018	18.65	16.24	5,869,589
May 2018	17.62	15.30	7,866,074
June 2018	17.39	15.67	4,637,605
July 2018	18.53	15.62	5,737,404
August 2018	19.21	18.01	4,924,096
September 2018	20.94	18.52	7,062,423
October 2018	20.86	18.83	5,449,347
November 2018	19.67	17.33	6,998,184
December 2018	18.78	19.27	4,176,123
January 2019	19.00	16.27	5,050,086
February 2019	20.38	16.56	4,894,021
March 2019	21.41	19.71	5,801,066

PRIOR SALES

No Non-Voting Shares were issued or outstanding during the year ended December 31, 2018.

OWNERSHIP AND TRANSFER RESTRICTIONS

U.S. Investment Company Act Considerations and Restrictions

Based on its current assets, and absent an exemption under the U.S. Investment Company Act, Alaris may be deemed to be an "investment company" as defined in the U.S. Investment Company Act. The U.S. Investment Company Act, among other things, prohibits foreign investment companies from publicly offering their securities in the United States. However, Alaris relies on the exemption provided in Section 3(c)(7) of the U.S. Investment Company Act, which provides that a company is excluded from the definition of an "investment company", and is therefore excluded from regulation under the U.S. Investment Company Act, if its securities have only been issued, other than outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulations S, to persons that are (a)(1) located in the United States, or (2) are U.S. Persons, or (3) are acquiring securities for the account or benefit of persons located in the United States, or U.S. Persons, that are (b) Qualified Purchasers (as defined in Section 2(a)(51)(A) of the U.S. Investment Company Act), and (c) it does not make, or propose to make, a public offering of its securities in the United States. Consequently, to comply with the Section 3(c)(7) exemption, Common Shares will be issued by Alaris only: (i) outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulation S, or (ii) inside the United States or to U.S. Persons, or for the account or benefit of persons located in the United States or U.S. Persons, that are Qualified U.S. Purchasers (which are required to be a Qualified Institutional Buyers). Additionally, generally, Qualified U.S. Purchasers that hold Common Shares may not resell their Common Shares in the United States or to U.S. Persons, or for the account or benefit of persons located in the United States or U.S. Persons.

ERISA Restriction of No Ownership by Plans

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

If benefit plan investors hold Common Shares, Alaris may become subject to ERISA and applicable Plan Asset Regulations. The Plan Asset Regulations generally provide that when a benefit plan investor acquires an equity interest in an entity that is neither a "publicly-offered security" (as defined in the Plan Asset Regulations) nor a security issued by an investment company registered under the U.S. Investment Company Act, the benefit plan investor's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity unless it is established either that equity participation in the entity by benefit plan investors is not "significant" or that the entity is an "operating company," as defined in the Plan Asset Regulations. Under the Plan Asset Regulations, equity participation in an entity by benefit plan investors will not be significant if they hold, in the aggregate, less than 25% of the value of each class of equity interests of such entity, excluding equity interests held by certain persons described in the Plan Asset Regulations.

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

The currently issued and outstanding Common Shares and any Common Shares subsequently issued by Alaris are not and will not be "publicly-offered securities"; Alaris is not, and does not intend to become a registered investment company under the U.S. Investment Company Act; and Alaris will not qualify as an operating company within the meaning of the Plan Asset Regulations. In addition, Alaris does not intend to monitor whether the level of investment in Common Shares by benefit plan investors will be "significant" for purposes of the Plan Asset Regulations. Consequently, Common Shares and any beneficial interests therein may not be held by ERISA Plans nor acquired using "plan assets" of any such investor. Each investor in Common Shares and each subsequent transferee, by acquiring or holding Common Shares or a beneficial interest therein, will be deemed to have represented, warranted, agreed and acknowledged that it is not (and during the period it holds Common Shares will not be) an ERISA Plan and no portion of the assets used to acquire or hold its interest in the Common Shares constitutes or will constitute "plan assets" of an ERISA Plan. Any breach of such deemed representation will void the investment in Common Shares.

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

When acquiring Common Shares, each purchaser thereof, whether or not they are located in the United States or a U.S. Person, will either make or be deemed to have made the acknowledgements, representations, warranties and agreements set forth in "*Legends on All Securities for Holders Whether or Not Located in the United States or U.S. Persons*" immediately below. Qualified U.S. Purchasers may not resell their Common Shares in the United States or to U.S. Persons, or for the account or benefit of persons located in the United States or U.S. Persons.

However, for the avoidance of doubt, a sale of the Common Shares on the TSX will be free of restriction and satisfy the obligations set forth herein and in "*Legends on All Securities For All Holders Whether or Not Located in the United States or U.S. Persons*", so long as the transaction is not pre-arranged with a buyer in the United States or a U.S. Person or a person acting for the account or benefit of a person located in the United States or a U.S. Person or with a person otherwise known to be in the United States, a U.S. Person or a person acting for the account or benefit of a person located in the United States or a U.S. Person and is otherwise conducted in accordance with Regulation S.

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

All Common Shares issued, and all certificates (or other evidences of entitlement) issued in exchange therefor or in substitution thereof, will bear the legend set forth below (whether they are issued in certificated form or are held through the book-based system maintained by CDS). This legend will be placed on certificates (or other evidences of entitlement) for purchasers outside the United States, as well as on certificates (or other evidences of entitlement) for purchasers that are (a) located in the United States, (b) are U.S. Persons or (c) are persons acting for the account or benefit of persons located in the United States or U.S. Persons. Consequently, each initial holder and each subsequent purchaser of the Common Shares will, or will be deemed to, represent, agree and acknowledge as follows:

ALARIS ROYALTY CORP. (THE "**CORPORATION**") HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**U.S. INVESTMENT COMPANY ACT**"). THIS SECURITY AND ANY BENEFICIAL INTEREST HEREIN MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

BY ACQUIRING THIS SECURITY OR A BENEFICIAL INTEREST HEREIN, EACH HOLDER SHALL BE DEEMED TO REPRESENT, WARRANT AND AGREE WITH THE CORPORATION THAT: (1) IT IS EITHER: (A) OUTSIDE THE UNITED STATES AND NOT A U.S. PERSON AND NOT ACTING FOR THE ACCOUNT OR BENEFIT OF PERSONS LOCATED IN THE UNITED STATES OR U.S. PERSONS OR (B) A QUALIFIED PURCHASER AS DEFINED IN SECTION 2(a)(51)(A) OF THE U.S. INVESTMENT COMPANY ACT; (2) IT WILL NOT OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR A BENEFICIAL INTEREST HEREIN IN THE UNITED STATES OR TO A U.S. PERSON OR TO A PERSON ACTING FOR THE ACCOUNT OR BENEFIT OF PERSONS LOCATED IN THE UNITED STATES OR U.S. PERSONS; AND (3) IT IS NOT, AND SHALL NOT BE WHILE IT HOLDS ANY INTEREST IN THIS SECURITY (i) AN "EMPLOYEE BENEFIT PLAN" (WITHIN THE MEANING OF SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")) THAT IS SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (ii) A PLAN, INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**U.S. INTERNAL REVENUE CODE**"), (iii) ANY OTHER RETIREMENT OR BENEFIT PLAN SUBJECT TO ANY STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT WOULD HAVE THE SAME EFFECT AS ERISA SECTION 3(42) AND THE REGULATIONS OF THE U.S. DEPARTMENT OF LABOR CODIFIED AT 29 C.F.R. SECTION 2510.3-101 (TOGETHER, THE "PLAN ASSET REGULATIONS") TO CAUSE THE UNDERLYING ASSETS OF THE CORPORATION TO BE TREATED AS ASSETS OF THAT INVESTING ENTITY BY VIRTUE OF ITS INVESTMENT (OR ANY BENEFICIAL INTEREST) IN THE CORPORATION AND THEREBY SUBJECT THE CORPORATION TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE FIDUCIARY RESPONSIBILITY OR PROHIBITED TRANSACTION PROVISIONS CONTAINED IN ERISA OR SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE ("**SIMILAR LAW**"), OR (iv) AN ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE "PLAN ASSETS" OF ANY SUCH PLAN, ACCOUNT OR ARRANGEMENT DESCRIBED IN (i)-(iii) UNDER THE PLAN ASSET REGULATIONS OR SIMILAR LAW (EACH OF (i)-(iv), A "**PLAN**") AND NO PORTION OF THE ASSETS USED BY IT TO ACQUIRE OR HOLD THIS SECURITY OR BENEFICIAL INTEREST THEREIN CONSTITUTES OR WILL CONSTITUTE THE ASSETS OF A PLAN.

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

THE CORPORATION AND ITS AGENTS SHALL NOT BE OBLIGATED TO RECOGNIZE ANY RESALE OR OTHER TRANSFER OF THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN MADE OTHER THAN IN COMPLIANCE WITH THESE RESTRICTIONS.

TRANSFERS OF THIS SECURITY OR ANY INTEREST HEREIN TO A PERSON USING ASSETS OF A PLAN TO PURCHASE OR HOLD THIS SECURITY OR ANY INTEREST HEREIN WILL BE VOID AND OF NO FORCE AND EFFECT AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO SUCH PERSON NOTWITHSTANDING ANY INSTRUCTION TO THE CONTRARY TO THE CORPORATION OR ANY OF ITS AGENTS.

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

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

DIRECTORS AND EXECUTIVE OFFICERS OF ALARIS

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

Directors of Alaris

Name and Jurisdiction of Residence	Office Held	Director Since	Principal Occupation or Employment and Occupation during the Past Five Years
Jack C. Lee Calgary, Alberta Canada	Board Chairman	July 31, 2008	Mr. Lee is President of Facet Resources Ltd., a private investment company and is currently Chairman of Sprott Inc. Mr. Lee is also the Executive Chairman of the board of Gryphon Petroleum Corp., a private oil and gas company. Prior thereto he was Chairman of Ithaca Energy and Canetic Resources Trust as well as Chairman, President and Chief Executive Officer of Acclaim Energy Trust. Mr. Lee has a Bachelor of Arts and a Bachelor of Commerce degree and holds an ICD.D designation from the Institute of Corporate Directors.
Mitch Shier Calgary, Alberta Canada	Director	July 31, 2008	Mr. Shier is General Counsel, Corporate Secretary and Manager, Land at Paramount Resources Ltd., which he joined in November, 2008. Prior to joining Paramount, Mr. Shier spent over 24 years in private practice where he specialized in mergers and acquisitions and oil and gas and general commercial law.
Mary Ritchie Edmonton, Alberta Canada	Director	July 31, 2008	Ms. Ritchie is President and Chief Executive Officer of Richford Holdings Ltd., an accounting and investment advisory services company. Ms. Ritchie is a member of the Canadian Institute of Chartered Accountants, and a Fellow of the Institute of Chartered Accountants of Alberta. Ms. Ritchie is a member of the Independent Review Committee of RBC Global Asset Management. She is also a member of the Board of Directors of Industrial Alliance Ltd., EnWave Corporation and IPL Plastics Ltd.
John (Jay) Ripley Round Hill, Virginia, USA	Director	June 2018	Mr. Ripley is a co-founder and serves as Chairman of Sequel Youth & Family Services, a national operator of behavioral health services in the USA and former Partner of Alaris. Mr. Ripley also is a founding partner and an Advisory Board member of CYWP Funds, a group of private equity funds located in the Washington, DC area which invest in operating businesses and real estate across the USA. Previously, Mr. Ripley was a co-founder and the principal owner of BGR The Burger Joint, a highly-acclaimed fast-casual gourmet burger restaurant concept. Additionally, Mr. Ripley was a founding stockholder of Youth Services International, and served as its President and COO as well as its CFO. Mr. Ripley also served as President and CEO of Precision Auto Care, as well as Corporate Controller and then VP Eastern Division Operations for Jiffy Lube. He began his career with Ernst & Young, CPAs in Baltimore, MD.
Robert Bertram Aurora, Ontario Canada	Director	July 1, 2014	Robert Bertram is a Corporate Director. In December 2008 he retired as the Executive Vice President of Ontario Teachers' Pension Plan Board ("Teachers"), a position he held from 1990. Prior to Teachers, Mr. Bertram spent 18 years at Telus Corporation, including roles as Assistant Vice President and Treasurer. Mr. Bertram is currently a member of the Independent Review Committee for the Strathbridge Asset Management family of funds, a director of the Investment Management Co. of Ontario, and a director of the Canadian Foundation for Governance Research. Mr. Bertram previously held director roles, amongst others, with Cadillac Fairview Corporation, Maple Leafs Sports and Entertainment, AltaLink, Nexen Inc., and Morguard Mortgage Investment Corp.
Gary Patterson Kelowna, British Columbia Canada	Director	July 31, 2008	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 is managing director of DRI Capital Inc., a private fund manager. 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 Seaciff Construction Corp. Mr. Patterson is a Fellow of the Institute of Chartered Accountants of British Columbia.

Name and Jurisdiction of Residence	Office Held	Director Since	Principal Occupation or Employment and Occupation during the Past Five Years
Steve King Calgary, Alberta Canada	President, Chief Executive Officer and a Director	July 31, 2008	Mr. King is the President and CEO of Alaris and has served in that role since he co-founded the Company's predecessor, Alaris IGF in 2004. Mr. King has also served on the board of directors of Alaris since the company went public in 2008. Mr. King also serves as a director with Sponsor Energy, a private energy retailer. Prior to creating Alaris, Steve spent 12 years in the investment banking industry in both Toronto and Calgary, advising both public and private company entrepreneurs on their capital raising needs. Mr. King is also a director of Metropolitan Investment Corporation, a private investment company.

Executives of Alaris

Name and Jurisdiction of Residence	Position Held	Date of Employment	Principal Occupation or Employment and Occupation during the Past Five Years
Steve King Calgary, Alberta Canada	President, Chief Executive Officer and a Director	July 31, 2008	Mr. King is the President and CEO of Alaris and has served in that role since he co-founded the Company's predecessor, Alaris IGF in 2004. Mr. King has also served on the board of directors of Alaris since the company went public in 2008. Mr. King also serves as a director with Sponsor Energy, a private energy retailer. Prior to creating Alaris, Steve spent 12 years in the investment banking industry in both Toronto and Calgary, advising both public and private company entrepreneurs on their capital raising needs. Mr. King is also a director of Metropolitan Investment Corporation, a private investment company. Steve is a CFA® Charterholder.
Darren Driscoll Calgary, Alberta Canada	Chief Financial Officer	July 31, 2008	Mr. Driscoll has been the Chief Financial Officer of Alaris and its predecessor company, Alaris IGF Corp. since November 2004. Before joining Alaris, Darren was the Chief Financial Officer of the Canadian Association of Petroleum Producers. Darren obtained his Chartered Accountant designation in 1995 while working with KPMG LLP in Calgary.
Michael Ervin Calgary, Alberta Canada	Chief Legal Officer/Corporate Secretary	Oct. 14, 2013	Prior to joining Alaris in October of 2013, Mr. Ervin was a corporate lawyer with Burnet, Duckworth & Palmer LLP, with a practice focusing on advising clients, including Alaris, on public and private financings, mergers and acquisitions, corporate governance matters and general corporate matters. Mr. Ervin received his Bachelor of Business Administration (with distinction) from the University of Regina in 2003 and his Bachelor of Laws (with distinction) from the University of Alberta in 2006 and was called to the Alberta Bar in 2007.
Curtis Krawetz Calgary, Alberta Canada	Vice President Investments and Investor Relations	July 31, 2008	Prior to his appointment as Vice President Investments and Investor Relations in 2013, Curtis held the position of Analyst and Manager Investor Relations at Alaris and its predecessor, Alaris IGF Corp. since 2006. Prior thereto Curtis held positions in the petroleum marketing, banking and foreign exchange industries as well as the public sector. Mr. Krawetz received his Bachelor of Commerce from the University of Saskatchewan in 2001.
Amanda Frazer Calgary, Alberta Canada	Vice President Investments	Oct. 14, 2013	Prior to joining Alaris in October of 2013, Ms. Frazer spent 9 years working with Ernst & Young ("EY") most recently as a Senior Manager in the EY Transaction Advisory group where she provided transaction advisory services to both buy and sell side clients across a broad spectrum of industries. Ms. Frazer has been a Chartered Accountant in Canada since 2008 and earned a Bachelor of Applied Business Administration, with a major in accounting, from Mount Royal.
Gregg Delcourt Calgary, Alberta Canada	Senior Vice President Small Cap Investments	July 1, 2015	Prior to joining Alaris in July of 2015, Gregg spent 11 years as an investment banker, most recently as Managing Director, Investment Banking at Raymond James. Prior thereto, Mr. Delcourt held the position of Vice President, Mergers & Acquisitions at Ernst & Young Corporate Finance. Over the past 17 years, Mr. Delcourt has been active in financing private and public companies and has been active in advising management teams on raising capital, mergers & acquisitions and go public transactions, with a focus on small to mid-cap entities. Mr. Delcourt holds a Master of Science degree from the University of British Columbia, and is a CFA® Charterholder.

Name and Jurisdiction of Residence	Position Held	Date of Employment	Principal Occupation or Employment and Occupation during the Past Five Years
Devin Timberlake Calgary, Alberta Canada	Vice-President Business Development	July 1, 2015	Prior to joining Alaris in July of 2015, Devin served as an Investment Banking Associate on the M&A advisory team with Primary Capital. Devin graduated from Brown University where he earned a degree in Business, Entrepreneurship and Organizations. Devin is a CFA® Charterholder.
Elizabeth McCarthy Calgary, Alberta Canada	Vice President Legal	Oct. 11, 2016	Prior to joining Alaris in October of 2016, Elizabeth spent 7 years working as a tax lawyer with Burnet, Duckworth and Palmer LLP. As a tax lawyer, Elizabeth's practice focused primarily on mergers and acquisitions, restructuring and financings, employee remuneration and compensation, tax-loss utilization transactions, partnerships and joint ventures, and tax litigation and tax dispute resolution. Elizabeth received her Bachelor of Arts degree from the University of Calgary in 2006 and her Law Degree from the University of British Columbia in 2009 and was called to the Alberta Bar in 2010.

COMMITTEE MEMBERS

There are four committees of the Board made up of the following members:

- (a) Audit Committee: Mary Ritchie (Chair); Jack C. Lee; and Gary Patterson.
- (b) Compensation Committee: Robert Bertram (Chair); Jack C. Lee; and John (Jay) Ripley
- (c) Governance Committee: E. Mitchell Shier (Chair); Mary Ritchie; and Gary Patterson.
- (d) Transaction Committee: John (Jay) Ripley (Chair); E. Mitchell Shier; and Robert Bertram.

Mr. Lee also sits on the Governance and Transaction committees' ex-officio

SHAREHOLDINGS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, the directors and executive officers of Alaris, as a group, beneficially own, control or direct, directly or indirectly, 1,523,038 Common Shares (basic), which is 4.17% of the issued and outstanding Common Shares (basic).

CEASE TRADE ORDERS AND BANKRUPTCIES

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

- a) is, as at the date of this AIF, or has been, within the 10 years before, a director, chief executive officer or chief financial officer of any company (including Alaris):
 - i. subject to an order (including a cease trade order, or an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation) for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - ii. subject to an order (including a cease trade order, or an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation) for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- b) is, as at the date of this AIF, or has been, within the 10 years before, a director or executive officer of any company (including Alaris), that while that person was acting in that capacity or within a year of the person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- c) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Until March 2, 2010, Mr. Patterson was a director of EarthFirst. EarthFirst was engaged in development of wind power and related generation facilities. EarthFirst obtained creditor protection under the CCAA on November 4, 2008. The CCAA process has now been completed and Earth First Canada has been amalgamated with another company and no longer exists as a separate entity.

Mr. Lee was a director of Darian Resources, Ltd. ("Darian"), a private company. 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 was completed and in July, 2010, Darian was sold to Crescent Point Energy Corp., and Darian's creditors were repaid in full and equity holders were repaid an additional \$30 million for their interests.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than the CRA proceedings discussed elsewhere in this AIF, to the knowledge of Alaris, there are no legal proceedings material to Alaris to which Alaris is a party, or was a party to in 2018, or that any of its assets is or was, the subject matter of in 2018, nor are there any such proceedings known to the Corporation to be contemplated.

During the year ended December 31, 2018 there were: (i) no penalties or sanctions imposed against Alaris or by a court relating to securities legislation or by a securities regulatory authority; (ii) no other penalties or sanctions imposed by a court or regulatory body against Alaris that would likely be considered important to a reasonable investor in making an investment decision, and (iii) no settlement agreements entered into by Alaris before a court relating to a securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

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

AUDITORS, TRANSFER AGENT AND REGISTRAR

Our auditors are KPMG LLP.

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

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, Alaris has not entered into any material contract in the most recently completed financial year other than:

- (a) the New Senior Credit Facility.

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

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

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

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

INTEREST OF EXPERTS

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

AUDIT COMMITTEE INFORMATION

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

THE AUDIT COMMITTEE'S MANDATE

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

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee currently consists of Mary Ritchie, F.C.A. (Chair), Jack C. Lee, B.Comm, B.A., and Gary Patterson, F.C.A.

RELEVANT EDUCATION AND EXPERIENCE

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

Name and Municipality of Residence	Independent	Financially Literate	Relevant Education and Experience
Mary Ritchie Edmonton, Alberta	Y	Y	Ms. Ritchie is President and Chief Executive Officer of Richford Holdings Ltd., an accounting and investment advisory services company. Ms. Ritchie is a member of the Canadian Institute of Chartered Accountants, and a Fellow of the Institute of Chartered Accountants of Alberta. Ms. Ritchie is a member of the Independent Review Committee of RBC Global Asset Management. She is also a member of the Board of Directors of Industrial Alliance Ltd., EnWave Corporation and IPL Plastics Ltd.
Jack C. Lee Calgary, Alberta	Y	Y	Mr. Lee is President of Facet Resources Ltd., a private investment company and is currently Chairman of Sprott Inc. Mr. Lee is also the Executive Chairman of the board of Gryphon Petroleum Corp., a private oil and gas company. Prior thereto he was Chairman of Ithaca Energy and Canetic Resources Trust as well as Chairman, President and Chief Executive Officer of Acclaim Energy Trust. Mr. Lee has a Bachelor of Arts and a Bachelor of Commerce degree and holds an ICD.D designation from the Institute of Corporate Directors.
Gary Patterson Kelowna, British Columbia	Y	Y	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 is managing director of DRI Capital Inc., a private fund manager. 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 Seaclyff Construction Corp. Mr. Patterson is a Fellow of the Institute of Chartered Accountants of British Columbia.

PRE-APPROVAL POLICIES AND PROCEDURES

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

EXTERNAL AUDITOR SERVICE FEES

Nature of Services	Fees Paid to Auditor Relating to Fiscal Year Ended December 31, 2018	Fees Paid to Auditor Relating to Fiscal Year Ended December 31, 2017
Audit Fees ⁽¹⁾	\$386,864	\$226,720
Audit Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	380,625	258,840
All Other Fees ⁽⁴⁾	Nil	Nil
Totals	\$767,489	\$485,560

1) Represents fees billed by our external auditor for audit services and the reviews of interim financial statements

2) Represents the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of all of our financial statements (and not reported under the heading "Audit Fees").

3) Of the \$380,625 of tax fees paid in 2018, \$219,001 was with respect to tax compliance work and \$161,624 with respect to tax advisory services. Of the \$258,840 tax fees paid in 2017, \$124,820 was with respect to tax compliance work and \$134,020 with respect to tax advisory services.

4) The increase in total fees paid to the Auditors in 2018 were as a result of additional services to assist the Corporation in reviewing and responding to the CRA audits and assessing the impact of the U.S. tax reform on the Corporation.

ADDITIONAL INFORMATION:

Additional information relating to Alaris can be found on SEDAR. Additional information, including information about the remuneration and indebtedness of our directors and officers, the principal holders of our securities and our securities authorized for issuance under equity compensation plans, will be contained in our information circular for the annual meeting of shareholders expected to be held on or around May 7, 2019. Additional financial information about Alaris is provided for in our financial statements and management's discussion and analysis for the year ended December 31, 2018.

SCHEDULE "A" - AUDIT COMMITTEE MANDATE

THE AUDIT COMMITTEE (COMMITTEE) OF BOARD OF DIRECTORS (BOARD) OF ALARIS ROYALTY CORP. (COMPANY) HAS THE OVERSIGHT RESPONSIBILITY AND SPECIFIC DUTIES DESCRIBED BELOW AND SHALL COMPLY WITH THE REQUIREMENTS OF APPLICABLE LAWS.

COMPOSITION

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

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

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

RESPONSIBILITIES

The Committee's primary purpose is to assist the Board in fulfilling its oversight responsibilities with respect to (i) the integrity of annual and quarterly financial statements to be provided to the Company's 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; (v) performance of the external audit process and of the external auditor; (vi) financial policies and strategies including capital structure; (vii) financial risk management practices; and, (viii) transactions or circumstances which could materially affect the financial profile of the Company.

SPECIFIC DUTIES

Audit Leadership

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

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

Auditor Qualifications and Selection

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

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

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

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

Process

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

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

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

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

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

- (a) The annual financial statements, including related notes, the management's Discussion and Analysis of Financial Condition and Results of Operations (**MD&A**) of the Company and the financial statement and internal control certifications by the Chief Executive Officer and Chief Financial Officer of the Company (**Certifications**), for filing with applicable securities regulators and provision to the shareholders of the Company, as required, as well as all annual earnings press releases before their public disclosure.
- (b) The significant estimates and judgements and reporting principles, practices and procedures applied by the Company in preparing its financial statements, including any newly adopted accounting policies and the reasons for their adoption.
- (c) The results of the audit of the financial statements and whether any limitations were placed on the scope or nature of the audit procedures.
- (d) Significant changes to the audit plan, if any, and any serious disputes or difficulties with management encountered during the audit, including any problems or disagreements with management which, if not satisfactorily resolved, would have caused the external auditor to issue a non-standard report on the financial statements of the Company.
- (e) The cooperation received by the external auditor during its audit, including access to all requested records, data and information.
- (f) Any other matters not described above that are required to be communicated by the independent auditor to the Committee.

Risk Management

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

Financial Statements and Disclosure

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

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

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

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

Internal Control Supervision

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

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

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

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

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

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

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

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

Disclosure Controls and Procedures

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

Financial Leadership

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

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

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

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

Financial Management

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

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

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

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

Financial Risk Management

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

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

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

Establish procedures (through approval of the relevant sections of the Code of Business Conduct) for (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting and financial reporting controls, or auditing

matters; and, (ii) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

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

Transactions

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

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

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

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

Committee Reporting

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

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

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

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

Committee Meetings

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

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

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

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

Committee Governance

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

Advisors/Resources

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

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

Other

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

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

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

Approved: March 5, 2019