

COOPERATION AGREEMENT

17607211 Canada Inc.

and

Velan Inc.

January 14, 2026

TABLE OF CONTENTS

	Page
ARTICLE 1	
INTERPRETATION	
1.1	Defined Terms 1
1.2	Certain Rules of Interpretation 16
1.3	Schedules and Company Disclosure Letter 18
ARTICLE 2	
REPRESENTATIONS AND WARRANTIES	
2.1	Representations and Warranties of the Company 18
2.2	Representations and Warranties of the Purchaser 19
ARTICLE 3	
PRE-CLOSING COVENANTS OF THE PARTIES	
3.1	Conduct of Business of the Company 19
3.2	Covenants of the Company Relating to the Transactions 21
3.3	Covenants of the Purchaser Relating to the Transactions 23
3.4	Regulatory Approvals..... 23
3.5	Access to Information; Confidentiality 24
3.6	Transferred Personal Information 26
3.7	Public Communications 26
3.8	Transfer Rights 27
3.9	Financing 27
3.10	Company Equity Awards..... 28
ARTICLE 4	
EXCLUSIVE DEALINGS	
4.1	Exclusive Dealings 28
4.2	Notice of Inaccurate Representation or Warranty 29
ARTICLE 5	
CLOSING	
5.1	Company's Covenants to Facilitate Closing..... 29
ARTICLE 6	
TERM AND TERMINATION	
6.1	Term 30
6.2	Termination 30
6.3	Effect of Termination/Survival 30
ARTICLE 7	
GENERAL PROVISIONS	
7.1	Amendments..... 31
7.2	Expenses 31
7.3	Further Assurances..... 31
7.4	Notices..... 31
7.5	Time of the Essence 32
7.6	Equitable Remedies 33

7.7	Third Party Beneficiaries	33
7.8	Waiver.....	33
7.9	Entire Agreement	33
7.10	Successors and Assigns	34
7.11	Severability	34
7.12	Governing Law	34
7.13	No Liability	34
7.14	Counterparts	34
7.15	English Language	35

ADDENDA

SCHEDULE A COMPANY REPRESENTATIONS AND WARRANTIES
 SCHEDULE B PURCHASER REPRESENTATIONS AND WARRANTIES
 SCHEDULE C INVESTOR RIGHTS AGREEMENT
 SCHEDULE D REQUIRED REGULATORY APPROVALS

COOPERATION AGREEMENT

Cooperation Agreement dated January 14, 2026, between 17607211 Canada Inc., a corporation incorporated under the Laws of Canada (the “**Purchaser**”) and Velan Inc., a corporation incorporated under the Laws of Canada (the “**Company**”).

RECITALS:

- (a) The Purchaser has agreed to acquire from the Vendors, either directly or indirectly, all of the Multiple Voting Shares and Subordinate Voting Shares owned directly or indirectly by the Vendors, pursuant to the Share Purchase Agreement (all as defined below).
- (b) In connection with the foregoing, the Parties wish to enter into this agreement to provide for the matters set out herein.

IN CONSIDERATION OF THE ABOVE AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Defined Terms

As used in this Agreement, the following terms have the following meanings, and grammatical variations thereof shall have corresponding meanings.

“**Agreement**” means this cooperation agreement, including all Schedules annexed hereto, as the same may be amended, supplemented or otherwise modified in writing from time to time in accordance with its terms.

“**Anti-Corruption Laws**” means the anti-corruption provisions of the *Criminal Code* (Canada), the *Corruption of Foreign Public Officials Act* (Canada), the United States Foreign Corrupt Practices Act of 1977, as amended, the UK Bribery Act 2010, and in each case the rules and regulations promulgated thereunder, any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and or any Law of similar effect that prohibits the corrupt payment, offer, promise or authorization of the payment or transfer of anything of value (including gifts or entertainment), directly or indirectly, to any Person, including any government official.

“**Anti-Money Laundering and Anti-Terrorism Laws**” means the Patriot Act, the Money Laundering Control Act of 1986, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the Bank Secrecy Act, and the rules and regulations promulgated thereunder, including applicable financial recordkeeping and reporting requirements and money laundering Laws and the rules and regulations thereunder and any related or similar Laws, rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity relating to money laundering or terrorist financing, including, without limitation, know-your-customer (KYC) and financial recordkeeping and reporting requirements.

“**Authorization**” means, with respect to any Person, any order, permit, approval, consent, waiver, licence, registration, declaration or similar authorization issued, granted, given or otherwise made available under the authority of any Governmental Entity having jurisdiction over the Person, whether by expiry or termination of an applicable waiting period or otherwise, that is binding upon or applicable to such Person or its business, assets or securities.

“BHEPMI” means Birch Hill Equity Partners Management Inc.

“Board” means the board of directors of the Company as constituted from time to time.

“Business Day” means any day of the year, other than a Saturday, Sunday or any day on which major Canadian banks are closed for business in Montréal, Québec or Toronto, Ontario.

“CARES Act” means the United States Coronavirus Aid, Relief, and Economic Security Act, as amended from time to time, and the regulations promulgated thereunder.

“CFIUS” means the Committee on Foreign Investment in the United States and each member agency thereof, acting in such capacity.

“CFIUS Clearance” means (a) the Purchaser, the Company, and the Vendors have received written notice from CFIUS that CFIUS has determined that the Transactions are not “covered transactions” and are not subject to review under the DPA, (b) the Purchaser, the Company, and the Vendors have received written notice from CFIUS that it has concluded an assessment, review or investigation of the CFIUS Declaration or CFIUS Notice provided pursuant to the DPA with respect to the Transactions, has determined that there are no unresolved national security concerns, and has therefore concluded all action under the DPA, or (c) if CFIUS has sent a report (the **“CFIUS Report”**) to the President of the United States (**“POTUS”**) requesting POTUS’s decision, then POTUS has (i) announced a decision not to take any action to suspend or prohibit the Transactions or (ii) not taken any action to suspend or prohibit the Transactions after 15 days from the date of receipt of the CFIUS Report.

“CFIUS Declaration” means a short-form declaration filing with respect to the Transactions submitted to CFIUS by the Purchaser, the Company, and the Vendors pursuant to 31 C.F.R. Part 800, Subpart D.

“CFIUS Notice” means a notice with respect to the Transactions submitted to CFIUS by the Purchaser, the Company, and the Vendors in accordance with the 31 C.F.R. Part 800, Subpart E.

“Closing” means the closing of the Transactions in accordance with the Share Purchase Agreement.

“Closing Date” means the date the Closing occurs under the Share Purchase Agreement.

“COBRA” means Part 6 of Subtitle B of Title I of ERISA, Section 4980B of the Code, or similar United States state or local Law.

“Code” means the United States Internal Revenue Code of 1986.

“Collective Agreements” means all collective bargaining agreements or union or work council agreements, or other agreements with any employee representative body or association currently applicable to the Company and/or any of its Subsidiaries.

“Company” has the meaning specified in the preamble.

“Company Assets” means all of the assets, properties, Authorizations, rights or other privileges (whether contractual or otherwise) of the Company and its Subsidiaries, including, without limitation, Owned Real Property and Leased Real Property.

“Company Disclosure Letter” means the disclosure letter dated the date of this Agreement and all schedules, exhibits and appendices thereto, executed by the Company and delivered to the Purchaser concurrently with this Agreement.

“Company DSU Plan” means the Company’s deferred share unit plan for non-employee directors effective as of July 13, 2017, and revised on October 10, 2024, as the same may be amended or revised from time to time.

“Company DSUs” means the outstanding deferred share units issued pursuant to the Company DSU Plan.

“Company Employees” means all current and former directors, officers, employees and individual independent contractors of the Company and its Subsidiaries, including unionized, non-unionized, part-time, full-time, active and inactive employees.

“Company Equity Awards” means the Company DSUs and the Company RSUs issued pursuant to the Company DSU Plan and the Company RSU Plan, respectively, as applicable.

“Company Intellectual Property” means any and all Intellectual Property that is owned or purported to be owned (whether owned or purported to be owned singularly or jointly with a third party or parties) by the Company or any of its Subsidiaries.

“Company Product” means any product or any service that is developed, manufactured, delivered, marketed, distributed, provided, serviced, supported, leased, sold, offered for lease or sale, imported or exported for resale or licensed out by or on behalf of the Company or any of its Subsidiaries (either solely or in collaboration with third parties).

“Company Registered IP” means all Registered IP that is part of Company Intellectual Property.

“Company RSU Plan” means the Company’s restricted share unit plan effective as of October 10, 2024, as the same may be amended or revised from time to time.

“Company RSUs” means the outstanding restricted share units issued pursuant to the Company RSU Plan.

“Competition Act” means the *Competition Act* (Canada) RSC, 1985, c. C-34.

“Competition Act Approval” means one of the following has occurred in respect of the Transactions: (a) the Commissioner of Competition shall have issued an advance ruling certificate pursuant to Section 102 of the Competition Act; or (b) either (i) the requirement to notify the Commissioner of Competition and supply information shall have been waived pursuant to Section 113(c) of the Competition Act or (ii) the applicable waiting period under Section 123 of the Competition Act shall have expired or been terminated and, in the case of the immediately preceding clause (i) or (ii), the Commissioner of Competition shall have notified the Purchaser in writing that she does not, at that time, intend to make an application under Section 92 of the Competition Act in respect of the Transactions.

“Confidentiality Agreement” means the confidentiality and standstill agreement dated June 9, 2025 between BHEPMI and the Company.

“Constituting Documents” means articles of incorporation, amalgamation, or continuation, as applicable and by-laws or other constituting documents, and all amendments thereto.

“Contract” means any legally binding agreement, commitment, engagement, contract, franchise, license, lease, obligation, guaranty, indenture or undertaking (written or oral) to which any Party or any of its Subsidiaries is a party or by which it or any of its Subsidiaries is bound or to which any of their respective properties or assets is subject.

“Contributor” has the meaning specified in paragraph 21(g) of Schedule A.

“Data Room” means the material contained in the virtual data room established by the Company as at 5:00 p.m. (Toronto time) on January 12, 2026.

“DDTC” means the U.S. Department of State, Directorate of Defense Trade Controls.

“Debt Financing” has the meaning specified in Section 3.9(a).

“DPA” means Section 721 of the U.S. Defense Production Act of 1950.

“Employee Plans” means any “employee benefit plan” (as defined in section 3(3) of ERISA) and all other benefit, health, welfare, health or wellness spending account, supplemental unemployment benefit, bonus, commission, profit sharing, option, stock appreciation, equity or equity-based compensation, savings, insurance (including life insurance), incentive, incentive compensation, thirteenth month, jubilee, deferred compensation, share purchase, retention, change of control, share compensation, disability, pension, retirement, supplemental pension, fringe benefit, death benefit, sick pay, severance, termination indemnity, educational assistance, housing assistance, moving expense reimbursement, employment, consulting or other compensation or benefit plans, policies, trusts, funds, agreements or arrangements, in each case, whether written or unwritten, (a) sponsored, funded, maintained by or binding upon the Company or any of its Subsidiaries, (b) to which the Company or any of its Subsidiaries is a party, (c) to which the Company or any of its Subsidiaries is obligated to contribute, (d) in which any Company Employee (or any spouse, dependent, survivor or beneficiary thereof) participates in relation to their services provided to the Company and its Subsidiaries, or (e) in respect of which the Company or any of its Subsidiaries has, or could reasonably be expected to have, any actual or potential liability regardless of whether it is mandated under local Law, voluntary, private, funded, unfunded, financed by the purchase of insurance, contributory or noncontributory; provided that any governmental plan or program requiring the mandatory payment of social insurance taxes or similar contributions to a governmental fund with respect to the wages of an employee will not be considered an **“Employee Plan”** for these purposes.

“Enforcement Limitations” means any applicable bankruptcy, reorganization, insolvency, moratorium or other similar applicable Law affecting creditors’ rights generally and principles governing the availability of equitable remedies, whether considered in a proceeding in equity or at Law.

“Environment” means the natural environment, including, without limitation, soil, land surface or subsurface strata, surface waters, groundwater, sediment, indoor and ambient air (including all layers of the atmosphere), organic and inorganic matter and living organisms, and any other environmental medium or natural resource and all sewer systems; and **“Environmental”** shall have the corresponding meaning.

“Environmental Laws” means all Laws relating to (a) pollution of the Environment, (b) protection of natural resources or the Environment, (c) protection of public or worker health and safety but only as it pertains to exposure to Hazardous Substances, or (d) the generation, production, management, use, storage, treatment, recycling, transportation, handling, testing,

disposal or Release or threatened Release of Hazardous Substances, including civil and common law responsibility for acts or omissions with respect to the Environment.

“ERISA” means the US Employee Retirement and Income Security Act of 1974, as amended.

“ERISA Affiliate” means any trade or business (whether or not incorporated) which together with the Company or any Subsidiary thereof would be treated as a single employer under Section 414 of the Code or Section 4001 of ERISA.

“Export Controls and Trade Permits” means any Authorization issued pursuant to any applicable Trade Control Laws or Sanctions.

“Foreign Person” means any: (a) government, governmental authority, ministry, agency, sovereign wealth fund or instrumentality thereof that is organized under the Laws of any jurisdiction other than Canada or the United States or any of its territories; (b) political subdivision, department, or representative thereof; (c) entity, partnership, corporation, trust, association, or other organization organized, formed, or chartered under the Laws of any jurisdiction other than Canada or the United States or any of its territories; or (d) natural person who is not a citizen or national of Canada or the United States or any of its territories.

“Governmental Entity” means (a) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau, ministry, cabinet, governor in council, agency or instrumentality, domestic or foreign, (b) any subdivision, agent, authority or representative of any of the foregoing, (c) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (d) any Securities Authority or stock exchange, including the TSX.

“Harmful Code” has the meaning specified in paragraph 21(k) of Schedule A.

“Hazardous Substances” means any material, product, substance or waste, chemical, mixture, or material, whether animate or inanimate and including any admixture or solution thereof, that is or may be harmful or hazardous to human, animal, or plant life, any property, any activity, or to the Environment or any natural resources, and includes but is not limited to, anything that is regulated pursuant to Environmental Laws or defined, designated, listed or otherwise determined to be under any Laws as a **“contaminant”**, **“source of contaminant”**, **“pollutant”**, **“pesticide”**, **“fuel”**, **“deleterious substance”**, **“toxic substance”**, **“hazardous substance”**, **“designated substance”**, **“domestic substance”**, **“non-domestic substance”**, **“priority substance”**, **“prohibited substance”**, **“substance subject to notification or consent”**, **“restricted substance”**, **“ozone-depleting substance”**, **“nuclear substance”**, **“hazardous product”**, **“dangerous good”**, **“waste”**, **“hazardous waste”**, or **“hazardous recyclable material”**. For the avoidance of doubt, **“Hazardous Substances”** includes petroleum and all derivatives thereof or synthetic substitutes therefor, asbestos or asbestos-containing materials in any form or condition, per- and polyfluoroalkyl substances, and polychlorinated biphenyls.

“In-bound IP Grants” has the meaning set out in paragraph 21(b) of Schedule A.

“Intellectual Property” means, individually and collectively, all of the following, in any jurisdiction: (a) patents and applications for patents, and reissues, re-examinations, divisions, continuations, renewals, extensions, continuations-in-part of patents or patent applications,

counterparts, and all priority rights related thereto; (b) rights in, arising from, or related to proprietary and non-public business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics, formulae and customer lists, and documentation relating to any of the foregoing; (c) copyrights, copyright registrations and applications for copyright registration, and neighbouring rights; (d) mask work rights, mask work registrations and applications for mask work registrations, and rights in or related to integrated circuit topographies; (e) registered designs, unregistered designs and design registrations, design registration applications; (f) trade-marks, service marks, trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, registrations and applications in or for any of the foregoing, trade dress and logos (each of the foregoing, a **“Mark”**), and the goodwill associated with any Mark; (g) domain name registrations; (h) usernames, keywords, tags and other social media identifiers and accounts, for all third party social media sites; (i) rights of publicity and privacy and other rights to use the names, likeness, image, photograph, voice, identity, and personality of individuals; (j) any other intellectual property rights and industrial property rights; and (k) all rights to sue for past, present, and future infringement of the rights of any of the foregoing.

“Investor Rights Agreement” means an investor rights agreement to be entered into between the Purchaser and the Company at the Closing, substantially in the form of Schedule C.

“IP Grants” means any license (exclusive, non-exclusive, present, springing, or otherwise), covenant not to sue, covenant not to assert, option, other right, or claim in or to or under any Intellectual Property.

“IT Systems” means any electronic data processing, information, recordkeeping, communications, telecommunications, account management, inventory management and other computer or information technology systems, Software, hardware, websites, applications, networks, servers, and all other information technology assets, including all data (including Personal Information) processed thereby.

“JV Consents” means collectively, all approvals, consents, waivers or other authorizations required in connection with the Transactions pursuant to the terms and conditions of any joint venture agreement or shareholders’ agreements for the JV Entities, on terms that are reasonably satisfactory to the Purchaser, and without paying, and without committing the Company or the Purchaser to pay, any consideration or incurring any liability or obligation without the prior written consent of the Company and the Purchaser, such consent not to be unreasonably withheld, conditioned or delayed (it being understood that the Company and the Purchaser shall be under no obligation to agree to any such payment or incur any such liability or obligation unless contingent upon completion of the Transactions).

“JV Entity” means any Person that is owned by the Company or one of its Subsidiaries with one or more JV Partners as set forth in Section 1.1(a) of the Company Disclosure Letter.

“JV Partner” means any Person (other than the Company or its Subsidiaries) that owns an interest in a JV Entity.

“Law” means, with respect to any Person, any and all applicable national, federal, provincial, state, municipal or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, notice, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business,

undertaking, property or securities, and all policies, guidelines, notices and protocols of any Governmental Entity which, although not actually having the force of law, are considered by such Governmental Entity as requiring compliance as if having the force of law, as amended unless expressly specified otherwise.

“Leased Real Property” means all locations of real property, including any land, buildings, structures, improvements, fixtures or other interests in real property, which the Company or any of its Subsidiaries leases, subleases, licences, rents or otherwise occupies under any lease, sublease, licence or other occupancy agreement as a tenant, subtenant or licensee.

“Licensed Intellectual Property” has the meaning specified in paragraph 21(b) of Schedule A.

“Lien” means any mortgage, charge, pledge, encumbrance, hypothec, security interest, prior claim, right of first refusal or first offer, option, restrictive covenant, restriction (including any restriction on voting, transfer or ownership) or lien (statutory or otherwise), in each case, whether contingent or absolute.

“Material Adverse Effect” means any change, event, occurrence, effect, state of facts or circumstance that, individually or in the aggregate with other such changes, events, occurrences, effects, states of facts or circumstances, is, or would reasonably be expected to be, material and adverse to the business, operations, results of operations, assets, properties, capitalization, condition (financial or otherwise) or liabilities (contingent or otherwise) of the Company and its Subsidiaries, taken as a whole, except any such change, event, occurrence, effect, state of facts or circumstance resulting from or arising, directly or indirectly, in connection with:

- (a) any change, development, event or condition generally affecting the industries or segments in which the Company and its Subsidiaries operate or carry on their business;
- (b) any change, development or condition in or relating to global, national or regional political conditions (including strikes, lockouts, civil unrest, riots, protests, insurrections or facility takeover for emergency purposes) or in general economic, business, banking, regulatory, currency exchange, interest rate, rates of inflation or market conditions or in financial, securities or capital markets in Canada, the United States, Europe or in global financial, credit or capital markets;
- (c) any adoption, proposal, implementation or change in Law or in any interpretation, application or non-application of any Law by any Governmental Entity, in each case, after the date hereof;
- (d) any change in applicable regulatory accounting requirements, including IFRS;
- (e) any hurricane, flood, tornado, earthquake or other natural disaster, man-made disaster or force majeure event;
- (f) any epidemic, pandemic, disease outbreak or general outbreak of illness, including the worsening thereof;
- (g) the commencement or continuation of war (whether or not declared), hostilities, including the escalation or worsening thereof or acts of terrorism;

- (h) any change in the market price or trading volume of any securities of the Company (provided, however, that the causes underlying such change may be considered to determine whether such change constitutes a Material Adverse Effect);
- (i) the failure of the Company to meet any internal or published projections, forecasts, guidance or estimates of revenues, earnings, gross margin, cash flow or other financial metrics for any period ending on or after the date of this Agreement (provided, however, that the causes underlying such failure may be considered to determine whether such failure constitutes a Material Adverse Effect);
- (j) the announcement of the Share Purchase Agreement or this Agreement, including (i) any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of the Company or any of its Subsidiaries with any of its current or prospective employees, customers, shareholders, distributors, suppliers, counterparties, insurance underwriters or partners, and (ii) any change of control or bonus payments owing to any of the Company employees and disclosed in the Company Disclosure Letter;
- (k) any action taken (or omitted to be taken) by the Company or any of its Subsidiaries which is required to be taken (or omitted to be taken) pursuant to this Agreement or that is consented to by the Purchaser in writing; or
- (l) any action or proceeding or threatened action or proceeding by any Person or any Governmental Entity resulting from the execution, announcement pendency or performance of this Agreement or the Share Purchase Agreement or consummation of this Agreement and any award resulting therefrom (it being understood that the causes underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred);

provided, however, that with respect to clause (a) through to and including clause (g), such matter does not have a materially disproportionate effect on the Company and its Subsidiaries, taken as a whole, relative to other comparable companies operating in the industries in which the Company and/or its Subsidiaries operate, and that references in this Agreement to dollar amounts are not intended to be and shall not be deemed to be illustrative or interpretative for purposes of determining whether a Material Adverse Effect has occurred.

“Material Contract” means any Contract, to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound, that:

- (a) if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect;
- (b) requests the Company or any of its Subsidiaries to expend more than an aggregate of *[Redacted – commercially sensitive information]* in the *[Redacted – commercially sensitive information]* period prior to or following the date hereof;
- (c) entitles the Company or any of its Subsidiaries to receive, in one or multiple orders with a single customer, more than an aggregate of *[Redacted – commercially sensitive information]* in cumulative sales value in the *[Redacted – commercially sensitive information]* period prior to or following the date hereof;

- (d) relates directly or indirectly to the guarantee of any liabilities, obligations or indebtedness for borrowed money to a third party in excess of *[Redacted – commercially sensitive information]*;
- (e) contemplates an exclusive business relationship with another Person or grants a “most favoured nation” obligation or a Transfer Right to any Person, other than joint operating agreements, bidding agreements and other industry standard agreements entered into in the Ordinary Course;
- (f) provides for the purchase, sale or exchange of, or option to purchase, sell or exchange, any property, asset, product or service where the purchase or sale price or agreed value or fair market value of such property, asset, product or service exceeds *[Redacted – commercially sensitive information]*;
- (g) limits or restricts in any material respect the ability of the Company or any Subsidiary to engage in any line of business or carry on business in any geographic area, or the scope of Persons to whom the Company or any of its Subsidiaries may sell products or deliver services;
- (h) is a partnership agreement, shareholder agreement, limited liability company agreement, joint venture agreement or similar agreement or arrangement, relating to the formation, creation or operation of any partnership, limited liability company, joint venture or other entity in which the Company or any of its Subsidiaries is a partner, member or joint venturer;
- (i) is a Collective Agreement;
- (j) is with any officer or employee of the Company or any of its Subsidiaries earning annual base compensation of *[Redacted – commercially sensitive information]* or higher;
- (k) provides for (i) contractual severance payments for any officer or employee of the Company or any of its Subsidiaries earning annual base compensation (other than bonus and commissions) of *[Redacted – commercially sensitive information]* or higher or (ii) change in control or retention payments for any officer or employee of the Company or any of its Subsidiaries or (iii) any other similar bonuses or payments disclosed in Schedule 2.1(19)(A)(k) of the Company Disclosure Letter;
- (l) is a master agreement with the customers and suppliers listed in Schedule 2.1(22) of the Company Disclosure Letter and all purchase orders where the purchase or sale price or agreed value or fair market value of such property, asset, product or service covered by any such purchase orders exceeds *[Redacted – commercially sensitive information]* and (i) which have been billed during the *[Redacted – commercially sensitive information]* period ended February 28, 2025 or (ii) which have been issued during the period between February 28, 2025 and November 30, 2025;
- (m) is a nuclear product customer purchase order issued in the last *[Redacted – commercially sensitive information]* period from the date hereof where the purchase or sale price or agreed value or fair market value of such property, asset, product or service covered by any such purchase order exceeds *[Redacted – commercially sensitive information]*;

- (n) is a (i) Real Property Lease; (ii) Contract relating to any pending acquisition or disposition of real property; or (iii) Contract requiring any options, rights of first offer, rights of first refusal or similar rights in any real property; or
- (o) is otherwise material to the Company and its Subsidiaries, taken as a whole.

“Multiple Voting Shares” means the multiple voting shares in the capital of the Company.

“Notice” has the meaning specified in Section 7.4.

“officer” has the meaning specified in the *Securities Act* (Québec).

“Open Source Software” means any Software that is licensed, distributed or conveyed as “open source software”, “free software”, “copyleft” or under a similar licensing or distribution model, or under a Contract that requires as a condition of its use, modification or distribution that it, or other Software that is derived from or linked to such Software or into which such Software is incorporated or integrated or with which such Software is combined or distributed, be disclosed or distributed in source code form, delivered at no charge or be licensed, distributed or conveyed under the same terms as such Contract (including Software licensed under the GNU General Public License (GPL), GNU Lesser General Public License (LGPL), Mozilla Public License (MPL), BSD licenses, Microsoft Shared Source License, Common Public License, Artistic License, Netscape Public License, Sun Community Source License (SCSL), Sun Industry Standards License (SISL), Apache License and any license listed at www.opensource.org), or under any other license that requires source code to be made available at no charge under such license in connection with any license, sublicense, distribution, modification, or access of such Software.

“Ordinary Course” means, with respect to an action taken by the Company or any of its Subsidiaries, that such action is consistent with the past practices of the Company or such Subsidiary, and is taken in the ordinary course of the normal day-to-day operations of the business of the Company or any such Subsidiary.

“Out-bound IP Grants” has the meaning specified in paragraph 21(b) of Schedule A.

“Outside Date” means September 15, 2026, or such later date as may be agreed to in writing by the Vendors and the Purchaser, subject to the right of the Vendors or the Purchaser to extend the Outside Date for up to an additional 60 days (in 30-day increments) if the Required Regulatory Approvals have not been obtained and have not been denied by a non-appealable decision of a Governmental Entity, by giving written notice to the other applicable party to the Share Purchase Agreement and to the Company to such effect no later than 5:00 p.m. (Toronto time) on the date that is not less than 5 days prior to the original Outside Date (and any subsequent Outside Date as extended hereby); provided that notwithstanding the foregoing, the Vendors or the Purchaser, as applicable, shall not be permitted to extend the Outside Date if the failure to obtain any of the Required Regulatory Approvals is primarily the result of such party’s wilful breach of its covenants herein or, in the case of the Vendors, if the failure to obtain any of the Required Regulatory Approvals is primarily the result of the Company’s wilful breach of its covenants in this Agreement.

“Owned Real Property” means all parcels of real property owned in fee or immovable property owned by the Company or any Subsidiary, including any buildings, structures, facilities, fixtures, systems and/or improvements located thereon or appurtenant thereto.

“Owned Software” has the meaning specified in paragraph 21(a) of Schedule A.

“Parties” means the Company and the Purchaser, and **“Party”** means either of them.

“Permitted Liens” means, in respect of the Company or any of its Subsidiaries, any one or more of the following:

- (a) Liens or deposits for Taxes or charges for electricity, gas, power, water and other utilities which are not due or delinquent or which are being contested in good faith by appropriate proceedings and, if being contested, for which adequate accruals have been made in accordance with IFRS and provided that payment has been made so that the consent of any such Liens or Taxes does not subject the Company or any of its Subsidiaries to interest, penalty or forfeiture;
- (b) inchoate or statutory Liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of the construction, maintenance, repair or operation of the Company Assets, provided that such Liens are related to obligations not due and payable, are not registered against title to any Company Assets and in respect of which adequate holdbacks are being maintained as required by applicable Law;
- (c) security interests under Contracts granted in connection with the leasing or financing of personal property and similar transactions (including renewals of existing leases of personal property) in the Ordinary Course to secure rentals or the unpaid purchase price or lease cost of such personal property, provided that any such lease is secured only by the personal property leased or financed therein;
- (d) any instrument, easement, charge, caveat, lease, agreement or other document registered against title (including being recorded in the applicable country records) to any property so long as the same have been and are being complied with in all material respects and which do not, individually or in the aggregate, have a Material Adverse Effect on the value or materially impair or add material cost to the use of such property;
- (e) municipal by-laws, regulations, ordinances, zoning law, building or land use restrictions and other limitations imposed by any Governmental Entity having jurisdiction over real property, other than any instrument recorded, under Environmental Laws, against the title that, individually or in the aggregate, has a Material Adverse Effect on the value or materially impair or add material cost to the use of the subject property;
- (f) customary rights of general application reserved to or vested in any Governmental Entity to control or regulate any interest in the facilities in which the Company or any of its Subsidiaries conduct their business, provided that such Liens, encumbrances, exceptions, agreements, restrictions, limitations, contracts and rights (i) were not incurred in connection with any indebtedness, and (ii) do not, individually or in the aggregate, have a Material Adverse Effect on the value or materially impair or add material cost to the use of the subject property;
- (g) the right reserved to or vested in any Governmental Entity by any statutory provision or by the terms of any lease, licence, franchise, grant or permit of the Company or any of its Subsidiaries, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition of their continuance;
- (h) Liens incurred, created and granted in the Ordinary Course to a public utility, municipality or Governmental Entity in connection with operations conducted with

respect to the Company Assets, but only to the extent those Liens relate to costs and expenses for which payment is not due;

- (i) any minor encroachments by any structure located on the Company Assets onto any adjoining lands and any minor encroachment by any structure located on adjoining lands onto the Company Assets that do not materially adversely affect the use of the Company Assets or otherwise materially impair business operations at the affected properties or materially adversely impact the value of such properties;
- (j) easements, rights of way, restrictions, restrictive covenants, servitudes and similar rights in land, including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph or cable television conduits, poles, wires and cables, which are being complied with in all material respects and that in each case do not materially adversely impact the value of such property or the use of such property as it is being used on the date of this Agreement;
- (k) any reservations, exceptions, limitations, provisos and conditions contained in the original Crown grant or patent (including the reservation of any mines and minerals in the Crown or in any other Person), as same may be varied by statute, together with any Liens arising from or as a result of any alleged defects or irregularities in the initial grant from the Crown;
- (l) any Liens in connection with (i) credit, loan or other financing Contracts that have been made available in the Data Room, or (ii) any such Contracts entered into after the date hereof in compliance with this Agreement;
- (m) such other imperfections or irregularities of title or Liens as do not materially affect the use of the properties or assets subject thereto or affected thereby or otherwise materially adversely impair business operations at such properties; and
- (n) Liens listed and described in Schedule 1.1(b) of the Company Disclosure Letter.

“Person” means any individual, corporation, partnership, limited liability company, association, trust, unincorporated organization, joint venture, governmental authority, or other entity.

“Personal Information” means any information that, alone or in combination with other information, allows a natural Person to be personally identified.

“Preferred Shares” means the preferred shares in the capital of the Company.

“Privacy Laws” means the *Personal Information Protection and Electronic Documents Act* (Canada), any Law thereunder, provincial Laws deemed substantially similar to the *Personal Information Protection and Electronic Documents Act* (Canada), and all other applicable privacy Laws.

“Proposed Transaction” has the meaning specified in 4.1.

“PSPC” Public Services and Procurement Canada’s Controlled Goods Program.

“Public Filings” means all documents publicly filed under the profile of the Company on SEDAR since March 1, 2024.

“Purchaser” has the meaning specified in the preamble.

“Real Property” means, collectively, the Leased Real Property and the Owned Real Property.

“Real Property Leases” means all leases, subleases, licences, occupancy agreements, concessions and other agreements, including any modifications, amendments, extensions, assignments, and/or guaranties thereto or thereof, pursuant to which the Company or any of its Subsidiaries hold any Leased Real Property.

“Registered IP” means all issuances, registrations, certifications, and applications for any Intellectual Property rights with or by any Governmental Entity or quasi-public legal authority (including domain name registrars).

“Regulatory Approval” means any consent, waiver, permit, exemption, review, order, decision or approval of, or any registration and filing with, any Governmental Entity, or the expiry, waiver or termination of any waiting period imposed by Law or a Governmental Entity, in each case, required or advisable in connection with the Transactions including the Required Regulatory Approvals.

“Release” has the meaning prescribed in any Environmental Law and includes any sudden, intermittent or gradual release, spill, leak, pumping, addition, pouring, emission, emptying, discharge, injection, escape, leaching, migration, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage, placement or introduction of a Hazardous Substance, whether accidental or intentional, in, on, at, under, to or from Owned Real Property or Leased Real Property or into or through the Environment.

“Representative” means, with respect to any Person, any officer, director, employee, representative (including any financial, legal or other advisor) or agent of such Person or any of its Subsidiaries.

“Required Regulatory Approvals” means the matters identified in Exhibit D.

“Sanctioned Country” means, at any time, a country or territory that is the target of comprehensive country-wide or territory-wide Sanctions (currently, Crimea, the so-called Donetsk People’s Republic, the so-called Luhansk People’s Republic, the Kherson and Zaporizhzhia regions of Ukraine illegally occupied by the Russian Federation, Cuba, Iran, North Korea, and Syria).

“Sanctioned Person” means, at any time, a Person that is or, in the case of a trust, whose settlor, trustee, protector, beneficiary or Person fulfilling a similar role, current or contingent, is (a) listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”) or the U.S. Department of State, Canada, the United Nations Security Council, the European Union, any Member State of the European Union, or the United Kingdom; (b) organized, located, operating, or resident in a Sanctioned Country; (c) the government of a Sanctioned Country or the Government of Venezuela; or (d) 50% or more owned or controlled by, under effective control of, or acting on behalf of, any Person(s) described in clause(s) (a) through (c).

“Sanctions” means economic, trade or financial sanctions Laws, embargoes, or similar restrictions imposed, enacted, administered, or enforced from time to time by the U.S. government (including those administered by OFAC and the U.S. Department of State), the Canadian government (including those administered by Global Affairs Canada and the

Minister of Public Safety (Canada)), the United Nations Security Council, the European Union and its member states, and the United Kingdom.

“Saudi Clearance” means the antitrust authority of Saudi Arabia, being the General Authority for Competition: (a) provides a decision that the Transactions do not give rise to a concentration falling within the scope of the applicable competition law of Saudi Arabia; (b) provides a decision that approves the Transactions under the applicable competition law of Saudi Arabia, whether unconditionally approving their consummation or approving them on conditions that are acceptable to the Purchaser with regard to the commercially reasonable standards set forth in Section 5.3 of the Share Purchase Agreement; or (c) does not provide any decision within the applicable time limits under the applicable competition laws of Saudi Arabia (or is deemed to not have taken any such decision due to the lapse or expiry of the relevant time periods) and as a result, the Transactions are deemed to have been approved by the General Authority for Competition of Saudi Arabia.

“Securities Authorities” means the Autorité des marchés financiers and any other applicable securities commissions or securities regulatory authority of a province of Canada.

“Senior Management” means James Mannebach and Rishi Sharma.

“Shareholders” means the registered and/or beneficial holders of the Shares.

“Shares” means, collectively, the Subordinate Voting Shares and the Multiple Voting Shares in the capital of the Company.

“Share Purchase Agreement” means the share purchase agreement dated as of the date hereof among the Purchaser and the Vendors, pursuant to which the Purchaser has agreed to acquire from the Vendors all of the Multiple Voting Shares and Subordinate Voting Shares owned by the Vendors.

“Subordinate Voting Shares” means the subordinate voting shares in the capital of the Company.

“Software” means software, firmware and computer programs and applications (including source code, executable or object code, architecture, algorithms, data files, computerized databases, plugins, libraries, subroutines, tools and APIs) and all related specifications and documentation.

“Source Material” means, individually and collectively, with regard to Software, the human-readable source code of such Software, and all associated materials and documentation enabling a reasonably skilled programmer to understand such Software's design, structure and implementation and to enable a professional software programmer skilled in the applicable software language to write documentation and help files, including without limitation any schematics or flow charts, system documentation, program procedures (including build procedures), descriptions and statements of operation and principle, programmer notes, testing data, custom or special compilers, and all other materials related to such Software's design, structure and implementation.

“Tax Act” means the *Income Tax Act* (Canada) (or any applicable provincial income Tax legislation).

“Tax Returns” means any and all returns, reports, declarations, elections, notices, forms, designations, filings, and statements (including estimated tax returns and reports, withholding

tax returns and reports, and information returns and reports) filed or required to be filed in respect of Taxes.

“Taxes” means (a) any and all taxes, duties, customs, tariffs, fees, excises, premiums, assessments, imposts, levies and other charges or assessments in the nature of a tax imposed by any Governmental Entity, including but not limited to those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, provincial sales, use, value-added, excise, special assessment, stamp, dividends, withholding, business, franchising, real or personal property, health, employee health, payroll, workers’ compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (b) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (a) above or this clause (b); and (c) any liability for the payment of any amounts of the type described in clauses (a) or (b) as a result of any express obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party.

“Trade Control Laws” means (a) all applicable trade, customs, import, export control, and antiboycott Laws in jurisdictions and regulations imposed, administered, or enforced by the U.S. government, including but not limited to the International Emergency Economic Powers Act (50 U.S.C. §§ 1701–1706), Section 999 of the Internal Revenue Code, the Export Control Reform Act of 2018 (50 U.S.C. §§ 4801-4861), the Export Administration Regulations (15 C.F.R. Parts 730-774), the Arms Export Control Act (22 U.S.C. § 1778), the International Traffic in Arms Regulations (22 C.F.R. Parts 120–130) (**“ITAR”**), customs and import laws administered by the United States Customs and Border Protection, and any other export or import controls administered by an agency of the United States government, (b) all applicable trade, export control, import, and antiboycott laws and regulations imposed, administered or enforced by Canada, including the including the *Customs Act* (Canada), the *Customs Tariff* (Canada), the *Export and Import Permits Act* (Canada), the *Export Control List* (Canada), the *Import Control List* (Canada), the *Special Import Measures Act* (Canada), the *Defence Production Act* (Canada), and the regulations and orders thereunder, and (c) all applicable trade, export control, import, and antiboycott laws and regulations imposed, administered or enforced by any other country, except to the extent inconsistent with U.S. or Canadian Law.

“Transaction Price” means \$13.10 per share.

“Transactions” means the transactions contemplated by the Share Purchase Agreement.

“Transferred Personal Information” means the Personal Information transferred, disclosed or conveyed to the Purchaser by or on behalf of the Company or any Subsidiary as a result of or in conjunction with the Transactions, and includes all such Personal Information transferred, disclosed or conveyed to the Purchaser prior to the execution of this Agreement.

“Transfer Right Notice” has the meaning specified in 3.8(a).

“Transfer Rights” means, with respect to the Company or any Subsidiary of the Company, a buy/sell, put option, call option, option to purchase, a forced sale, tag or drag right or a right of first offer, right of first refusal or right that is similar to any of the foregoing, pursuant to the terms of which the Company or any Subsidiary of the Company, on the one hand, or another Person, on the other hand, could be required, in connection with or pursuant to the transactions

contemplated by this Agreement, to purchase or sell the applicable equity interests of any Person or any Company Asset that is listed in Schedule 1.1(c) of the Company Disclosure Letter.

“U.S. Exchange Act” means the Securities Exchange Act of 1934 of the United States of America.

“Vendors” means Velan Holding Co. Ltd., the Velan Foundation, and the KCMN Velan Foundation.

“wilful breach” means a material breach of this Agreement that is a consequence of any act or omission undertaken by the breaching Party with the actual knowledge that the taking of such act or omission would, or would be reasonably expected to, cause a material breach of this Agreement.

1.2 Certain Rules of Interpretation

In this Agreement, unless otherwise specified:

- (a) **Headings, etc.** The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Agreement.
- (b) **Currency.** All references to dollars or to \$ are references to Canadian dollars, unless otherwise specified.
- (c) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (d) **Certain Phrases and References, etc.** The words **“including”**, **“includes”** and **“include”** mean **“including (or includes or include) without limitation”**, and **“the aggregate of”**, **“the total of”**, **“the sum of”**, or a phrase of similar meaning means **“the aggregate (or total or sum), without duplication, of”**. Unless stated otherwise, **“Article”**, **“Section”**, and **“Schedule”** followed by a number or letter mean and refer to the specified Article or Section of or Schedule to this Agreement. The term **“Agreement”** and any reference in this Agreement to this Agreement or any other agreement or document includes, and is a reference to, this Agreement or such other agreement or document as it may have been, or may from time to time be, amended, restated, replaced, supplemented or novated and includes all schedules to it. The term **“made available”** means copies of the subject materials were included in the Data Room or otherwise provided in writing in the manner expressly set forth in the Company Disclosure Letter. Any reference to a word or term defined in the Tax Act shall include, for the purposes of provincial income taxation, a reference to the equivalent word or term defined in the provincial Tax legislation, if any.
- (e) **Capitalized Terms.** All capitalized terms used in any Schedule or in the Company Disclosure Letter have the meanings ascribed to them in this Agreement.
- (f) **Knowledge.** Where any representation or warranty or other statement by the Company in this Agreement is expressly qualified by reference to the knowledge of the Company, it is deemed to refer to the actual knowledge of Senior Management, after reasonable inquiry. The Company confirms that Senior Management has made

reasonable inquiry of such Persons as they consider necessary as to the matters that are the subject of the representations and warranties.

- (g) **Accounting Terms.** Unless otherwise specified herein, all accounting terms are to be interpreted in accordance with IFRS and all determinations of an accounting nature in respect of the Company required to be made shall be made in a manner consistent with IFRS.
- (h) **Statutes.** Any reference to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.
- (i) **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 5:00 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 5:00 p.m. on the next Business Day if the last day of the period is not a Business Day.
- (j) **Time References.** References to time are to local time, Montréal, Québec.
- (k) **Affiliates and Subsidiaries.** For the purpose of this Agreement, a Person is an “affiliate” of another Person if one of them is a Subsidiary of the other or each one of them is controlled, directly or indirectly, by the same Person, provided, however, that portfolio companies of BHEPMI and other operating companies in which BHEPMI or its affiliates have an investment (other than the Purchaser) shall not be deemed “affiliates” of the Purchaser for purposes of this Agreement (other than for purposes of Section 3.4, Section 3.9, Section 7.10(a) and Section 7.13). A “Subsidiary” means a Person that is controlled directly or indirectly by another Person and includes a Subsidiary of that Subsidiary. A Person is considered to “control” another Person if: (i) the first Person beneficially owns or directly or indirectly exercises control or direction over securities of the second Person carrying votes which, if exercised, would entitle the first Person to elect a majority of the directors of the second Person, unless that first Person holds the voting securities only to secure an obligation, or (ii) the second Person is a partnership, other than a limited partnership, and the first Person holds more than 50% of the interests of the partnership, (iii) the second Person is a limited partnership, and the general partner of the limited partnership is the first Person or (iv) if the first Person has the power to direct or cause the direction of the policies, management and affairs of the second Person whether by contract or otherwise. In this Agreement, references requiring the Company to “cause its Subsidiaries” shall mean, in respect of any non-wholly-owned Subsidiary, or an entity in which it holds less than a controlling interest or a JV Entity or similar arrangement, that the Company shall exercise any and all rights available to the Company or its applicable Subsidiary under the applicable shareholders’ agreement, joint venture agreement or similar arrangement or otherwise use commercially reasonable efforts to satisfy the specified obligation or covenant.
- (l) **No Presumption.** Each Party acknowledges that such Party has been represented by counsel in connection with the negotiation and execution of this Agreement and related matters, and that the terms of this Agreement and related matters have been negotiated by it. Any rule of Law or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against the Party that stipulated the obligation has no application and any such right is expressly waived by the Parties.

1.3 Schedules and Company Disclosure Letter

- (a) The Schedules attached to this Agreement form an integral part of this Agreement for all purposes of it.
- (b) The Company Disclosure Letter itself and all information contained in it is confidential information and may not be disclosed unless (i) it is required to be disclosed pursuant to Law unless such Law permits the Parties to refrain from disclosing the information for confidentiality or other purposes, or (ii) a Party, acting reasonably and in good faith, needs to disclose it in order to enforce or exercise its rights under this Agreement.
- (c) The Parties agree that the Company Disclosure Letter shall be organized so that Schedule numbers referenced therein correspond to the section numbers of the representations, warranties, covenants and other applicable items in this Agreement; provided, however, that any information disclosed under any Schedule number in the Company Disclosure Letter shall be deemed to be disclosed against any other section number of this Agreement where the relevance of such disclosure to such other section number is reasonably apparent on its face from a reading of such disclosure.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of the Company

- (a) Except as disclosed in the Public Filings (other than any disclosure contained under the headings “Risk Factors” or “Forward-Looking Statements” and any other similar disclosures contained in such documents that are predictive, cautionary or forward-looking in nature), the Company represents and warrants to the Purchaser as set forth in Schedule A (including the disclosure set forth in the Company Disclosure Letter) and acknowledges that the Purchaser is relying upon such representations and warranties in connection with the entering into of this Agreement and the consummation of the Transactions.
- (b) Except for the representations and warranties set forth in this Agreement, (a) neither the Company nor any other Person has made or makes any other express or implied representation and warranty, either written or oral, on behalf of the Company, and (b) neither the Company nor any other Person makes or has made any representation or warranty to the Purchaser or any of its Representatives, with respect to (i) any financial projection, forecast, guidance, estimates of revenues, earnings or cash flows, budget or prospective information relating to the Company or any of its Subsidiaries or their respective businesses, assets or operations, and (ii) any oral or written information furnished or made available to the Purchaser or any of its Representatives in the course of their due diligence investigation of the Company, the negotiation of this Agreement or the consummation of the Transactions and the other transactions contemplated by this Agreement, including the accuracy, completeness or currentness thereof. Except for the representations and warranties contained in this Agreement, including Schedule A, the Purchaser expressly disclaims reliance on any representation or warranty, any statement or information made, communicated or furnished (orally or in writing) to the Purchaser or its Representatives. The representations and warranties of the Company contained in this Agreement shall not survive the completion of the Transactions and, subject to Section 6.3, shall expire and be terminated on the earlier of the Closing and the date on which this Agreement is terminated in accordance with its terms.

2.2 Representations and Warranties of the Purchaser

- (a) The Purchaser represents and warrants to the Company as set forth in Schedule B and acknowledges and agrees that the Company is relying upon such representations and warranties in connection with the entering into of this Agreement.
- (b) Except for the representations and warranties set forth in this Agreement, neither the Purchaser nor any other Person has made or makes any other express or implied representation and warranty, either written or oral, on behalf of the Purchaser. Except for the representations and warranties contained in this Agreement, including Schedule B, the Company expressly disclaims reliance on any representation or warranty, any statement or information made, communicated or furnished (orally or in writing) to the Company or its Representatives.
- (c) The representations and warranties of the Purchaser contained in this Agreement shall not survive the completion of the Transactions and, subject to Section 6.3, shall expire and be terminated on the earlier of the Closing and the date on which this Agreement is terminated in accordance with its terms.

ARTICLE 3 PRE-CLOSING COVENANTS OF THE PARTIES

3.1 Conduct of Business of the Company

- (a) The Company covenants and agrees that, during the period from the date of this Agreement until the earlier of the Closing and the time that this Agreement is terminated in accordance with its terms, except (x) with the prior written consent of the Purchaser (such consent not to be unreasonably withheld, conditioned or delayed), (y) as required or permitted by this Agreement, or (z) as required by any Contract, by Law or by a Governmental Entity, the Company shall, and shall cause its Subsidiaries to:
 - (i) conduct their business in the Ordinary Course and in accordance with Laws;
 - (ii) use commercially reasonable efforts to maintain their business organization, assets (including, for greater certainty, the Company Assets), goodwill and relationships with customers, suppliers, distributors, licensors, landlords, creditors, licensees, employees (as a group) and other Persons with whom the Company or any of its Subsidiaries has material business relations;
 - (iii) cooperate with the Purchaser and its advisors in relation to post-Closing business planning; and
 - (iv) consult with the Purchaser prior to and in relation to any material decisions with respect to the Company's business or operations, provided that in each case, such request does not interfere with the Ordinary Course of the Company.
- (b) Without limiting the generality of Section 3.1(a), the Company covenants and agrees that, during the period from the date of this Agreement until the earlier of the Closing and the time that this Agreement is terminated in accordance with its terms, except (w) with the prior written consent of the Purchaser (such consent not to be unreasonably withheld, conditioned or delayed), (x) as required or permitted by this Agreement, (y) as required by Law or by a Governmental Entity; or (z) as described in Schedule 3.1(b)

of the Company Disclosure Letter, the Company shall not, and the Company shall not permit any of its Subsidiaries to, directly or indirectly:

- (i) amend its Constatng Documents;
- (ii) adjust, split, combine or reclassify any of the securities of the Company or of any of its Subsidiaries;
- (iii) call a special meeting of Shareholders unless required by Law or conduct any business other than annual meeting items of business at any meeting of Shareholders;
- (iv) redeem, repurchase, or otherwise acquire or offer to redeem, repurchase or otherwise acquire any securities of the Company or of any of its Subsidiaries, except in respect of a termination or cessation of employment;
- (v) issue, grant, deliver, sell, pledge or otherwise encumber, or authorize the issuance, grant, delivery, sale, pledge or other encumbrance of any Shares or other equity or voting interests, or any options, warrants or similar rights exercisable or exchangeable for or convertible into Shares or other equity or voting interests (including a shareholder rights plan or similar agreement), except for the issuance of Shares issuable upon the exercise of Company Equity Awards;
- (vi) make, declare, set aside or pay any dividend or other distribution (whether in cash, securities or property, or any combination thereof) on any class of securities of the Company or any of its Subsidiaries other than an intercompany dividend or other distribution paid in the Ordinary Course by the Company or any of its wholly-owned Subsidiaries to the Company or any of its wholly-owned Subsidiaries;
- (vii) enter into any Contract with respect to the voting rights of any Shares;
- (viii) enter into any new line of business or discontinue any existing line of business;
- (ix) reorganize, restructure, recapitalize, amalgamate or merge the Company;
- (x) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of the Company;
- (xi) abandon or fail to diligently pursue any application for any material Authorizations or registrations or take any action, or fail to take any action, that could lead to the termination of any material Authorizations or registrations;
- (xii) amend or modify in any material respect, or terminate or waive any material right under, any Material Contract or enter into any Contract or agreement that would be a Material Contract if in effect on the date hereof (other than the renewal of a Contract in existence on the date hereof on terms materially consistent with terms in existence on the date hereof);
- (xiii) without limitation to (xii) above, and for the avoidance of doubt, enter into, or amend, any Collective Agreement;

- (xiv) with respect to any officer or employee of the Company or any of its Subsidiaries earning (or who, as a result of (A)-(D) will earn), *[Redacted – commercially sensitive information]*, other than base salary escalators of no more than *[Redacted – commercially sensitive information]* per Company Employee, or as required by an Employee Plan or written Contract, as the case may be: (A) enter into, increase or grant any severance, retention, change of control or termination pay to (or amend any existing arrangement in relation thereto with) such officer or employee; (B) increase or modify the compensation (including wages, salary and fees), incentive compensation or other benefits payable to such officer or employee; (C) make any bonus payment or comparable payment to such officer or employee; or (D) hire, retain, engage or terminate (for any reason), or enter into any employment, deferred compensation, severance or termination or other similar agreement (or amend any such existing agreement) with such officer or employee;
- (xv) (A) loan or advance money or other property to, or forgive, the indebtedness of, any Company Employee; (B) except as required by the terms of any Collective Agreement or existing Employee Plan, establish, adopt, enter into, amend or terminate any Employee Plan (or any plan, agreement, program, policy, trust, fund or other arrangement that would be an Employee Plan if it were in existence on the date hereof) or increase or accelerate the timing of any vesting, funding obligation, funding contribution or payment of any compensation or benefits under any Employee Plan; (C) grant any Company Equity Awards or any other equity or equity-based award or transaction-based awards, transaction bonuses, retention awards, or similar; or (D) hire, retain, engage or terminate (for any reason), or enter into any employment, deferred compensation, severance or termination or other similar agreement (or amend any such existing agreement) with any Person or Company Employee, other than (x) in the Ordinary Course and (y) such as would not increase the global headcount as of the date hereof in any material respect; or
- (xvi) authorize, agree, resolve or otherwise commit to do any of the foregoing.

3.2 Covenants of the Company Relating to the Transactions

- (a) Subject to the terms and conditions of this Agreement, the Company shall, and shall cause its Subsidiaries to, perform all obligations required to be performed by the Company or any of its Subsidiaries under this Agreement, cooperate with the Purchaser in connection therewith, and do all such other commercially reasonable acts and things as may be necessary or desirable to consummate and make effective, as soon as reasonably practicable, the Transactions and, without limiting the generality of the foregoing, the Company shall and, where appropriate, shall cause its Subsidiaries to:
 - (i) use commercially reasonable efforts to obtain and maintain all third party or other consents, including JV Consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations or provide all third party notices that are (A) required under the Material Contracts in connection with the Transactions, or (B) required in order to maintain the Material Contracts in full force and effect following completion of the Transactions, in each case as has been set forth in Schedule 3.2(a)(i) of the Company Disclosure Letter and in each case, on terms that are reasonably satisfactory to the Purchaser and the Company, and without paying, and without committing itself or the

Purchaser to pay, any consideration or incurring any liability or obligation without the prior written consent of the Purchaser and the Company, such consent not to be unreasonably withheld, conditioned or delayed (it being understood that the Company or the Purchaser shall be under no obligation to agree to any such payment or incur any such liability or obligation unless contingent upon completion of the Transactions);

- (ii) upon reasonable consultation with the Purchaser, use commercially reasonable efforts to oppose, lift or rescind any injunction, restraining or other order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Transactions and defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging the Transactions or this Agreement, provided that neither the Company nor any of its Subsidiaries shall consent to the entry of any judgment or settlement with respect to any such proceeding without the prior written approval of the Purchaser and the Company, not to be unreasonably withheld, conditioned or delayed;
 - (iii) comply promptly with all requirements imposed by Law on it or its Subsidiaries with respect to this Agreement or the Transactions;
 - (iv) other than in connection with obtaining the Regulatory Approvals, which approvals shall be governed by the provisions of Section 3.4, use its commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Entities from it relating to the Transactions as soon as reasonably practicable;
 - (v) *[Redacted – commercially sensitive information]*; and
 - (vi) not take any action, or refrain from taking any commercially reasonable action, or permit any action to be taken or not taken, which is inconsistent with this Agreement or which would reasonably be expected to materially impede the consummation of the Transactions.
- (b) The Company shall promptly notify the Purchaser in writing of:
- (i) any Material Adverse Effect;
 - (ii) any notice or other communication from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person is required in connection with this Agreement or the Transactions, or that such Person is terminating, may terminate or may materially adversely modify its relationship with the Company or any Subsidiaries as a result of the Transactions;
 - (iii) unless prohibited by Law, any notice or other communication from any Governmental Entity in connection with this Agreement (and the Company shall contemporaneously provide a copy of any such written notice or communication to the Purchaser);
 - (iv) any material filing, actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving or

otherwise affecting the Company or its Subsidiaries in connection with this Agreement or the Transactions; or

- (v) the receipt of any correspondence, whether written or oral, from any Securities Authority, the staff of a Securities Authority or the TSX with respect to the Transactions or any request from any Securities Authority, the staff of any Securities Authority or the TSX for information related to the Transactions and shall promptly provide the Purchaser with copies of all correspondence between the Company and its Representatives, on the one hand, and the Securities Authority, staff of the Securities Authority or the TSX, on the other hand, and the Company shall consult with the Purchaser and its counsel prior to submitting to a Securities Authority, staff of a Securities Authority or the TSX any response to such correspondence.

3.3 Covenants of the Purchaser Relating to the Transactions

- (a) The Purchaser shall promptly notify the Company of:
 - (i) any notice or other communication from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person is required in connection with this Agreement or the Transactions;
 - (ii) any notice or other communication from any Governmental Entity in connection with this Agreement (and the Purchaser shall contemporaneously provide a copy of any such written notice or communication to the Company); or
 - (iii) any material filing, actions, suits, claims, investigations or proceedings commenced or, to the knowledge of the Purchaser, threatened against, relating to or involving or otherwise affecting the Purchaser in connection with this Agreement or the Transactions.

3.4 Regulatory Approvals

- (a) As soon as reasonably practicable after the date hereof and in any event no later than such date required under applicable Laws, the Parties shall, and shall cause their respective affiliates to, where applicable, use commercially reasonable efforts to (i) make or cause to be made, as soon as practicable but no later than 20 Business Days after the date hereof (unless extended by agreement of the Company and the Purchaser, email being sufficient), all notifications, filings, applications and submissions required in order to obtain the Regulatory Approvals, including a CFIUS Declaration; (ii) promptly respond to any information requests made by any Governmental Entity in connection with the Regulatory Approvals; and (iii) obtain the Regulatory Approvals (including the Required Regulatory Approvals) in a timely manner so as to enable the Closing to occur by the Outside Date.
- (b) Subject to applicable Law, the Parties will reasonably consult, coordinate and cooperate in exchanging information and supplying assistance that is reasonably requested in connection with this Section 3.4 and in obtaining the Regulatory Approvals, including providing each other promptly with (i) advance draft copies and reasonable opportunity to comment and consider those comments in good faith on all written and electronic communications and information supplied to or filed with any Governmental Entity, (ii) final copies of all such communications and information

supplied to or filed with any Governmental Entity; (iii) final copies of all such communications and information supplied to or filed with any Governmental Entity; (iii) copies of all written and electronic communications received from any Governmental Entity; and (iv) summaries of all verbal communications with any Governmental Entity. To the extent that any information or documentation to be provided to a Party pursuant to this Section 3.4 is privileged or competitively sensitive, such information may be provided to external counsel for the other Party on an external counsel only basis, or the Parties may redact information that is privileged or competitively sensitive, and disclosure shall in all cases (i) comply with the Confidentiality Agreement and (ii) not constitute a waiver of any privilege.

- (c) Unless prohibited by applicable Law or by the relevant Governmental Entity, the Parties will not participate in any meetings, telephone calls or other discussions with any Governmental Entity in respect of the Regulatory Approvals without giving each other sufficient notice and reasonable advance opportunity to participate thereat. If a Governmental Entity prohibits a Party's participation, the Party attending will promptly provide a written summary including attendees, topics discussed, and any requests, commitments, next steps or timing arrangements requested by the Governmental Entity.
- (d) Each Party shall keep the other Party promptly informed of the status of discussions relating to obtaining or concluding the Regulatory Approvals.

3.5 Access to Information; Confidentiality

- (a) From the date hereof until the earlier of the Closing and the termination of this Agreement, subject to applicable Law and the terms of the Confidentiality Agreement, the Company shall, and shall cause its Subsidiaries to, give the Purchaser and its Representatives, upon reasonable advance notice, reasonable access during normal business hours (without material disruption to the conduct of the business) to their: (i) premises and any Owned Real Property and Leased Real Property, including for the completion of any Environmental investigation (surface or subsurface) that Purchaser may wish to undertake in its reasonable discretion; (ii) property and assets (including all books and records, whether retained internally or otherwise); (iii) Contracts; and (iv) senior personnel, or other information with respect to the assets or business of the Company or the Subsidiaries as the Purchaser may from time to time reasonably request; provided that: (x) the Purchaser provides the Company with reasonable prior notice of any request under this Section 3.5(a); (y) access to any materials contemplated in this Section 3.5(a) (other than the materials on the Data Room) shall be provided during the Company's normal business hours only; and (z) such access does not unduly interfere with the Ordinary Course conduct of the business of the Company or its Subsidiaries. Notwithstanding the foregoing, the Company and its Subsidiaries shall not be obligated to provide access to, or to disclose, any information to the Purchaser or any of its Representatives if the Company reasonably determines that such access or disclosure is likely to result in any violation of any Law or cause any privilege (including attorney-client privilege) that the Company or any of its Subsidiaries would be entitled to assert to be undermined with respect to such information. The Company shall continue to afford the Purchaser and its Representatives access to the Data Room from the date hereof until the earlier of the Closing and the termination of this Agreement. Without limiting the foregoing, subject to the terms of any existing Contracts, upon the Purchaser's reasonable request, the Company shall use commercially reasonable efforts to promptly facilitate discussions between the Purchaser and any Material Contract counterparty from whom consent

may be required in connection with this Agreement, with any such discussions to be promptly arranged by and with a representative of the Company participating. Notwithstanding anything herein to the contrary, the Purchaser shall not, and shall cause its affiliates and Representatives not to, contact any non-officer employee, partner, licensor, licensee, customer, vendor, or supplier or other Persons having business relations with the Company or any of its Subsidiaries in connection with the Agreement and the Transactions without the Company's prior written consent, not to be unreasonably withheld, conditioned or delayed, and Purchaser acknowledges and agrees that any such contact shall be arranged by and with a representative of the Company participating.

- (b) The Purchaser acknowledges that the Confidentiality Agreement continues to apply and that any information obtained by or on behalf of the Purchaser under this Section 3.4(b) shall be subject to the terms of the Confidentiality Agreement. Without limiting the generality of the foregoing, the Purchaser acknowledges and agrees that the Company Disclosure Letter and all information contained in it is confidential and shall be treated in accordance with the terms of the Confidentiality Agreement. If this Agreement is terminated in accordance with its terms, the obligations under the Confidentiality Agreement shall survive the termination of this Agreement.
- (c) With respect to any Environmental investigation referred to in Section 3.5(a), the Parties agree that the following conditions shall apply:
 - (i) any such Environmental investigation must be performed in compliance with all applicable Laws, including Environmental Laws;
 - (ii) the Purchaser shall provide the Company, for its approval, with the proposed scope of work at least five Business Days before the performance of any such Environmental investigation, which approval shall not be unreasonably withheld;
 - (iii) the Company shall, if it so desires, be entitled to have a representative present during any such Environmental investigation;
 - (iv) the Environmental consulting firm engaged by Purchaser shall maintain a commercial liability policy having a limit of not less than *[Redacted – commercially sensitive information]* that insures its activities in connection with any such Environmental investigation, and the Purchaser shall deliver to the Company a certificate of insurance evidencing this insurance coverage before the performance of any such Environmental investigation;
 - (v) any damage caused by any such Environmental investigation shall be promptly repaired by the Purchaser, and the Purchaser shall indemnify, defend and hold harmless the Company from all losses, costs, claims, third party actions, damages and expenses which the Company may suffer or sustain as a result of or in connection with any such Environmental investigation, except to the extent caused by the gross negligence or willful misconduct of the Company and excluding damage arising out of the identification of any contamination, any Release or presence of Hazardous Substances and/or any violation of Environmental Laws; and

- (vi) the Purchaser shall promptly provide the Company with copies of all reports obtained by the Purchaser in connection with any such Environmental investigation on a non-reliance basis.

3.6 Transferred Personal Information

- (a) Prior to the Closing, the Purchaser covenants and agrees to: (i) use and disclose the Transferred Personal Information solely for those purposes that relate to the transactions contemplated by this Agreement, including for the purpose of determining whether to proceed with such transactions and, if the determination is made to proceed with such transactions, to complete them, (ii) not to disclose the Transferred Personal Information to any Person for any purpose other than purposes related to the transactions contemplated by this Agreement without the consent of the Person concerned, (iii) protect the Transferred Personal Information by maintaining security safeguards appropriate to the sensitivity of such information, and (iv) if the transactions contemplated by this Agreement do not proceed or this Agreement is terminated in accordance with its terms, return the Transferred Personal Information to the Company or its Subsidiaries, as applicable, or destroy it, within a reasonable time period.
- (b) Following the Closing, each of the Parties covenants and agrees to: (i) use and disclose the Transferred Personal Information under its control solely for the purposes for which that Transferred Personal Information was collected or permitted to be used or disclosed before the Closing; (ii) protect the Transferred Personal Information by maintaining security safeguards appropriate to the sensitivity of such information; and (iii) give effect to any withdrawal of consent made in respect of the Transferred Personal Information.

3.7 Public Communications

A Party shall not issue any press release or make any other public statement or disclosure with respect to this Agreement or the Transactions without the consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed); provided, however, that the foregoing shall be subject to each Party's overriding obligation to make any disclosure or filing in accordance with applicable Laws, including Securities Laws, and if such disclosure or filing is required and the other Party has not reviewed or commented on the disclosure or filing, the Party shall use its reasonable best efforts to give the other Party prior oral or written notice and a reasonable opportunity to review or comment on the disclosure or filing (other than with respect to confidential information contained in such disclosure or filing). The Party making such disclosure required by Law shall give reasonable consideration to any comments made by the other Party or its legal counsel, and if such prior notice is not possible, shall give such notice immediately following the making of such disclosure or filing. Notwithstanding the foregoing, the Company, in consultation with the Purchaser, may have discussions with Shareholders, financial analysts and other stakeholders relating to this Agreement or the transactions contemplated by it, and the Purchaser may have discussions with limited partners, investors or prospective investors in funds managed by BHEPMI, provided that in each case such discussions are not inconsistent with the most recent press release, public disclosures or public statements in respect of the Transactions made by the Company or the Purchaser. The Parties acknowledge that the Company will file this Agreement and a material change report relating thereto on SEDAR.

3.8 Transfer Rights

- (a) Other than as contemplated in this Section 3.8, the Company shall not, and shall not permit any of its Subsidiaries to, exercise, or authorize the exercise of, any Transfer Rights.
- (b) The Company shall deliver notices to any Person who has a Transfer Right listed in Schedule 1.1(c) of the Company Disclosure Letter within ten (10) Business Days from the date of this Agreement (or such earlier time or times as may be required by the terms of an applicable Transfer Right) and shall promptly deliver notices to any Person who has any other Transfer Right. Each such notice shall be in a form agreed by the Company and the Purchaser, each acting reasonably, and, if required by the terms of such Transfer Right, state as the purchase price an amount allocated to the applicable Company Asset to be agreed by the Company and the Purchaser, each acting reasonably. If the terms of such Transfer Right require that the Company deliver to the beneficiary thereof copies of any specific documentation, the Company shall prepare such documentation, in a form agreed by the Purchaser, acting reasonably, in order to satisfy the requirements of such Transfer Rights.
- (c) In the event a notice exercising a Transfer Right is received by the Company or any Subsidiary of the Company from a third party, including any JV Partner (a **"Transfer Right Notice"**), the Company shall provide the Purchaser with prompt written notice of such exercise, together with the Transfer Right Notice and all underlying documentation received by the Company or the applicable Subsidiary of the Company relating to same. The Company shall, and shall cause the applicable Subsidiary of the Company to, respond to the Transfer Right Notice in accordance with the reasonable directions of the Purchaser, to the extent such directions are consented to by the Company (not to be unreasonably withheld, conditioned or delayed), and shall take all reasonable actions in connection therewith as the Purchaser shall reasonably request, to the extent such actions are consented to by the Company (not to be unreasonably withheld, conditioned or delayed).
- (d) If, at any time, a Transfer Right is validly exercised by a third party, the Company will, or will cause its Subsidiary to, transfer, assign and convey the applicable equity interest or Company Asset in respect of which such Transfer Right has been exercised to the Person or Persons who have exercised such Transfer Right.

3.9 Financing

- (a) The Parties acknowledge that the Purchaser or an affiliate thereof may seek to obtain debt financing for purposes of financing a portion of the Holdco Purchase Price and Foundations Purchase Price as contemplated by the Share Purchase Agreement (any such financing, the **"Debt Financing"**). The Company and its Subsidiaries shall use commercially reasonable efforts to, and shall direct their respective Representatives to use commercially reasonable efforts to, provide such cooperation to the Purchaser or its affiliates as may be reasonably requested by the Purchaser in connection with the arrangement of any Debt Financing. Notwithstanding the foregoing, the Company, its Subsidiaries and their respective Representatives shall not be required pursuant to the foregoing to: (i) pay or agree to pay any commitment, consent or other similar fee or provide or agree to provide any indemnity, in each case in connection with any such Debt Financing; (ii) take any action or do anything that would: (A) contravene any Law; (B) waive or cause any representation, warranty, covenant, agreement or other provision in this Agreement to be untrue, incorrect, breached or violated; or (C) waive

or cause any conditions to Closing set forth in Article 6 of the Share Purchase Agreement to fail to be satisfied; (iii) enter into, execute or deliver any certificate, document, instrument or agreement or agree to any change or modification of any existing certificate, document, instrument or agreement (except for customary authorization letters and “know-your-customer” and anti-money laundering documents); (iv) take any action which would result in the Company or its Subsidiaries incurring any liability or any of their respective Representatives incurring any personal liability; (v) provide any legal opinion or reliance letters; or (vi) disclose any information that, in the reasonable judgment of the Company, would be reasonably likely to constitute a waiver of solicitor-client privilege.

3.10 Company Equity Awards

The Parties agree that, with respect to any Company DSUs or Company RSUs that remain outstanding after Closing in accordance with the Company DSU Plan and the Company RSU Plan, respectively, and without any further action by or on behalf of any holder of such Company DSU or Company RSU, as the case may be, on or prior to the one year anniversary of the Closing Date, the Company, in consultation with the Purchaser, acting reasonably, shall deliver or cause to be delivered to each such holder of a Company DSU or Company RSU a cash payment in an amount equal to the Transaction Price per Multiple Voting Share for each such Company DSU or Company RSU, as the case may be, held by the holder, subject to applicable Tax withholdings and other source deductions, and such Company DSU and Company RSUs and any agreements related thereto shall thereafter be immediately cancelled and terminated without any further act or formality. The Company shall be permitted to, and shall take, all reasonable steps as may be necessary or desirable to give effect to the foregoing in consultation with the Purchaser, acting reasonably.

ARTICLE 4 EXCLUSIVE DEALINGS

4.1 Exclusive Dealings

- (a) During the Interim Period, the Company and its Subsidiaries shall not, and shall direct their respective Representatives not to, directly or indirectly, solicit, initiate or encourage any inquiries or proposals from, discuss or negotiate with, provide any non-public information to, consider the merits of, or enter into any Contract with respect to, any inquiries or proposals from, any Person (other than the Purchaser) relating to any transaction involving the sale or issuance of any Subordinate Voting Shares, Multiple Voting Shares or other equity interests of the Company or its Subsidiaries (whether by the Company, such Subsidiaries, or otherwise) or the sale or other direct or indirect (including by way of amalgamation or license) disposition of any portion of the business or any part of the assets of the Company or its Subsidiaries other than sales of inventory by the Company and its Subsidiaries in the Ordinary Course or disposition arising out of Transfer Rights (each, a **“Proposed Transaction”**). Without limiting the generality of the foregoing, if the Company, its Subsidiaries or any of their respective Representatives becomes aware of any inquiries or proposal relating to any Proposed Transaction, the Company shall, no later than one day after such receipt or becoming aware thereof, notify the Purchaser in writing of such Proposed Transaction and of any further developments with respect to such Proposed Transaction. Such notification will disclose in reasonable detail the identity of the offeror and the terms and conditions of such Proposed Transaction and be accompanied by any written communication received relating to such Proposed Transaction.
- (b) In addition, the Company shall not, and shall ensure that its affiliates do not, and shall

direct its Representatives not to: (i) assist any Person in taking or planning any action that would compete with, restrain or otherwise interfere with or inhibit the Transactions; or (ii) support, endorse or enter into, or publicly propose to support, endorse or enter into, any agreement, letter of intent, understanding or arrangement with any Person (other than the Purchaser and its affiliates) in respect of a Proposed Transaction.

4.2 Notice of Inaccurate Representation or Warranty

The Company shall promptly notify the Purchaser, and the Purchaser shall promptly notify the Company, upon: (a) any representation or warranty made by such Party contained in this Agreement becoming inaccurate during the Interim Period; or (b) such Party's knowledge that any such representation or warranty was inaccurate when it was made on the date of this Agreement. Any such notification will set out particulars of the inaccurate representation or warranty and details of any actions being taken by the applicable Party, as the case may be, to rectify the inaccuracy.

ARTICLE 5 CLOSING

5.1 Company's Covenants to Facilitate Closing

To facilitate completion of the Transactions and satisfaction of the closing conditions in favour of the Purchaser under the Share Purchase Agreement (except to the extent waived), at or before the Closing:

- (a) The Company shall deliver a certificate confirming the following matters to the Purchaser as of the Closing, executed by two senior officers of the Company (in each case without personal liability) addressed to the Purchaser and dated the date of the Closing:
 - (i) **Representations and Warranties.** (A) The representations and warranties of the Company set forth in: (A) paragraph 1 [*Organization and Qualification*], paragraph 2 [*Corporate Authorization*], paragraph 3 [*Execution and Binding Obligation*] and paragraph 35 [*Brokers*] of Schedule A were true and correct as of the date of this Agreement and are true and correct as of the Closing in all respects; (B) the representations and warranties of the Company set forth in paragraph 6 [*Capitalization*] and paragraph 7 [*Subsidiaries*] of Schedule A were true and correct as of the date of this Agreement and are true and correct in all respects (except for de minimis inaccuracies) as of the Closing; and (C) all other representations and warranties of the Company set forth in this Agreement were true and correct as of the date of this Agreement and are true and correct as of the Closing (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, have not had and would not be reasonably expected to have a Material Adverse Effect (and, for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in any such representation and warranty shall be ignored).
 - (ii) **Performance of Covenants.** The Company has fulfilled or complied in all material respects with each of the other covenants of the Company contained in this Agreement to be fulfilled or complied with by it on or prior to the Closing.

- (iii) **No Material Adverse Effect.** Since the date of this Agreement, no Material Adverse Effect shall have occurred and been continuing.
- (b) At or prior to the Closing, the Company shall:
 - (i) deliver the Investor Rights Agreement, duly executed by the Company;
 - (ii) certify to the Purchaser that, as of the Closing, with respect to the Contracts specified in item (d) of the definition of "Material Contract", the Company and its Subsidiaries are in compliance in all respects with all of their respective obligations and covenants required to be performed or observed by them to such date under such Contracts and neither the Company nor any of its Subsidiaries is in breach or default under any such Contract, nor does the Company have knowledge of any condition that with the passage of time or the giving of notice or both would result in such a breach or default;
 - (iii) amend its Board, Board committee and officer position descriptions, charters and policies as reasonably requested by the Purchaser to give effect to the entering into of the Investor Rights Agreement and Closing;
 - (iv) use commercially reasonable efforts to assist in effecting the resignations of the members of the Board and the boards of Subsidiaries set forth in Schedule 5.1(b)(iv) of the Company Disclosure Letter, and cause them to be replaced by Persons nominated by the Purchaser effective as of the Closing; and
 - (v) use commercially reasonable efforts to deliver the consents of (i) Business Development Bank of Canada and (ii) National Bank of Canada and National Bank Financial Markets to the Transactions, under the agreements with such parties listed in Schedule 2.1(5)(c) of the Company Disclosure Letter.
- (c) At least two Business Days prior to the Closing, the Company shall deliver to the Purchaser an accounting of the transaction expenses of the Company incurred in connection with the Transactions.

ARTICLE 6 TERM AND TERMINATION

6.1 Term

This Agreement shall be effective from the date hereof until the earliest of:

- (a) the Closing; or
- (b) the valid termination of the Share Purchase Agreement in accordance with its terms.

6.2 Termination

This Agreement may be terminated prior to the Closing by the mutual written agreement of the Parties.

6.3 Effect of Termination/Survival

If this Agreement expires or is terminated pursuant to Section 6.1 or Section 6.2, this Agreement shall become void and of no further force or effect without liability of any Party (or any shareholder, director,

officer, employee, agent, consultant or representative of such Party) to any other Party to this Agreement, except that (a) in the event of the termination of this Agreement under Section 6.1(a) as a result of the occurrence of Closing, Section 3.10 and this Section 6.3 shall survive such termination; and (b) in the event of termination under Section 6.1(b) or 6.2, this Section 6.3, Section 7.2 through to and including Section 7.14 and the provisions of the Confidentiality Agreement shall survive in accordance with their terms, and provided further that no Party shall be relieved of any liability for any fraud or wilful breach by it of this Agreement.

ARTICLE 7 GENERAL PROVISIONS

7.1 Amendments

This Agreement may only be amended, supplemented or otherwise modified by written agreement signed by each Party.

7.2 Expenses

All out-of-pocket third-party transaction expenses incurred in connection with the Transactions shall be paid by the Party incurring such expenses, provided that if the Transactions are consummated, the Company shall reimburse the Purchaser for up to *[Redacted – commercially sensitive information]* of the fees and expenses incurred by the Purchaser or its affiliates (including fees and expenses of counsel, accountants, financial advisors, consultants and financing sources, and any filing fees paid by the Purchaser in connection with obtaining the Regulatory Approvals). The Purchaser shall provide reasonable evidence of any such expenses so incurred.

7.3 Further Assurances

Subject to the provisions of this Agreement, each Party will, from time to time, do all acts and things and execute and deliver all such further documents and instruments as the other Party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

7.4 Notices

Any notice, direction or other communication given pursuant to this Agreement (each a “**Notice**”) must be in writing, sent by hand delivery, courier or email (provided confirmation of receipt is acknowledged by return email from the recipient) and is deemed to be given and received, if sent by hand delivery, same-day courier or email, on the date of delivery if it is a Business Day and the delivery was made prior to 5:00 p.m. (local time in the place of receipt), and otherwise on the next Business Day, in each case to the Parties at the following addresses (or such other address for a Party as specified by like Notice):

(a) to the Company at:

Velan Inc.
7007 Chemin de la Côte-de-Liesse
Montréal, Québec
H4T 1G2

Attention: James A. Mannebach
Email: *[Redacted – personal information]*

with a copy to:

Davies Ward Phillips & Vineberg LLP
1501 McGill College, 26th Floor
Montréal, Québec
H3A 3N9

Attention: Sebastien Roy and Amélie Doyon
Email: *[Redacted – personal information]*

and a copy to:

Norton Rose Fulbright Canada LLP
1 Place Ville Marie, Suite 2500
Montréal, Québec
H3B 1R1

Attention: Stephen J. Kelly and Alexandra Persaud
Email: *[Redacted – personal information]*

(b) to Purchaser at:

c/o Birch Hill Equity Partners Management Inc.
81 Bay St., Suite 4510
Toronto, Ontario
M5J 0G1

Attention: Patrick G. Duncan
Email: *[Redacted – personal information]*

with a copy to:

Stikeman Elliott LLP
199 Bay St, Suite 5300
Commerce Court West
Toronto, Ontario
M5L 1B9

Attention: Mike Devereux and Daniel Borlack
Email: *[Redacted – personal information]*

Rejection or other refusal to accept, inability to deliver because of changed address of which no Notice was given, shall be deemed to be receipt of the Notice as of the date of such rejection, refusal or inability to deliver. Sending a copy of a Notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the Notice to that Party. The failure to send a copy of a Notice to legal counsel does not invalidate delivery of that Notice to a Party.

7.5 Time of the Essence

Time is of the essence in this Agreement.

7.6 Equitable Remedies

- (a) The Parties agree that irreparable harm, for which monetary damages, even if available, would not be an adequate remedy at Law, would occur in the event that any of the provisions of this Agreement were not performed by a Party in accordance with their specific terms or were otherwise breached by a Party. Subject to the following sentence, the Parties accordingly acknowledge and agree (and further agree not to take any contrary position in any litigation concerning this Agreement) that (a) each Party shall be entitled to an injunction or injunctions, specific performance, or other equitable relief, to prevent breaches or threatened breaches of this Agreement and to enforce specifically the terms and provisions hereof without proof of damages or otherwise, and that such relief may be sought in addition to and shall not limit, diminish, or otherwise impair, any other remedy to which either Party may be entitled at Law or in equity, and (b) the right of specific performance is the remedy preferred by the Parties, is an integral part of the transactions contemplated by this Agreement and, without such right, neither the Company nor the Purchaser would have entered into this Agreement. The Parties acknowledge and agree that any Party seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Section 7.6 shall not be required to provide any bond or other security in connection with any such order or injunction.
- (b) Each Party hereby agrees that it will not oppose the granting of an injunction, specific performance or other equitable relief on the basis that (a) the other Party has an adequate remedy at Law or (b) an award of specific performance is not an appropriate remedy for any reason at Law or equity.

7.7 Third Party Beneficiaries

This Agreement will not benefit or create any right, stipulation for the benefit of, delegation open for acceptance by, or cause of action in favour of, any Person, other than the Parties and their respective successors and permitted assigns. No Person, other than the Parties, is entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum.

7.8 Waiver

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

7.9 Entire Agreement

This Agreement (including the Company Disclosure Letter) and the Confidentiality Agreement (provided that to the extent any provisions of the Confidentiality Agreement conflict with the terms of this Agreement, the terms of this Agreement shall prevail) constitute the entire agreement between the Company and the Purchaser with respect to the transactions contemplated by this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Company and the Purchaser. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Company and the Purchaser in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The Company and the Purchaser have not relied and are not

relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

7.10 Successors and Assigns

- (a) This Agreement becomes effective only when executed by the Company and the Purchaser. After that time, it will be binding upon and enure to the benefit of each of the Parties and their respective successors and permitted assigns.
- (b) Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by any Party without the prior written consent of the other Party, provided, however, that the Purchaser (or any permitted assign of the Purchaser) may, at any time, assign its rights and obligations under this Agreement without such consent to an affiliate of the Purchaser if such assignee delivers an instrument in writing confirming that it is bound by and shall perform all of the obligations of the assigning party under this Agreement as if it were an original signatory and provided further that the assigning party shall not be relieved of its obligations hereunder.

7.11 Severability

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

7.12 Governing Law

- (a) This Agreement will be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (b) Each Party irrevocably attorns and submits to the exclusive jurisdiction of the Province of Ontario courts situated in the City of Toronto and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

7.13 No Liability

No director, officer, equityholder, partner, employee or other Representative of the Purchaser or of BHEPMI or any of their respective affiliates shall have personal liability whatsoever to the Company under this Agreement or any other document delivered on behalf of the Purchaser or BHEPMI, as applicable, under this Agreement. No director, officer, equityholder, partner, employee or other Representative of the Company or any of its Subsidiaries shall have any personal liability whatsoever to the Purchaser under this Agreement or any other document delivered on behalf of the Company or any of its Subsidiaries under this Agreement.

7.14 Counterparts

This Agreement may be executed in any number of counterparts (including counterparts by facsimile) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed

electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

7.15 English Language

The Parties have agreed that this Agreement as well as any Notice, document or instrument relating to it be drawn up in English only but without prejudice to any such Notice, document or instrument which may from time to time be drawn up in French only or in both French and English. *Les parties aux présentes ont convenu que la présente convention ainsi que tous autres avis, actes ou documents s'y rattachant soient rédigés en anglais seulement mais sans préjudice à tous tels avis, actes ou documents qui pourraient à l'occasion être rédigés en français seulement ou à la fois en anglais et en français.*

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF the Parties have executed this Cooperation Agreement.

VELAN INC.

By: (signed) "Daniel Desjardins"
Name: Daniel Desjardins
Title: Chair of the Special Committee of
the Board

I have authority to bind the corporation.

17607211 CANADA INC.

By: (signed) "Patrick G. Duncan"
Name: Patrick G. Duncan
Title: Director

I have authority to bind the corporation.

SCHEDULE A
COMPANY REPRESENTATIONS AND WARRANTIES

1. **Organization and Qualification.** The Company and each of its Subsidiaries is an entity duly incorporated or established, as applicable, validly existing and in good standing under the Laws of the jurisdiction of its incorporation, organization or formation, as applicable, and has all requisite power and authority to own, lease and operate its assets and properties and conduct its business as now owned and conducted. The Company and each of its Subsidiaries are duly registered or otherwise authorized to carry on business and is in good standing in each jurisdiction in which the character of its assets and properties, whether owned, leased, licensed or otherwise held, or the nature of its activities make such qualification, licensing or registration or other authorization necessary, and has all Authorizations required to own, lease and operate its properties and assets and to conduct its business as now owned and conducted, except to the extent that any failure of the Company or any of its Subsidiaries to be so qualified, licensed or registered or to possess such Authorizations would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.
2. **Corporate Authorization.** The Company has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. The execution, delivery and performance by the Company of its obligations under this Agreement and the consummation of the Transactions and the other transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or the consummation of the Transactions.
3. **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding agreement of the Company enforceable against it in accordance with its terms, subject only to any Enforcement Limitations.
4. **Governmental Authorization.** The execution, delivery and performance by the Company of its obligations under this Agreement and the consummation of the Transactions and the other transactions contemplated hereby do not require any Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Entity by the Company or by any of its Subsidiaries other than: (a) the Required Regulatory Approvals; (b) filings with the Securities Authorities or the TSX; (c) all required filings under the ITAR with DDTC or the U.S. Department of Commerce's Bureau of Industry and Security; and (d) actions, filings or notifications, the absence of which individually or in the aggregate, would not be reasonably expected to have a Material Adverse Effect or materially impede the Transactions.
5. **Non-Contravention.** The execution, delivery and performance by the Company of its obligations under this Agreement and the consummation of the Transactions and the other transactions contemplated hereby do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):
 - (a) contravene, conflict with, or result in any violation or breach of the Company's Constatng Documents or the organizational documents of any of its Subsidiaries;
 - (b) assuming compliance with the matters referred to in paragraph 4 above, contravene, conflict with or result in a violation or breach of any Law applicable to the Company or any of its Subsidiaries, or any of their respective properties or assets;

- (c) except as disclosed in Schedule 2.1(5)(c) of the Company Disclosure Letter, allow any Person to exercise any rights, require any consent or notice under or other action by any Person, or constitute a default under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which the Company or any of its Subsidiaries is entitled (including by triggering any rights of first refusal or first offer, change in control provision or other restriction or limitation) under any Material Contract or any Authorization to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound; or
- (d) result in the creation or imposition of any Lien (other than Permitted Liens) upon any of the properties or assets of the Company or its Subsidiaries;

except, in the case of each of clauses (b), (c) and (d), as would not reasonably be expected to have a Material Adverse Effect.

6. **Capitalization and Shareholders' Agreements.**

- (a) The authorized capital of the Company consists of an unlimited number of Preferred Shares issuable in series, an unlimited number of Multiple Voting Shares and an unlimited number of Subordinate Voting Shares, all without nominal or par value. As of the date hereof, there were (i) no Preferred Shares issued and outstanding; (ii) 15,566,567 Multiple Voting Shares issued and outstanding; and (iii) 6,019,068 Subordinate Voting Shares issued and outstanding.
- (b) Schedule 2.1(6)(b) of the Company Disclosure Letter sets forth, as of the date hereof, the number of outstanding Company DSUs and Company RSUs, all holders thereof and the exercise price or reference price or grant value, as applicable, the date of grant, the expiration date and vested amounts, where applicable, of such Company DSUs and Company RSUs.
- (c) All outstanding Shares have been duly authorized and validly issued, are fully paid and non-assessable (and no such Shares have been issued in violation of any pre-emptive or similar rights). No Shares have been issued in violation of any Law or any pre-emptive or similar rights applicable to them.
- (d) Except in connection with the Company DSU Plan and the Company RSU Plan or as described in Schedule 2.1(6)(d) of the Company Disclosure Letter, there are no issued, outstanding or authorized options, equity-based awards, warrants, calls, conversion, pre-emptive, redemption, repurchase, stock appreciation or other rights, or any other agreements, arrangements, instruments or commitments of any kind that obligate the Company or any of its Subsidiaries to, directly or indirectly, issue or sell any securities of the Company or of any of its Subsidiaries, or give any Person a right to subscribe for or acquire any securities of the Company or of any of its Subsidiaries.
- (e) There are no issued, outstanding or authorized notes, bonds, debentures or other evidences of indebtedness or any other agreements, arrangements, instruments or commitments of any kind that give any Person, directly or indirectly, the right to vote with holders of Shares on any matter except as required by Law.
- (f) Except as disclosed in Schedule 2.1(6)(f) of the Company Disclosure Letter, neither the Company nor any of its Subsidiaries is subject to, or affected by, any unanimous

shareholders' agreement and is not a party to any shareholder, pooling, voting, or other similar arrangement or agreement relating to the ownership or voting of any of the securities of the Company or any of its Subsidiaries or pursuant to which any Person may have any right or claim in connection with any existing or past equity interest in the Company or in any of its Subsidiaries. Neither the Company nor any of its Subsidiaries has in place, and the Shareholders have not adopted or approved, any shareholder rights plan or a similar plan giving rights to acquire additional Shares upon execution or performance of the obligations under this Agreement.

7. Subsidiaries.

- (a) The following information with respect to each Subsidiary of the Company is accurately set out in Schedule 2.1(7)(a) of the Company Disclosure Letter: (i) its name; and (ii) its jurisdiction of incorporation, organization, formation, or governance.
- (b) Except as disclosed in Schedule 2.1(7)(a) of the Company Disclosure Letter, the Company is, directly or indirectly, the registered and beneficial owner of all of the outstanding common shares or other equity interests of each of its Subsidiaries, free and clear of any Liens, all such shares or other equity interests so owned by the Company have been validly issued and are fully paid and non-assessable, as the case may be, and no such shares or other equity interests have been issued in violation of any pre-emptive or similar rights. Except for the shares or other equity interests owned by the Company or by any of its Subsidiaries, directly or indirectly, in any Subsidiary of the Company, neither the Company nor any of its Subsidiaries is the registered or beneficial owner of any equity interest of any kind in any other Person.
- (c) The Subsidiaries listed in Schedule 2.1(7)(c) of the Company Disclosure Letter are the only Subsidiaries of the Company that are material (based on the requirements for disclosure of Subsidiaries in an Annual Information Form set out in National Instrument 51-102 – *Continuous Disclosure Obligations*).

8. Securities Law Matters.

- (a) The Company is a "reporting issuer" or equivalent thereof and not on the list of reporting issuers in default under applicable Securities Laws in each of the provinces of Canada and is not in default of any material requirements of any Securities Laws. No delisting, suspension of trading in or cease trading order with respect to any of its securities and no inquiry or investigation of any Securities Authority, is pending, in effect or ongoing or, to the knowledge of the Company, threatened. The Subordinate Voting Shares are listed on the TSX and trading of the Subordinate Voting Shares is not currently halted or suspended.
- (b) The documents comprising the Public Filings comply as filed or furnished in all material respects with the requirements of applicable Securities Laws and, where applicable, the rules and policies of the TSX, and the information and statements set forth in the Public Filings, as of the respective applicable dates of such information and statements, did not contain any misrepresentation (within the meaning of applicable Securities Laws). The Company has, since March 1, 2024, complied and is in compliance with applicable Securities Laws and the rules, policies and requirements of the TSX in all material respects. The Company has timely filed with the Securities Authorities all material forms, reports, schedules, certifications, statements and other documents required to be filed by it under applicable Securities

Laws and, where applicable, the rules and policies of the TSX since March 1, 2024. The Company has not filed any confidential material change report with the Securities Authorities which at the date hereof remains confidential.

9. U.S. Securities Law Matters.

- (a) The Company does not have, nor is it required to have, any class of securities registered under the U.S. Exchange Act, nor is the Company subject to any reporting obligation (whether active or suspended) pursuant to sections 13(a) or 15(d) of the U.S. Exchange Act.
- (b) The Company is not subject to any requirement to register any class of its equity securities pursuant to section 12(g) of the U.S. Exchange Act, is not an investment company registered or required to be registered under the Investment Company Act of 1940 of the United States of America, and is not a “foreign private issuer” (as such term is defined in Rule 3b-4(c) under the U.S. Exchange Act).
- (c) No securities of the Company have been traded on any national securities exchange in the United States during the past 12 calendar months.

10. Financial Statements.

- (a) The audited consolidated financial statements of the Company as at and for the fiscal years ended February 28, 2025 and 2024 (including any of the notes or schedules thereto, the auditors’ report thereon and related management’s discussion and analysis) and the unaudited consolidated interim financial statements as at and for the six months ended August 31, 2025 and August 31, 2024 included in the Public Filings: (i) were prepared in accordance with IFRS; and (ii) fairly present, in all material respects, the assets, liabilities (whether accrued, absolute, contingent or otherwise), consolidated financial position, results of operations or financial performance and cash flows of the Company as of their respective dates and the consolidated financial position, results of operations or financial performance and cash flows of the Company for the respective periods covered by such financial statements (except as may be expressly indicated in the notes to such financial statements). There are no, nor are there any commitments to become a party to, any off-balance sheet transactions of the Company or of any of its Subsidiaries with unconsolidated entities or other Persons.
- (b) The financial books, records and accounts of the Company and each of its Subsidiaries: (i) have been maintained, in all material respects, in accordance with IFRS; (ii) are stated in reasonable detail; (iii) accurately and fairly reflect all the material transactions, acquisitions and dispositions of the Company and its Subsidiaries; and (iv) accurately and fairly reflect the basis of the Company’s financial statements. The Company does not intend to correct or restate, nor, to the knowledge of the Company, is there any basis for any correction or restatement of, any aspect of the financial statements referenced in (a) above.

11. Disclosure Controls and Internal Control over Financial Reporting.

- (a) The Company has established and maintains a system of disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under Securities Laws is recorded, processed,

summarized and reported within the time periods specified in Securities Laws. Such disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under Securities Laws is accumulated and communicated to the Company's management, including its chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

- (b) The Company established and maintains a system of internal control over financial reporting that is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.
 - (c) To the knowledge of the Company, there is no material weakness (as such term is defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*) relating to the design, implementation or maintenance of its internal control over financial reporting, or fraud, whether or not material, that involves management or other employees who have a significant role in the internal control over financial reporting of the Company. To the knowledge of the Company, none of the Company, any of its Subsidiaries, or any of their respective Representatives has received or otherwise obtained knowledge of any material complaint, allegation, assertion, or claim, whether written or oral, regarding accounting, internal accounting controls or auditing matters, including any material complaint, allegation, assertion, or claim that the Company or any of its Subsidiaries has engaged in questionable accounting or auditing practices, or any expression of concern from its employees regarding questionable accounting or auditing matters or fraud.
12. **Auditors.** The auditors of the Company are independent public accountants as required by applicable Laws and there is not now, and there has never been, any reportable event (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) with the present or any former auditors of the Company.
13. **No Material Undisclosed Liabilities.** There are no material liabilities or obligations of the Company or of any of its Subsidiaries of the type required to be disclosed in the liabilities column of a balance sheet prepared in accordance with IFRS, other than liabilities or obligations: (a) disclosed in the unaudited condensed interim consolidated financial statements as at and for the three and nine months ended August 31, 2025; (b) incurred in the Ordinary Course since September 1, 2025; or (c) incurred in connection with this Agreement.
14. **Absence of Certain Changes or Events.** Since March 1, 2025 to the date hereof, other than the transactions contemplated in this Agreement or as publicly disclosed in the Public Filings, the business of the Company and of each of its Subsidiaries has been conducted in the Ordinary Course, and there has not occurred any change, event, occurrence, effect or circumstance that, individually or in the aggregate, has had or would reasonably be expected to have, a Material Adverse Effect.
15. **Related Party Transactions.** Neither the Company nor any of its Subsidiaries is indebted to any director, officer, employee or agent of, or independent contractor to, the Company, any of its Subsidiaries or any of their respective affiliates (except for amounts due in the Ordinary Course as salaries, bonuses, directors' fees, amounts owing under any contracting agreement with any such independent contractor or the reimbursement of Ordinary Course expenses). There are no Contracts (other than employment arrangements or independent contractor

arrangements) with, or advances, loans, guarantees, liabilities or other obligations to, on behalf of or for the benefit of, any shareholder, officer or director of the Company, any of its Subsidiaries or any of their respective affiliates.

16. **Compliance with Laws.** The Company and each of its Subsidiaries is in compliance with Law in all material respects and, to the knowledge of the Company, neither the Company nor any of its Subsidiaries is under any investigation with respect to, or since March 1, 2024, has been charged or threatened to be charged with, or has received notice of, any material violation or potential material violation of any Law or a disqualification by a Governmental Entity, as regards any matter that remains unresolved.

17. *[Redacted – commercially sensitive information]*

18. **Authorizations and Licenses.**

- (a) Except as disclosed in Schedule 2.1(18)(a) of the Company Disclosure Letter, the Company and each of its Subsidiaries own, possess or have obtained all material Authorizations that are required by Law or by any customer in connection with the operation of the business of the Company and each of its Subsidiaries as presently conducted, or in connection with the ownership, operation or use of the Company Assets as presently owned, operated or used, except, in each case, as would not reasonably be expected to have a Material Adverse Effect, including any security clearances provided pursuant to Public Services and Procurement Canada's Contract Security Program and any licences or certificates issued by the Canadian Nuclear Safety Commission.
- (b) The Company or its Subsidiaries, as applicable, (i) lawfully hold, own or use, and have complied with, all such Authorizations, except as would not reasonably be expected to have a Material Adverse Effect, (ii) each such Authorization is valid and in full force and effect, and is renewable by its terms or in the Ordinary Course, except, in each case, as would not be reasonably expected to have a Material Adverse Effect; (iii) to the knowledge of the Company, there are no facts, events or circumstances that may reasonably be expected to result in a failure to obtain or failure to be in compliance with all Authorizations as are necessary to conduct the business of the Company or the Subsidiaries, except, in each case, as would not be reasonably expected to have a Material Adverse Effect; and (iv) to the knowledge of the Company, no event has occurred which, with the giving of notice, lapse of time or both, could constitute a default under, or in respect of, any Authorization, except, in each case, as would not reasonably be expected to have a Material Adverse Effect.
- (c) To the knowledge of the Company, no action, investigation or proceeding is pending in respect of or regarding any such Authorization and none of the Company or any of its Subsidiaries has received notice, whether written or oral, of revocation, non-renewal or amendments of any such Authorization, or of the intention of any Person to revoke, refuse to renew or amend any such Authorization, except, in each case, as would not reasonably be expected to have a Material Adverse Effect.

19. **Material Contracts.**

- (a) Schedule 2.1(19)(a) of the Company Disclosure Letter sets out a complete and accurate list of all Material Contracts as of the date of this Agreement.

- (b) True and complete copies of the Material Contracts have been made available in the Data Room and no such Contract has, since such disclosure, been rescinded, terminated or materially modified outside of the Ordinary Course; provided that, where a Material Contract includes competitively or commercially sensitive information, the Company may disclose in the Data Room a redacted version of the Material Contract that removes the competitively or commercially sensitive information and also provide a complete, non-redacted version of the Material Contract to the Purchaser's external legal counsel on an external legal counsel only basis.
- (c) Each Material Contract is legal, valid, binding and in full force and effect and is enforceable by the Company or a Subsidiary of the Company, as applicable, in accordance with its terms (subject only to any Enforcement Limitations).
- (d) The Company and each of its Subsidiaries has performed in all material respects all respective obligations and covenants required to be performed or observed by them to date under the Material Contracts, and neither the Company nor any of its Subsidiaries is in material breach or default under any Material Contract, nor does the Company have knowledge of any condition that with the passage of time or the giving of notice or both would result in such a breach or default.
- (e) Except as disclosed in Schedule 2.1(19)(e) of the Company Disclosure Letter, none of the Company or any of its Subsidiaries has received any written notice or, to the knowledge of the Company, any oral notice, of any material breach or default under nor, to the knowledge of the Company, does there exist any condition which with the passage of time or the giving of notice or both would result in such a material breach or default under any such Material Contract by any party to a Material Contract.
- (f) None of the Company or any of its Subsidiaries has received any written notice, or to the knowledge of the Company, any oral notice, that any party to a Material Contract intends to cancel, terminate or otherwise modify or not renew its relationship with the Company or any of its Subsidiaries and, to the knowledge of the Company, no such action has been threatened.
- (g) Other than the Contracts specified in item (d) of the definition of "Material Contract", the Company and its Subsidiaries do not have any Contract relating directly or indirectly to the guarantee of any liabilities, obligations or indebtedness for borrowed money with a bank or other financial institution.

20. Real and Personal Property.

- (a) Each of the Company and its Subsidiaries owns, leases, subleases, licenses, or otherwise has the right (including those rights by way of licences, easements, servitudes or rights of way) to use all real property, including all fixtures and improvements situated thereon, and owns, leases or otherwise has the right to use all equipment and personal property, tangible and intangible, in each case which is used in the operations of the business of such entity and which is necessary to conduct the business of such entity in the manner in which it is presently conducted. The street address(es) for all Owned Real Property are set forth in Schedule 2.1(20)(a) of the Company Disclosure Letter. The street address(es), party names, and dates of all Real Property Leases are described in Schedule 2.1(20)(a) of the Company Disclosure Letter. The Company and/or one or more of its Subsidiaries has good and marketable title to all Company Assets (whether tangible or intangible)

which it owns or purports to own, free and clear of all Liens, other than Permitted Liens. Neither the Company nor any of its Subsidiaries use or occupy any real property other than the Real Property. No Owned Real Property is subject to any sales contract, purchase option, right of first refusal, right of first offer, similar agreement or other contractual obligation to sell, assign or dispose of any of the Owned Real Property or any portion thereof or interest therein to any Person. The Company or a Subsidiary is in possession of the Owned Real Property and has not leased, licenced, subleased or otherwise granted the right to use, operate or occupy any parcel or any portion of any Owned Real Property to any Person. Any written notice received by the Company or any Subsidiary from any owner of real property immediately contiguous to the Owned Real Property alleging material boundary disputes or disputes related to material impairment of the Company's or any Subsidiary's access to and from the Owned Real Property has been remedied. Neither the Company nor any of its Subsidiaries is a party to any Contract or option to purchase any real property or interest therein that has not closed as of the Closing. Neither the Company nor any of its Subsidiaries is in default in any material respect under any Real Property Leases. The Company or one of its Subsidiaries has a valid and existing leasehold interest in, and enjoys peaceful possession of, all the Leased Real Property. There are no subleases, licences or similar agreements granting to any Person other than the Company or any of its Subsidiaries the right to use or occupy any of the Leased Real Property. Other than Permitted Liens, neither the Company nor any of its Subsidiaries has assigned, transferred, mortgaged, collaterally assigned, granted any other security interest in or pledged any interest in any of the Real Property Leases. The rent set forth in each Real Property Lease is the actual rent being paid, and there are no separate agreements or understandings with respect to the same. Use of the Leased Real Property for the purposes for which it is presently being used is permitted under the applicable Real Property Lease.

- (b) The Company and its Subsidiaries are in peaceful and undisturbed possession of their respective Real Property, and there are no contractual or legal restrictions that preclude or restrict the ability of the Company or any of its Subsidiaries to use such Owned Real Property or the Leased Real Property for the purposes for which they are currently being used. None of the Owned Real Property or the buildings, works or fixtures thereon, (i) encroaches on any property owned by any other Person, or (ii) to the knowledge of the Company, infringes on rights of way, easements, servitudes or similar Liens on the Owned Real Property. There are no encroachments suffered by any of the Owned Real Property.
- (c) The Company has made available to Purchaser true, accurate, and complete copies of (i) all deeds and other recorded instruments by which the Company and its Subsidiaries acquired their respective interests in the Owned Real Property; (ii) all title reports, surveys, title policies, title exception documents, and appraisals available to the Company with respect to the Owned Real Property; and (iii) all Real Property Leases and other lease documentation in connection with the Leased Real Property, including any leases or subleases by the Company and its Subsidiaries of Owned Real Property or Leased Real Property to any Person, as the case may be.
- (d) There is no pending and none of the Company or its Subsidiaries have received notice affecting any of the Real Property of any proposed, pending, or threatened condemnation, eminent domain, expropriation, taking, transfer in lieu thereof or other similar proceeding by any Governmental Entity, or any zoning, building code, or other moratorium legal proceeding to impose any special assessment.

- (e) Except as disclosed in Schedule 2.1(20)(e) of the Company Disclosure Letter and subject to Permitted Liens, to the knowledge of the Company, there are not any structural or material defects (latent or otherwise) and none of the Real Property is currently under construction or renovation or under any commitments in respect thereof and no material or structural repairs or replacements are necessary or advisable and, without limiting the foregoing, there are no repairs to, or replacements of, the roof or the mechanical, electrical, heating, ventilating, air conditioning, plumbing or drainage equipment or systems that are necessary or advisable. There are no outstanding options, rights of first offer or rights of first refusal to purchase any Owned Real Property and the Leased Real Property, and neither the Company nor any of its Subsidiaries has exercised or given any notice of exercise of, nor has any landlord exercised or given any notice of exercise of any such rights.
- (f) To the knowledge of the Company, none of the Company or its Subsidiaries has received any written notice, as regards any matter that remains unresolved or uncured, that any of the Company Assets or the buildings and/or fixtures thereon, nor their use, operation or maintenance for the purpose of carrying on the business of the Company and its Subsidiaries in the Ordinary Course violates any material restrictive covenant binding upon the Company or its Subsidiaries or any provision of any Law, certificates of occupancy, covenants, conditions, restrictions, easements, licenses, servitudes, permits and agreements, except, in each case, as would not be reasonably expected to have a Material Adverse Effect. Such buildings and/or fixtures are in all material respects structurally sound, are in good operating condition and repair, ordinary wear and tear excepted, are free from latent and patent defects, are suitable for the purposes for which they are currently being used by the Company and its Subsidiaries and have been maintained in accordance with normal industry practice. None of the Real Property has been damaged or destroyed by fire or other casualty, except for damage, if any, that has already been restored or is currently being restored.
- (g) Any work or leasehold improvements (including any improvements, installations or alterations) made, erected or installed by or at the request of the Company to any of the Company Assets have been made pursuant to and in accordance with building permits duly and properly issued and supplemented, where and if applicable, by appropriate certificates of occupancy. All payments owing to contractors, sub-contractors, workers or any suppliers of goods, services or utilities with respect to the real property comprising the Company Assets have been paid in full, without subrogation. All delays to register legal hypothecs against the Company Assets arising out of construction, renovation or work shall have expired prior to the date hereof, and no such Liens shall have been registered or remain undischarged and no Person shall have the right to register any legal hypothecs against the Company Assets subsequent to the date hereof by reason of any cause, matter or thing whatsoever which occurred at or prior to such date.
- (h) The continued existence, use, occupancy and operation of the Company Assets and the right to repair and/or rebuild the Company Assets or any part thereof following damage or destruction by fire or other casualty is not dependent on the granting of any special permit, exception, approval or variance, the continuance of a non-conforming use or other zoning exception.
- (i) The Owned Real Property located in the Province of Québec, Canada is not located in an agricultural land preserved pursuant to the *Act respecting the preservation of*

agricultural land and agricultural activities (Québec) or any other applicable legislation.

21. **Intellectual Property.**

- (a) Schedule 2.1(21)(a) of the Company Disclosure Letter lists (i) all Company Registered IP including the particulars of the owner of record, application and registration numbers, as applicable, and relevant jurisdiction; (ii) all material unregistered Marks included in the Company Intellectual Property and all other material unregistered Company Intellectual Property; (iii) all material domain name registrations and social media accounts included in the Company Intellectual Property; and (iv) all Software included in Company Intellectual Property ("**Owned Software**").
- (b) Except as disclosed in Schedule 2.1(21)(b) of the Company Disclosure Letter: (i) the Company or its Subsidiaries solely own all rights, title, and interest in and to all Company Intellectual Property, free and clear of any Liens (other than Permitted Liens), and all Company Intellectual Property is, and will immediately after the Closing be, fully transferable, alienable, licensable, and enforceable (with the right to retain all damages recovered in an enforcement action) by the Company or its Subsidiaries without restriction and without payment of any kind to any Person; and (ii) the Company and its Subsidiaries have, and will have immediately after the Closing, the rights to hold, use, and practice all Intellectual Property held, used, or practiced by the Company or any Subsidiaries that is not Company Intellectual Property ("**Licensed Intellectual Property**"), as the Licensed Intellectual Property is held, used, and practiced by the Company or its Subsidiaries, under valid and enforceable IP Grants to the Company or its Subsidiaries ("**In-bound IP Grants**"), free of any payment other than as set forth in such In-bound IP Grants (and are not in breach of any In-bound IP Grant). Schedule 2.1(21)(b) of the Company Disclosure Letter lists each In-bound IP Grant, other than any license solely to Software licensed under generally available non-negotiated shrinkwrap or clickwrap licenses and used in the Company or any Subsidiaries' internal business, and any unwritten non-exclusive license incidental to the supply of any product or service to the Company or any Subsidiaries for the use of such product or service. Schedule 2.1(21)(b) of the Company Disclosure Letter lists each IP Grant made by the Company or any of its Subsidiaries to any Person ("**Out-bound IP Grants**"), other than any unwritten non-exclusive license incidental to the Company's or any of its Subsidiaries' supply of any Company Product for the use of such Company Product.
- (c) All Company Intellectual Property and all Licensed Intellectual Property are sufficient, and constitute all Intellectual Property material, for conducting the business, as presently conducted and currently proposed to be conducted, of the Company and its Subsidiaries.
- (d) With respect to each item of Company Registered IP and the domain name registrations and social media accounts set forth in Schedule 2.1(21)(a) of the Company Disclosure Letter: all necessary registration, maintenance and renewal fees have been paid, and all necessary documents have been filed with the Canadian Intellectual Property Office, the United States Patent and Trademark Office, or equivalent authority or registrar, or the domain name and social media account registrar, as applicable, anywhere in the world, as the case may be, for the purposes of maintaining such Company Registered IP, domain name registration, or social media account. All Company Intellectual Property (other than as stated in

Schedule 2.1(21)(a) of the Company Disclosure Letter for any Company Registered IP) and, to the knowledge of the Company all Licensed Intellectual Property, is valid and enforceable, and all licenses to which the Company or its Subsidiaries are a party relating to In-bound IP Grants are in good standing, binding and enforceable in accordance with their respective terms.

- (e) The use and practice of any Company Intellectual Property and Licensed Intellectual Property by the Company and its Subsidiaries as currently used in the conduct of its business and any Company Products, the operation of the business of the Company and its Subsidiaries by the Company and its Subsidiaries as currently conducted, does not infringe upon, misappropriate, or otherwise violate, and for the past six years (6) years has not infringed upon, misappropriated, or otherwise violated, any of the Intellectual Property or other proprietary rights or processes owned or held by any other Person. The Company and its Subsidiaries have not received any communication, charge, complaint, claim, demand, or notice alleging (i) any interference, infringement, misappropriation, or violation with respect to any use or practice of any Company Intellectual Property or any Company Product, or (ii) that the Company and its Subsidiaries have interfered, infringed, misappropriated, or violated or, by conducting its business, would interfere, infringe, misappropriate, or violate, any of the Intellectual Property or proprietary rights or processes owned or held by any other Person, or (iii) any invalidity or unenforceability of any Company Intellectual Property or challenging any ownership or right of the Company or any of its Subsidiaries in or to any Company Intellectual Property; nor does the Company know of any valid grounds for any bona fide claims or of any reason to believe that such an allegation may be forthcoming. To the knowledge of the Company, no third party has engaged in, or is engaging in, any infringement of any Company Intellectual Property. None of the Company and its Subsidiaries have made any claim to any Person asserting any such infringement.
- (f) Neither this Agreement nor any of the transactions contemplated by this Agreement shall cause (i) any Person to have any ownership or claim to any ownership in any Company Intellectual Property, (ii) any Out-bound IP Grant or any claim to any Out-bound IP Grant to any Person in or to or under any Company Intellectual Property, or (iii) any termination, amendment, or modification, or any Person to have any right to terminate, amend, or modify, any In-bound IP Grant or any Out-bound IP Grant, or (iv) the Company or any of its Subsidiaries to be obligated to pay any royalties or other fees or consideration with respect to Intellectual Property of any Person in excess of those payable by the Company or any of its Subsidiaries pursuant to an In-bound IP Grant as in effect before the Closing.
- (g) The Company and its Subsidiaries have continuously taken reasonable steps to protect the confidentiality of their trade secrets and other confidential information. Any Person with access to such trade secrets or confidential information has executed a binding confidentiality and non-disclosure agreement to the extent such Person is not subject to legal confidentiality and non-disclosure duties by virtue of their role or status covering such trade secrets and confidential information. To the knowledge of the Company and its Subsidiaries, no such Person has breached such Person's obligations under such confidentiality and non-disclosure agreements or such other confidentiality and non-disclosure duty. Each current or former employee, consultant, or contractor of the Company, or other individual involved in the creation, invention, or development of Company Intellectual Property or Company Products (each a "**Contributor**"), has executed and delivered to the Company or any of its Subsidiaries (and to the knowledge of the Company and its Subsidiaries is in

compliance with) a valid written agreement assigning and transferring all, without retaining any, rights, title and interest to the Company or any of its Subsidiaries that such Contributor may have in any Company Intellectual Property.

- (h) Except as disclosed in Schedule 2.1(21)(h) of the Company Disclosure Letter, none of the Company Intellectual Property has been developed with the assistance or use of any funding from any third parties or third party agencies, including, but not limited to, any funding or other resources from any university, educational institution, research institution or Governmental Entity. Neither the Company nor any of its Subsidiaries are currently, or have ever been, a member of a patent pool or a standards body or other association requiring a license of Company Intellectual Property under reasonable and non-discriminating terms.
- (i) The Company and its Subsidiaries do not use and have not used Open Source Software in any manner (including by incorporating, embedding, combining, or integrating) that, with respect to any Company Product or Owned Software, (i) requires its disclosure or distribution in source code form, (ii) requires the licensing thereof for the purpose of making derivative works, (iii) imposes any restriction on the consideration to be charged for the distribution thereof, (iv) creates, or purports to create, obligations for the Company or any of its Subsidiaries with respect to any Company Intellectual Property or Owned Software or grants, or purports to grant, to any third party, any rights or immunities under any Company Intellectual Property or Owned Software, or (v) imposes any other material limitation, restriction, or condition on the right of the Company or any of its Subsidiaries with respect to its use or distribution. With respect to any Open Source Software that is or has been used by the Company or any of its Subsidiaries in any way, the Company and its Subsidiaries are, and have at all times been, in compliance with all applicable Open Source Software licenses with respect thereto.
- (j) Neither the Company nor any of its Subsidiaries has disclosed, delivered, or licensed to any Person, agreed to disclose, deliver or license to any Person, or permitted the disclosure or delivery to any escrow agent or other Person of, any Source Material for any Owned Software or other Software used in the Company's products, except for disclosures to employees or contractors under binding written agreements that prohibit use or disclosure except in the performance of services to the Company or any of its Subsidiaries.
- (k) The IT Systems used or held for use in the operation of the business of the Company and its Subsidiaries are (i) owned and controlled by the Company or any of its Subsidiaries, (ii) adequate in all material respects for their intended use and for the operation of the business of the Company and its Subsidiaries, (iii) in good material working condition (normal wear and tear excepted), (iv) to the knowledge of the Company and its Subsidiaries, free of any computer virus, Trojan horse, worm, time bomb, or similar code or routine designed to disable, damage, degrade or disrupt the operation of, permit unauthorized access to, erase, destroy or modify any Software, hardware, system or process ("**Harmful Code**"), and (v) adequately protected with physical, technical, and organizational safeguards as required under applicable Privacy Laws. The Company and its Subsidiaries have implemented and continuously maintained commercially reasonable measures designed to prevent the introduction of Harmful Code into the IT Systems. Within the last three years, there has not been any incident involving Harmful Code, or any security breach, involving any IT System with a material impact on such IT System. To the knowledge of the Company and its Subsidiaries, none of the incidents involving Harmful Code

or any security breach involving IT Systems disclosed in Schedule 2.1(21)(k) of the Company Disclosure Letter created a real risk of significant harm or risk of serious injury to any data subject whose Personal Information was under the control of the Company or its Subsidiaries or otherwise needed to be reported to a privacy regulator or administrative authority under applicable Privacy Laws.

22. **Customer, Supplier and Distributor Relationships.** Schedule 2.1(22) of the Company Disclosure Letter sets forth the identity of the ten largest customers, the ten largest suppliers and the ten largest distributors of the Company and its Subsidiaries, determined by amounts billed under contract during the 12-month period ended August 31, 2025. No such customer or supplier has advised the Company or any of its Subsidiaries in writing that it intends to terminate, cancel or change in any material respect its business relationships with the Company or its Subsidiaries.
23. **Restrictions on Conduct of Business.** Except as disclosed in Schedule 2.1(23) of the Company Disclosure Letter and subject to any restrictions which may be imposed by Law, neither the Company nor any of its Subsidiaries is a party to or bound by any non-competition agreement, any non-solicitation agreement, or any other agreement, obligation, judgment, injunction, order or decree which purports to: (a) limit in any material respect the manner or the localities in which all or any portion of the business of the Company or its Subsidiaries are conducted; or (b) limit any business practice of the Company or any of its Subsidiaries in any material respect.
24. **Litigation.** Except as disclosed in Schedule 2.1(24) of the Company Disclosure Letter and any inquiry, investigation or proceeding solely related to satisfying or obtaining the Regulatory Approvals, there are no material claims, actions, suits, arbitrations, inquiries, investigations or proceedings pending or, to the knowledge of the Company, threatened, against or involving the Company or any of its Subsidiaries, or affecting any of their respective properties or assets by or before any Governmental Entity nor, to the knowledge of the Company, are there any events or circumstances which could reasonably be expected to give rise to any such proceeding. There are no proceedings pending, or, to the knowledge of the Company threatened, against or involving the Company or any of its Subsidiaries, or affecting any of their respective properties or assets by or before any Governmental Entity that, if determined adversely to their interests, could or could reasonably be expected to prevent or delay the consummation of the Transactions or the matters contemplated hereby nor, to the knowledge of the Company, are there any events or circumstances which could reasonably be expected to give rise to any such proceeding. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress against or relating to the Company or any of its Subsidiaries before any Governmental Entity, or, to the knowledge of the Company, threatened against or relating to the Company or its Subsidiaries. Neither the Company nor any of its Subsidiaries, nor any of their respective properties or assets is subject to any outstanding judgment, order, writ, injunction or decree that would have or would be reasonably expected to, individually or in the aggregate, materially impede the consummation of the Transactions.
25. **Environmental Matters.** Except as disclosed in Schedule 2.1(25) of the Company Disclosure Letter:
- (a) The Company and each of its Subsidiaries is, and since March 1, 2021 has been, in material compliance with all Environmental Laws and has obtained and complied in all material respects with all material Authorizations that are required pursuant to Environmental Laws for the occupation of any of the Company's Owned Real

Property or Leased Real Property or the operation of its business, except as would not reasonably be expected to have a Material Adverse Effect.

- (b) None of the Company or any of its Subsidiaries have treated, stored, disposed of, arranged for or permitted the disposal of, transported, managed, used, exposed any Person to any Hazardous Substances, and there has been no Release or presence of Hazardous Substances on, at, in, under or from any real property currently owned, leased or used by the Company or its Subsidiaries or real property previously owned or leased by the Company or its Subsidiaries, while owned or leased by the Company or its Subsidiaries, in each case, in material violation of Environmental Laws or in a manner that could reasonably be expected to have a Material Adverse Effect.
- (c) There are no pending claims against the Company or any of its Subsidiaries, arising out of any Environmental Laws or relating to Hazardous Substances, except as would not reasonably be expected to have a Material Adverse Effect.
- (d) The Company is not aware of, nor has it received since March 1, 2021: (i) any order or directive from a Governmental Entity which relates to Environmental matters that remain unresolved and, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect; or (ii) any written regulatory demand, written communication, or notice from a Governmental Entity or third party with respect to the breach of or liability under any Environmental Law applicable to the Company or any of its Subsidiaries or the Company Assets or its business that remains unresolved and, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.
- (e) The Company has delivered to the Purchaser accurate and complete copies of all material Environmental Authorizations, reports, investigations, audits, and correspondence relating to the Company's or any of its Subsidiaries' compliance with or liability under Environmental Laws in connection with the ownership or use of any of the current or former Company real property or the operation of the business.
- (f) Except as would not reasonably be expected to be material, none of the following exists at any of the Company's Owned Real Property or Leased Real Property: (i) under or above-ground storage tanks, (ii) asbestos-containing material in any form or condition, (iii) materials or equipment containing polychlorinated biphenyls other than equipment in compliance with applicable Environmental Laws and permitted to remain in service under such laws through the closing of the Transactions, or (iv) landfills, surface impoundments, or disposal areas.

26. Employees.

- (a) All written employment Contracts and offer letters in relation to Senior Management and forms of contracts or offer letters with other employees of the Company or any Subsidiary have been made available in the Data Room and such Contracts and offer letters with Senior Management are listed in Schedule 2.1(26)(a)(i) of the Company Disclosure Letter. To the knowledge of the Company, except as disclosed in Schedule 2.1(26)(a)(ii) of the Company Disclosure Letter, no Senior Management and no group of employees of the Company or any Subsidiary have any plans to terminate his, her or their employment or services with the Company.

- (b) The Company has provided to the Purchaser a true and correct list(s) of all current Company Employees, on a no-name basis : (i) status as an employee or contractor and whether they are unionized or non-unionized; (ii) the entity with which they are employed or engaged and their location (country, state/province, city); (iii) their start dates and number of years of continuous service; (iv) their positions, job titles or nature of services; (v) their full-time, part-time, or temporary status; (vi) their base salaries or base hourly wage or fee rate; (vii) their target bonus rates or target commission rates; (viii) their visa status, if applicable, (ix) designation of whether they are classified as overtime exempt or non-exempt for purposes of applicable Law; (x) designation if currently on leave of absence, together with the type of leave, expected date of return to work, if known, and indicating whether is in receipt of disability benefits or workers' compensation benefits, and (xi) the Employee Plans in which they are eligible to participate.
- (c) The Company and its Subsidiaries are, and at all times during the past three (3) years have been, in material compliance with all terms and conditions of all applicable Law and their own policies respecting employment and labour, including pay equity and transparency, employment standards, collective bargaining, human rights, immigration, discrimination, harassment, retaliation, French language requirements in the workplace, equal employment, wage and hour, wage payment, classification (either exempt or non-exempt status or the local equivalent, or contractor versus employee status), vacation pay, overtime pay, termination, accommodations, biometric information, privacy, workers' compensation and occupational health and safety, and there are no currently material pending claims, charges, complaints, arbitrations, grievances, investigations, orders, or other legal proceedings under any such Law and, to the knowledge of the Company, there is no basis for such claim other than as disclosed in Schedule 2.1(26)(c) of the Company Disclosure Letter.
- (d) All material amounts due or accrued for all salary, wages, bonuses, commissions, vacation with pay, overtime, sick days, termination and severance pay and benefits under Employee Plans and other similar accruals have either been paid or properly accrued and are accurately reflected in the books and/or records of the Company or the applicable Subsidiary.
- (e) Except as disclosed in Schedule 2.1(26)(e) of the Company Disclosure Letter, there are no change of control payments, golden parachutes, severance or termination payments, retention payments or agreements or transaction bonuses with Company Employees providing for cash or other compensation or benefits upon the consummation of, or relating to, the Transaction or any other transaction contemplated by this Agreement, including a change of control of the Company, or of any of its Subsidiaries.
- (f) Except as disclosed in Schedule 2.1(26)(f) of the Company Disclosure Letter, to the knowledge of the Company, neither the Company nor its Subsidiaries is subject to any claim for wrongful dismissal, constructive dismissal or any other claim, complaint or litigation relating to employment, discrimination, harassment, accommodation or termination of employment of any Company Employee or relating to any failure to hire a candidate for employment with the Company or any of its Subsidiaries.
- (g) The Company and its Subsidiaries are each properly registered with the applicable workplace safety and insurance board or workers' compensation board, as applicable. To the knowledge of the Company, there are no material outstanding

assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing pursuant to any workplace safety and insurance legislation or plan.

- (h) The Company and its Subsidiaries have each properly engaged and classified individual independent contractors and consultants, have not received, nor are there any pending or, to the knowledge of the Company, threatened notices from any Person disputing such classification, and to the knowledge of the Company, there are no individual independent contractors or consultants who have or could file a claim for misclassification as an employee resulting in material liability to the Company or its Subsidiaries. Except as disclosed in Schedule 2.1(26)(h), the Company and its Subsidiaries are not engaged with any personnel agency, and there are no outstanding, pending or, to the knowledge of the Company, threatened claims, complaints, investigations or orders relating to the employment of any personnel agency employees.
- (i) No employee of the Company or any Subsidiary is an illegal or undocumented worker and all employees have all work permits, visas, authorizations or status, as the case may be, required to perform work in the country where they work for the Company or its Subsidiaries.
- (j) Except as disclosure in Schedule 2.1(26)(j) of the Company Disclosure Letter, during the past three (3) years neither the Company nor its Subsidiaries have implemented or effectuated a "plant closing," "mass layoff," partial "plant closing," "relocation," or "collective dismissal" (as defined by applicable Law) affecting any site of employment or one or more facilities or operating units within any site of employment or facility of the Company or any of its Subsidiaries.
- (k) To the knowledge of the Company, during the past three (3) years, (i) no written complaint of sexual or psychological harassment, discrimination or misconduct has been made against any (A) officer or director of the Company or its Subsidiaries, or (B) any employee of the Company or its Subsidiaries who, directly or indirectly, supervises or has managerial authority over other employees or service providers of the Company or its Subsidiaries, and (ii) neither the Company nor any of its Subsidiaries (except as disclosure in Schedule 2.1(26)(f) of the Company Disclosure Letter) has entered into any settlement agreement or conducted any investigation related to any such written complaint by a Company Employee.

27. Collective Agreements.

- (a) Schedule 2.1(27)(a) of the Company Disclosure Letter sets forth, as of the date of this Agreement, a complete and accurate list of all Collective Agreements. Except as disclosed in Schedule 2.1(27)(a) of the Company Disclosure Letter, neither the Company nor any Subsidiary is a party to, nor is engaged in any negotiations with respect to any collective bargaining or union agreement, any actual or, to the knowledge of the Company, threatened application for certification or bargaining rights or letter of understanding, or other efforts to organize or establish an employee representative body with respect to any employee of the Company or any Subsidiary.
- (b) The Company and its Subsidiaries are in material compliance with the Collective Agreements, and there are no material pending grievances or arbitration proceedings under the Collective Agreements.

- (c) Except as disclosed in Schedule 2.1(27)(c) of the Company Disclosure Letter, there is no labour strike, dispute, lock-out, picketing, work slowdown or stoppage pending or involving or, to the knowledge of the Company, threatened against the Company or any Subsidiary, and no such event has occurred within the last three (3) years.
- (d) There are no pending or, to the knowledge of the Company, threatened applications by any trade union to have the Company or a Subsidiary declared a related, successor, or common employer pursuant to applicable Law in any jurisdiction in which the Company or any Subsidiary carries on business.
- (e) Neither the Company nor any of its Subsidiaries has engaged in any unfair labour practice.

28. Employee Plans.

- (a) Schedule 2.1(28)(a) of the Company Disclosure Letter lists all Employee Plans, separated by jurisdiction. The Company has made available in the Data Room true, correct and complete copies, in each case to the extent applicable and available, of (i) all material Employee Plan documents (or, with respect to any unwritten Employee Plan, a written summary thereof), related trust agreements and all amendments thereto, (ii) insurance contracts and policies, (iii) all current summary plan descriptions and summaries of material modifications thereto, and the most recent member booklets and brochures (in English and French where prepared in both languages), (iv) the Form 5500 annual reports and accompanying schedules and financial statements, as filed, for the most recently completed plan year, (v) the most recent annual testing (including nondiscrimination and coverage) results, (vi) the most recent determination letter, advisory letter, or opinion letter issued by the Internal Revenue Service, (vii) the most recent financial statements, actuarial reports and asset statements and (viii) all material non-routine correspondence received from or provided to the Department of Labor, the Pension Benefit Guaranty Corporation, the Internal Revenue Service or any other Governmental Entity dealing with outstanding matters.
- (b) Each Employee Plan is and has been established and, in all material respects, administered, funded and invested in accordance with Law and in accordance with their terms, including the Code and ERISA and all filing and disclosure requirements imposed on the plan sponsor thereunder.
- (c) Except as disclosed in Schedule 2.1(28)(c) of the Company Disclosure Letter, all contributions, premiums, payments, benefits or taxes required to be made, paid or remitted by the Company or any of its Subsidiaries, as the case may be, under the terms of each Employee Plan or by Law have been made, paid or remitted in a timely fashion or, to the extent not due, have been properly accrued and are accurately reflected in the books and/or records of the Company or the applicable Subsidiary.
- (d) No Employee Plan is subject to any pending or threatened investigation, examination or other proceeding, action or claim initiated by any Governmental Entity, or by any other Person (other than routine claims for benefits payable in the normal operation of the Employee Plan) and, to the knowledge of the Company, there exists no state of facts which after notice or lapse of time or both would reasonably be expected to give rise to any such investigation, examination or other proceeding, action or claim or to affect the registration or qualification of any Employee Plans. All material obligations regarding the Employee Plans have been satisfied, there are no material outstanding

breaches, defaults or violations by any Person to any Employee Plan and no Taxes, penalties or fees are owing or due and payable under or in respect of any of the Employee Plans.

- (e) Each Employee Plan that is intended to qualify for Tax-preferential treatment under applicable Law (including pursuant to Section 401(a) of the Code) so qualifies and has received, where required, approval from the applicable Governmental Entity that it is so qualified and no event has occurred or circumstance exists that may reasonably be expected to jeopardize the tax qualified status of any such Employee Plan. Each Employee Plan that is intended to be a qualified plan within the meaning of Section 401(a) of the Code either has received a favourable and currently effective determination letter from the Internal Revenue Service or is in the form of a preapproved plan document that is the subject of a favourable opinion or advisory letter from the Internal Revenue Service on which it is entitled to rely.
- (f) Except as disclosed in Schedule 2.1(28)(f) of the Company Disclosure Letter, none of the Company, any Subsidiary thereof, nor any ERISA Affiliate has ever sponsored, contributed to (or had an obligation to contribute to), or has ever had any liability (including contingent liability) with respect to (i) a plan subject to Title IV of ERISA, (ii) a defined benefit pension plan or similar arrangement that provides benefits on a defined benefit basis in the event of retirement or termination of employment, (iii) a multiemployer plan (as defined in Section 3(37) or 4001(a)(3) of ERISA) (a **"Multiemployer Plan"**), (iv) a multiple employer plan subject to Section 4063 or 4064 of ERISA, (v) a plan subject to Section 302 of ERISA or Section 412 of the Code or (vi) a multiple employer welfare arrangement (as defined in Section 3(40)(A) of ERISA) or a voluntary employees' beneficiary association under Section 501(c)(9) of the Code. None of the Company, any Subsidiary thereof, nor any ERISA Affiliate has any material liability as a result of a violation of COBRA. Neither the Company nor any Subsidiary thereof has any material liability under Section 502(i) or 502(l) of ERISA. Except as disclosed in Schedule 2.1(28)(f) of the Company Disclosure Letter, the Company and its Subsidiaries have never sponsored, maintained, contributed to or participated in or have any obligation under (A) a "registered pension plan" as such term is defined in subsection 248(1) of the Tax Act, (B) a "multi-employer plan" as such term is defined in subsection 147.1(1) of the Tax Act, (C) a "retirement compensation arrangement" as such term is defined in subsection 248(1) of the Tax Act, (D) an "employee life and health trust" as such term is defined in subsection 248(1) of the Tax Act or (E) a "deferred profit sharing plan" as defined under subsection 147(1) of the Tax Act. No Employee Plan is intended to be or has ever been found or alleged by a Governmental Entity to be a "salary deferral arrangement" within the meaning of subsection 248(1) of the Tax Act.
- (g) With respect to each Multiemployer Plan, all contributions have been made as required by the terms of such plan, the terms of any applicable collective bargaining agreement and applicable Law. No Multiemployer Plan is in insolvency, has undergone, or is expected to undergo, a mass withdrawal (within the meaning of Section 4219(c)(1)(D) of ERISA) or has filed a notice of termination (or treatment of a plan amendment as termination) under Section 4041A of ERISA. None of the Company, any Subsidiary thereof or any ERISA Affiliate have any contingent liability under Sections 4204 or 4212(c) of ERISA. All material communications during the three-year period prior to the date of this Agreement between the Company, any Subsidiary or ERISA Affiliates or any of their respective predecessors and any Multiemployer Plan have been provided to the Purchaser, and the Company has made available in the Data Room the trust agreement, summary plan description, participation agreement, any funding

improvement or rehabilitation plan, the most recent funding notice and any estimate, prepared by the Multiemployer Plan, of any potential withdrawal liability related to a complete withdrawal by the Company and its Subsidiaries in the past 3 years. With respect to each Multiemployer Plan, the Company, any Subsidiary thereof or any ERISA Affiliate have not experienced a reduction in contribution base units in the three consecutive years prior to the date of this Agreement that would, if continued, reasonably be expected to result in a partial withdrawal assessment, whether such liability is contingent or otherwise. None of the Multiemployer Plans has notified the Company or any Subsidiary thereof or any ERISA Affiliates of any failure to satisfy minimum funding standards.

- (h) No Employee Plan provides, and neither the Company nor any Subsidiary thereof provides, health, life or welfare benefits to any Company Employee (or any spouse, beneficiary or dependent thereof) beyond the termination of employment or other service of such Person (and no representations or promises have been made that any such Person would be provided with such benefits), other than as required by applicable Law and the cost of which is fully paid by the covered Person. No Employee Plan provides, and neither the Company nor any Subsidiary thereof provides, or has any obligation to provide, welfare benefits to any Person who is not a current or former employee of the Company or its Subsidiaries, or a beneficiary thereof other than as may be required by Section 601 of ERISA, Section 4980B of the Code, or applicable Law.
- (i) Each Employee Plan that is or has been a nonqualified deferred compensation plan within the meaning of Section 409A of the Code has been administered, operated and maintained in all material respects according to the requirements of Section 409A of the Code, and neither the Company nor any Subsidiary thereof is or has been required to withhold or pay any Taxes as a result of a failure to comply with Section 409A of the Code. Neither the Company nor any Subsidiary thereof has any obligation to make a “gross-up” or similar payment in respect of any Taxes that may become payable under Section 409A of the Code.
- (j) The Company and its Subsidiaries are in material compliance with and are not liable for any penalty or excise Taxes which are assessable under the Patient Protection and Affordable Care Act of 2010, as amended and the Health Care and Education Reconciliation Act of 2010, as amended.
- (k) Except as disclosed in Schedule 2.1(19)(A)(k) of the Company Disclosure Letter and in accordance with Section 3.10 hereof, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement (either alone or in conjunction with any other event) will or can be reasonably expected to: (i) entitle any Company Employee to any payment (including severance pay or similar compensation or payment in respect of a notice period), any cancellation of indebtedness, or any increase in compensation, (ii) result in the acceleration of payment, funding or vesting under any Employee Plan, or (iii) result in any increase in compensation or benefits payable to any Company Employee. No amount paid or payable (whether in cash, in property, or in the form of benefits) in connection with the transactions contemplated hereby (either alone or in combination with another event) will be an “excess parachute payment” within the meaning of Section 280G of the Code that is non-deductible by a Subsidiary of the Company organized in the United States. No Person is entitled to receive any additional payment (including any tax gross-up payment) from the Company or any of its Subsidiaries as a result of the imposition of the excise Taxes by Section 4999 of the Code.

- (l) The Company and its Subsidiaries are in material compliance with their obligations to make available to eligible employees a qualifying retirement plan or arrangement pursuant to the *Voluntary Retirement Savings Plans Act* (Québec).

29. **Insurance.**

- (a) The Company and each of its Subsidiaries is, and has been continuously since March 1, 2024, insured by reputable third-party insurers with reasonable and prudent policies appropriate and customary for the size and nature of the business of the Company, its Subsidiaries and their respective assets.
- (b) Except as disclosed in Schedule 2.1(29)(b) of the Company Disclosure Letter, each material insurance policy currently in effect that insures the physical properties, business, operations and assets of the Company and its Subsidiaries is valid and binding and in full force and effect and there is no material claim pending under any such policies as to which coverage has been questioned, denied or disputed. Except as disclosed in Schedule 2.1(29)(b) of the Company Disclosure Letter, there is no material claim pending under any insurance policy of the Company or of any of its Subsidiaries that has been denied, rejected, questioned or disputed by any insurer or as to which any insurer has made any reservation of rights or refused to cover all or any material portion of such claims. All material proceedings covered by any insurance policy of the Company or of any of its Subsidiaries have been properly reported to and accepted by the applicable insurer.

30. **Taxes.**

- (a) The Company and each of its Subsidiaries have duly and timely filed all income and other material Tax Returns required to be filed by them prior to the date hereof and all such Tax Returns are complete and correct in all material respects.
- (b) The Company and each of its Subsidiaries has paid on a timely basis all Taxes which are due and payable by them on or before the date hereof (whether or not shown as due and payable on a Tax Return), including all assessments and reassessments, other than those which are being or have been contested in good faith and in respect of which reserves have been provided in the most recently published consolidated financial statements of the Company. The Company and its Subsidiaries have provided adequate accruals in accordance with IFRS in the most recently published consolidated financial statements of the Company for any Taxes of the Company and each of its Subsidiaries for the period covered by such financial statements that have not been paid, whether or not shown as being due on any Tax Returns. Since such publication date, no material liability in respect of Taxes not reflected in such statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the Ordinary Course.
- (c) Except as disclosed in Schedule 2.1(30)(c) of the Company Disclosure Letter, no material deficiencies, litigation, proposed adjustments or matters in controversy exist or have been asserted with respect to Taxes of the Company or any of its Subsidiaries, and neither the Company nor any of its Subsidiaries is a party to any material action or proceeding for assessment or collection of Taxes and no such event has been asserted or, to the knowledge of the Company, threatened against the Company or any of its Subsidiaries, or any of their respective assets.

- (d) The Company and each of its Subsidiaries have not engaged in any transaction that is or could be a “reportable transaction” as defined in subsection 237.3(1) of the Tax Act or a “notifiable transaction” as defined in subsection 237.4(1) of the Tax Act.
- (e) No claim has been made by any Governmental Entity in a jurisdiction where the Company and any of its Subsidiaries do not file Tax Returns that the Company, or any of its Subsidiaries, is or may be subject to material Tax by that jurisdiction. Neither the Company nor any of its Subsidiaries has or has had any (i) place of management, (ii) branch, (iii) office, (iv) place of business, (v) operations or employees, (vi) agent with binding authority or (vii) any other activities, in each case that give rise to a permanent establishment (within the meaning of an applicable Tax treaty) or taxable presence in any country other than the country in which such entity is incorporated, continued or organized.
- (f) There are no Liens (other than Permitted Liens) with respect to Taxes upon any of the assets of the Company or any of its Subsidiaries.
- (g) Each of the Company and its Subsidiaries has withheld, deducted or collected all material amounts required to be withheld, deducted or collected by it on account of Taxes and has remitted all such amounts to the appropriate Governmental Entity when required by Law to do so.
- (h) There are no outstanding agreements extending or waiving the statutory period of limitations applicable to any material claim for, or the period for the collection or assessment or reassessment of Taxes due from the Company or any of its Subsidiaries, for any taxable period and no request for any such waiver or extension is currently pending, other than in each case in connection with automatic extensions of time to file Tax Returns.
- (i) The Company and each of its Subsidiaries have made available to the Purchaser true, correct and complete copies of all material Tax Returns, examination reports and statements of deficiencies for taxable periods, or transactions consummated, for which the applicable statutory periods of limitations have not expired.
- (j) The Company and its Subsidiaries have each duly and timely collected all amounts on account of any sales or transfer Taxes, including goods and services, harmonized sales and state, provincial or territorial sales Taxes, or similar Taxes required by applicable Laws to be collected by it and have duly and timely remitted to the appropriate Governmental Entity any such amounts required by Law to be remitted by it. All material input Tax credits claimed have been properly and correctly calculated and documented in accordance with the requirements of applicable Laws and the regulations thereto.
- (k) The prices and terms for the provision of any property (including intangibles) or services (including financial transactions) undertaken by the Company or any its Subsidiaries are arm’s length for purposes of the relevant transfer pricing Laws, and all records and documentation required by paragraphs 247(4)(a) to (c) of the Tax Act, and any similar Laws have been timely prepared or obtained and are available for disclosure to the relevant Governmental Entity, if necessary.
- (l) All amounts received by the Company or any of its Subsidiaries pursuant to a relief, support, bail-out or other program provided by any Governmental Entity as a result of the COVID-19 pandemic prior to the Closing (the “**COVID-19 Funds**”) were

applied for in good faith, and are valid entitlements of each such recipient and are not subject to reduction or clawback by any Governmental Entity. There is no current, pending, or threatened proceeding with respect to the COVID-19 Funds. Neither the Company nor any of its Subsidiaries has received any notice from any Governmental Entity regarding any disagreement, overpayment or otherwise questioning the validity of any member's entitlement to the COVID-19 Funds.

- (m) None of the Subsidiaries of the Company organized in the United States (i) has ever been a member of an affiliated group filing a combined, consolidated, joint, unitary, or similar Tax Return (other than an affiliated group of which one of the Subsidiaries is the common parent) nor (ii) has any liability for the Taxes of any Person under United States Treasury Regulation Section 1.1502-6 (or any similar provision of state, local, or foreign law), as a transferee or successor, or by contract, other than commercial contracts entered into in the ordinary course of business that do not primarily relate to Taxes.
- (n) None of the Subsidiaries of the Company organized in the United States is or has ever been a party to any “**listed transaction**” within the meaning of United States Treasury Regulation Section 1.6011-4(b) (or any corresponding or similar provision of applicable United States Tax law).
- (o) None of the Subsidiaries of the Company organized in the United States is required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) beginning after the Closing as a result of any (i) improper use of or change in a method of accounting during a taxable period ending on or prior to the Closing, (ii) closing agreement described in Section 7121 of the Code (or any corresponding or similar provision of applicable Tax law) executed on or prior to the Closing, (iii) instalment sale or open transaction disposition made prior to the Closing, (iv) prepaid amount received prior to the Closing, or (v) intercompany transaction or excess loss account described in the United States Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of applicable Tax law).
- (p) Neither the Company nor any of its Subsidiaries (i) is party to or bound by any Tax sharing agreement, Tax indemnity obligation, or similar contract with respect to Taxes, other than any such agreement, obligation or contract entered into in the ordinary course of business the primary purpose of which is not related to Taxes, or (ii) has requested, received, or entered into any Tax ruling, loss determination, or advance pricing contract with any governmental authority.
- (q) None of the Subsidiaries of the Company organized in the United States is bound by, has agreed to, or is required to make any adjustments pursuant to Section 481(a) of the Code (or any corresponding or similar provision of applicable Tax law) which adjustments would have an impact after the day of the Closing.
- (r) None of the Subsidiaries of the Company organized in the United States has claimed the employee retention credit pursuant to Section 2301 of the CARES Act.
- (s) Each Subsidiary of the Company that is a “foreign affiliate” as defined in the Tax Act has maintained adequate books, records and supporting documentation to support the computation of the surplus accounts of each foreign affiliate pursuant to Regulation 5907(1) of the Tax Act for all taxation years since the formation of each foreign affiliate.

- (t) Each of the Company and its Subsidiaries have complied in all material respects with all laws relating to escheat and unclaimed property.

31. Privacy and Data Protection.

- (a) The Company and its Subsidiaries have complied in all material respects with applicable Privacy Laws and with their own privacy policies with respect to their collection, use, storage, transfer, disclosure, and processing of Personal Information. The Company has disclosed to Purchaser all current and material privacy and IT-related policies of the Company and its Subsidiaries.
- (b) Neither the Company nor its Subsidiaries has received any complaint, allegation, lawsuit, or notice of any administrative proceeding from any Person with respect to the Company's or a Subsidiary's collection, use, storage, transfer, disclosure, or processing of Personal Information. To the knowledge of the Company, no privacy regulator, administrative body or any other Person has launched an investigation into the Company's or a Subsidiary's handling of any breach of the Company's or such Subsidiary's information security safeguards or any unauthorized access to, or unauthorized disclosure of, Personal Information in the last ten (10) years.
- (c) Except as disclosed in Schedule 2.1(31)(c) of the Company Disclosure Letter, the Company has not experienced any breach or attempted breach of information security safeguards, unauthorized access to, or unauthorized disclosure of, Personal Information.
- (d) The Company and its Subsidiaries have at all times taken all steps reasonably necessary in a manner consistent with any Privacy Laws (including, without limitation, implementing and monitoring compliance with adequate measures with respect to technical and physical security) to protect Personal Information and confidential information under their control, or transferred to them by any third party, against loss and against unauthorized access, use, transfer, modification, disclosure or other misuse.

32. International Trade Laws.

- (a) Except as set forth in Schedule 2.1(32)(a) of the Company Disclosure Letter, the Company has in the last five years, and since April 24, 2019 with respect to Sanctions, complied and is in compliance in all material respects with applicable Trade Control Laws and Sanctions, which compliance includes obtaining and maintaining any required Export Control and Trade Permits.
- (b) Except as set forth in Schedule 2.1(32)(b) of the Company Disclosure Letter, the Company has not received, in writing, any notice, report, order, directive or other information from a Governmental Entity or any other Person that alleges that the Company or its Subsidiaries, or any Person acting on behalf of the Company or its Subsidiaries are: (i) not or have not been in compliance with Trade Control Laws or Sanctions; or (ii) liable or potentially liable under Trade Control Laws or Sanctions.
- (c) The Company is not subject to or bound by any court decree or order or judgment, and there are no proceedings or investigations pending or, to the knowledge of the Company, threatened in writing against the Company or its Subsidiaries relating to liabilities under, or compliance with, any Trade Control Laws or Sanctions.

- (d) Neither the Company nor any of its Subsidiaries nor any of their respective directors or officers, nor to the Company's knowledge, any agent, Company Employee or other third party representative acting on behalf of the Company or its Subsidiaries, is or has been, or has engaged in any dealings with or involving a Sanctioned Person or a Sanctioned Country, in violation of applicable Sanctions.
33. **Money Laundering.** The operations of the Company and of each of its Subsidiaries are and have been conducted in material compliance with applicable Anti-Money Laundering and Anti-Terrorism Laws, and no action, suit or proceeding by or before any court or Governmental Entity involving the Company or any of its Subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened in writing.
34. **Corrupt Practices Legislation.** None of the Company or any of its affiliates, directors, officers, employees, nor, to the knowledge of the Company, any of its or their respective current or former directors, officers or employees acting on behalf of the Company or any of its Subsidiaries has taken, committed to take or been alleged to have taken any action which would cause the Company or any of its Subsidiaries to be in material violation of applicable Anti-Corruption Law. Neither the Company nor any of its Subsidiaries has received, in writing, from any Governmental Entity or any other Person any notice, inquiry, or internal or external allegation; made any voluntary or involuntary disclosure to a Governmental Entity; or conducted any internal investigation or audit concerning any actual or potential violation or wrongdoing, in each case related to Anti-Corruption Laws.
35. **Brokers.** Except as disclosed in Schedule 2.1(35) of the Company Disclosure Letter, no investment banker, broker, finder, financial advisor or other intermediary has been retained by or is authorized to act on behalf of the Company or any of its Subsidiaries or is or will be entitled to any fee, commission, brokerage or other payment from the Company or any of its Subsidiaries in connection with this Agreement or any other transaction contemplated by this Agreement.

SCHEDULE B
PURCHASER REPRESENTATIONS AND WARRANTIES

1. **Organization and Qualification.** The Purchaser is a corporation duly and validly incorporated, validly existing and in good standing under the Laws of its jurisdiction of incorporation and has the corporate power and authority to enter into and perform its obligations under this Agreement.
2. **Corporate Authorization.** The Purchaser has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. The execution, delivery and performance by the Purchaser of its obligations under this Agreement and the consummation of the Transactions and the other transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Purchaser and no other corporate proceedings on the part of the Purchaser are necessary to authorize this Agreement or the consummation of the Transactions.
3. **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Purchaser, and constitutes a legal, valid and binding agreement of the Purchaser enforceable against it in accordance with its terms, subject only to any Enforcement Limitations.
4. **Governmental Authorization.** The execution, delivery and performance by the Purchaser of its obligations under this Agreement and the consummation by the Purchaser of the Transaction and the transactions contemplated hereby do not require any Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Entity by the Purchaser other than: (a) the Required Regulatory Approvals; (b) all required filings under the ITAR with DDTC or the U.S. Department of Commerce's Bureau of Industry and Security; (c) compliance with any applicable Securities Laws and (d) actions, filings or notifications, the absence of which individually or in the aggregate, would not be reasonably expected to materially impede the Transactions.
5. **Non-Contravention.** The execution, delivery and performance by the Purchaser of its obligations under this Agreement and the consummation of the Transactions and the transactions contemplated hereby do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):
 - (a) contravene, conflict with, or result in any violation or breach of the Constatting Documents of the Purchaser; or
 - (b) assuming compliance with the matters referred to in paragraph 4 above, contravene, conflict with or result in a violation or breach of any Law applicable to the Purchaser or any of its properties or assets except as would not, individually or in the aggregate, materially impede the ability of the Purchaser to consummate the Transactions and the transactions contemplated hereby.
6. **Investment Canada Act.** The Purchaser is not a non-Canadian as defined by and for the purposes of the Investment Canada Act.
7. **Sanctions Status.** The Purchaser represents and warrants that, to its knowledge, neither it nor any of its affiliates is or has been, since April 24, 2019, a Sanctioned Person.
8. **Source of Funds; Sanctions Compliance.** The Purchaser represents and warrants that, to its knowledge, no portion of any funds, consideration or other value used or to be used to make

any payment or transfer to the Vendors, directly or indirectly: (a) is derived from, originates in, or otherwise constitutes property or interests in property of any Sanctioned Person; or (b) is derived from, originates in, or otherwise results from any activity that would violate, or would cause the Vendors to violate, any applicable Sanctions.

9. **Foreign Ownership.** To the Purchaser's knowledge, no Foreign Person, whether individually or in the aggregate together with other Foreign Persons that are acting in concert or are under common control, owns or beneficially owns, directly or indirectly, ten percent (10%) or more of the equity interests or voting power of the Purchaser.

SCHEDULE C
INVESTOR RIGHTS AGREEMENT

(see attached)

INVESTOR RIGHTS AGREEMENT

THIS INVESTOR RIGHTS AGREEMENT is made as of [●], 2026 between:

VELAN INC.,
a corporation incorporated under the laws of Canada;

- and -

17607211 CANADA INC.,
a corporation incorporated under the laws of Canada;

WHEREAS the Parties (as such term and other capitalized terms used in the recitals to this Agreement are defined herein) desire to enter into this investor rights agreement (this “**Agreement**”) to provide, *inter alia*, each Holder with the registration rights set forth in this Agreement with respect to the Registrable Securities held by each Holder for distribution under applicable Securities Laws in such manner as each Holder may designate on the terms and subject to the conditions of this Agreement and to provide the Holders with the nomination and other rights set forth herein with respect to, among other things, the nomination of individuals to be elected as directors of the Company;

NOW THEREFORE in consideration of the premises and the mutual covenants and agreements herein contained the sufficiency of which is hereby acknowledged by each of the Parties, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

In this Agreement, the following terms have the following meanings:

“**Affiliate**” has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus Exemptions*;

“**BHEPMI**” means Birch Hill Equity Partners Management Inc.;

“**Board**” means the Company's board of directors;

“**Business Day**” means any day, other than a Saturday, Sunday or statutory holiday in the Province of Ontario;

“**Committee**” means any standing or ad hoc committee of the Board, including, without limitation, the audit committee, the corporate governance and human resources committee, or any other committee established by the Board, in each case as constituted from time to time;

“**Confidential Information**” means any information concerning the Company or its Subsidiaries furnished after the date of this Agreement by or on behalf of the Company or its Representatives to a Holder or its Representatives; provided, that Confidential Information does not include information: (a) that is or has become publicly available other than as a result of a disclosure by a Holder or its Representatives in violation of this Agreement; (b) that was already known to the Holder or its Representatives or was in the possession of the Holder or its Representatives prior to it being furnished by or on behalf of the Company or its Representatives; (c) that is received by a Holder or its Representatives from a source other

than the Company or its Representatives (provided that the source of such information was not actually known to the Holder or its Representative to be bound by a confidentiality obligation to the Company with respect to such information); (d) that was independently developed or acquired by the Holder or its Representatives or on its or their behalf without use of or reference to any Confidential Information; and provided further that a Holder and its Representatives shall be permitted to disclose any Confidential Information to the extent that it is required, in the good faith determination of the Holder or the Representative, to disclose such information by applicable law, rule, regulation or other legal process, including by the rules of any securities exchange or by any self-regulatory body;

“Company” means Velan Inc.;

“Demand Registration” has the meaning ascribed thereto in Section 2.1(1);

“Distribution” means a distribution of Shares to the public by way of a Prospectus under applicable Securities Laws in any applicable jurisdiction in Canada, and **“Distribute”** has a correlative meaning;

“Exempted Sale” has the meaning ascribed thereto in Section 2.3;

“Holders” means, collectively, Purchaser and any of its Affiliates, permitted assignees or transferees that are, at the relevant time, holders of any Registrable Securities, and any one of them is a **“Holder”**;

“Indemnified Party” has the meaning ascribed thereto in Section 3.3;

“Indemnifying Party” has the meaning ascribed thereto in Section 3.3;

“Initiating Holder” has the meaning ascribed thereto in Section 2.1(1);

“Multiple Voting Shares” means the multiple voting shares in the capital of the Company;

“Nominee” or **“Nominees”** means the nominee or nominees recommended to the Company by the Holders to be part of any slate proposed by the Company and included in a management information circular of the Company relating to the election of directors of the Company, subject to the terms and conditions provided in Section 4.2(1);

“Parties” means the Company, the Holders and their respective successors and permitted assigns;

“Person” means any individual, corporation, limited partnership, general partnership, joint stock company, limited liability corporation, joint venture, association, syndicate, sole proprietorship, company, trust, trustee, executor, administrator or other legal personal representative, bank, trust company, pension fund, business trust or other organization, whether or not a legal entity;

“Piggy-Back Notice” has the meaning ascribed thereto in Section 2.2;

“Piggy-Back Registration” has the meaning ascribed thereto in Section 2.2;

“Prospectus” means, as the context requires, a “preliminary prospectus”, “amended and restated preliminary prospectus” and a “final prospectus” as those terms are used under Securities Laws and a “prospectus supplement” (together with the corresponding “base shelf

prospectus”, as those terms are used under Securities Laws), including all amendments and supplements thereto;

“Prospectus Requirements” means the requirement to prepare and obtain a receipt for a Prospectus in connection with a distribution of securities pursuant to the *Securities Act* and the equivalent requirements under other Securities Laws;

“Purchaser” means 17607211 Canada Inc., a corporation incorporated under the laws of Canada;

“Registrable Securities” means any Subordinate Voting Shares beneficially owned or over which control or direction is exercised by a Holder, including Subordinate Voting Shares acquired by, or issued to, a Holder on the date hereof or after the date hereof, and Subordinate Voting Shares issuable or issued upon conversion of Multiple Voting Shares;

“Representative” means any Person’s directors, officers, employees, attorneys, accountants, consultants, insurers, financing sources or other advisors.

“Responding Holder” has the meaning ascribed thereto in Section 2.2;

“Securities Act” means the *Securities Act* (Québec), as it may be amended from time to time, and any successor legislation, and any other applicable Canadian provincial securities laws, rules and regulations and published policies thereunder;

“Securities Laws” includes the *Securities Act* and any other similar legislation applicable in any other province or territory of Canada in which the Company is or becomes a reporting issuer or the equivalent;

“Securities Regulators” has the meaning ascribed thereto in Schedule “A”;

“Selling Persons” has the meaning ascribed thereto in Schedule “A”;

“Shares” means the Multiple Voting Shares and Subordinate Voting Shares, and includes any shares or securities into which the Multiple Voting Shares or Subordinate Voting Shares may be converted or changed or which result from a consolidation, subdivision, share split, reclassification or redesignation of the Multiple Voting Shares or Subordinate Voting Shares, any shares or securities which are received as a stock dividend or distribution, any shares received on the exercise of any option, warrant or other similar right and any shares or securities which may be received as a result of an amalgamation, merger, recapitalization, arrangement or other reorganization of or including the Company;

“Shareholders” means at any time the holders at that time of one or more Shares, as shown on the register of such holders maintained by or on behalf of the Company;

“Subsidiary” has the meaning ascribed thereto in Section 1.2(4) of the *Securities Act*;

“Subordinate Voting Shares” means the subordinate voting shares in the capital of the Company;

“Successor” has the meaning ascribed thereto in Section 6.3(1)(a); and

“Transaction” means the purchase by Purchaser of 17607075 Canada Inc., which owns all of the issued and outstanding Multiple Voting Shares, from Velan Holding Co. Ltd., and the

purchase of 1,511,982 Subordinate Voting Shares from the Velan Foundation and 778,094 Subordinate Voting Shares from the KCMN Velan Foundation, pursuant to the share purchase agreement dated January 14, 2026, among Purchaser, Velan Holding Co. Ltd., the Velan Foundation and the KCMN Velan Foundation.

Section 1.2 References to Holders

In this Agreement, references to a “Holder” include any Affiliates of such Holder for purposes of determining if such Holder acquires, is issued, holds, beneficially owns, or exercises control or direction over Shares or Registrable Securities and the number of Shares or Registrable Securities so acquired, issued, held, beneficially owned, or over which control or direction is exercised by such Holder.

Section 1.3 Interpretation Not Affected by Headings, Etc.

The division of this Agreement into Articles, Sections and other portions and the insertion of headings are for convenience of reference only and should not affect the construction or interpretation of this Agreement. Unless otherwise indicated, all references to an “Article” or “Section” followed by a number and/or a letter refer to the specified Article or Section of this Agreement. The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion of this Agreement and include any agreement or instrument supplementary or ancillary to this Agreement.

Section 1.4 Interpretation

Words importing a singular number only shall include the plural and vice versa. Words importing gender shall include all genders. Where the word “including” or “includes” is used in this Agreement it means “including without limitation” or “includes without limitation”, respectively. Any reference to any document shall include a reference to any schedule, amendment or supplement thereto or any agreement in replacement thereof, all as permitted under such document.

Section 1.5 Date for any Action

If any date on which any action is required to be taken under this Agreement is not a Business Day, the action shall be required to be taken on the next succeeding Business Day.

Section 1.6 Calculation of Time

In this Agreement, unless otherwise specified, a period of days shall be deemed to begin on the first day after the event that began the period and to end at midnight (Montreal time) on the last day of the period, except that if the last day of the period does not fall on a Business Day, the period shall terminate at midnight (Montreal time) on the next succeeding Business Day.

Section 1.7 Time of the Essence

Time is and shall remain of the essence of this Agreement.

Section 1.8 Holder Representatives

Each Holder appoints BHEPMI as its representative in its name and on its behalf: (i) in the absolute discretion of BHEPMI with respect to all matters relating to this Agreement, exercising any rights of such Holder under this Agreement, executing and delivering any amendment, restatement, supplement or modification to or of this Agreement and any waiver of any claim or right arising out of

this Agreement; and (ii) in general, to do all other things and to perform all other acts, including nominating Nominee(s), exercising any right provided to the Holders, executing and delivering all agreements, certificates, receipts, instructions, and other instruments, contemplated by, or deemed advisable in connection with, this Agreement. The Company will be entitled to rely upon any document or other instrument delivered by BHEPMI as being authorized or directed to be delivered by each of the Holders, and the Company will not be liable to the Holders for any action taken or omitted to be taken by the Company on such reliance. The Holders shall be entitled to replace BHEPMI as representative from time to time by delivering a written notice to the Company signed by the Holder that is then a Party to this Agreement.

Section 1.9 Schedule

The recitals to this Agreement and the following schedule form an integral part of this Agreement:

Schedule "A" - Registration Procedures

ARTICLE 2 REGISTRATION RIGHTS

Section 2.1 Demand Registration Rights

- (1) Holders of Registrable Securities (each, an **"Initiating Holder"**) may, at any time and from time to time, provided that at such time such Holders shall, either jointly or each individually, beneficially own or exercise control or direction over 10% or more of the voting rights of all issued and outstanding Shares, require the Company to file one or more Prospectuses (including, after the filing of a base shelf prospectus, a prospectus supplement) and take such other steps as may be reasonably necessary to facilitate a secondary offering in Canada of all or any portion of the Registrable Securities held by each Initiating Holder (a **"Demand Registration"**), by giving written notice of such Demand Registration to the Company. The Company shall, subject to applicable Securities Laws, use its commercially reasonable efforts to file one or more Prospectuses and take such other steps as may be reasonably necessary under applicable Securities Laws in order to permit the Distribution of all or any portion of the Registrable Securities requested to be included in such Demand Registration, provided that a Demand Registration shall not be deemed to have been effected until the issuance of a receipt for a final Prospectus filed by the Company (or in the case of a prospectus supplement, until the filing thereof). The Parties shall cooperate in a timely manner in connection with such Distribution and the procedures in Schedule "A" shall apply.
- (2) The Company shall not be obliged to effect:
 - (a) more than an aggregate of two Demand Registrations in any one 12-month period;
 - (b) a Demand Registration in the event the Board determines in good faith, acting reasonably and after receiving the advice of counsel, that:
 - (i) either (A) the effect of the filing of a Prospectus would impede the ability of the Company to consummate a significant transaction (including, without limitation, a financing, an acquisition, a restructuring or a merger) or proceed with or continue negotiations or discussions in relation thereto, or (B) there exists at the time material non-public information relating to the Company the disclosure of which the Company believes would be materially adverse to the Company and the Company has a bona fide business purpose for preserving such information as confidential; and

- (ii) it is therefore in the best interests of the Company to defer the filing of a Prospectus at such time;

in which case the Company's obligations under this Section 2.1 shall be deferred for a period of not more than 90 days from the date of receipt of the request of an Initiating Holder, provided that the Company shall not be permitted to defer the filing of a Prospectus under this Section 2.1(2)(b) for a period of more than 120 days in the aggregate in any 12 consecutive months;

- (c) a Demand Registration before December 31, 2026;
 - (d) a Demand Registration in respect of a number of Registrable Securities that is expected to result in gross proceeds of less than \$25,000,000; or
 - (e) a Demand Registration before the 90th day following the date on which a receipt was issued to the Company with respect to any final Prospectus filed by the Company.
- (3) Any request by an Initiating Holder pursuant to Section 2.1(1) hereof shall:
- (a) specify the number of Registrable Securities which such Initiating Holder intends to offer and sell;
 - (b) express the intention of such Initiating Holder to offer or cause the offering of such Registrable Securities, subject to the offering being on terms acceptable to the Initiating Holder;
 - (c) describe the nature or methods of the proposed offer and sale thereof and the provinces and territories of Canada in which such offer shall be made;
 - (d) contain the undertaking of such Initiating Holder to provide all such information regarding its holdings and the proposed manner of Distribution thereof as may be required in order to permit the Company to comply with all applicable Securities Laws; and
 - (e) specify whether such offer and sale shall be made by an underwritten public offering.
- (4) In the case of an underwritten public offering initiated pursuant to this Section 2.1, the Initiating Holder shall have the right to select the managing underwriter or underwriters of such Registrable Securities provided, however, that such selection shall also be reasonably satisfactory to the Company. The Company shall have the possibility to retain counsel of its choice to assist it in fulfilling its obligations under this Article 2.
- (5) The Company shall be entitled to include Subordinate Voting Shares which are not Registrable Securities in any Demand Registration provided that the Company must provide to BHEPMI notice of its decision to include such Subordinate Voting Shares within five Business Days of receipt of a request of the Initiating Holder pursuant to Section 2.1(3) (provided that if such Demand Registration is to be effected as a "bought deal", the Company shall respond consistent with the time periods typical for transactions of that nature). Notwithstanding the foregoing, if the managing underwriter or underwriters of a Distribution pursuant to a Demand Registration shall impose a limitation on the number or kind of securities which may be included in any such Distribution because, in its or their reasonable judgment, the inclusion of securities requested to be included in such Distribution exceeds the number of securities which can be sold in an orderly manner in such Distribution within a price range reasonably

acceptable to the Initiating Holder(s), then the maximum number of Subordinate Voting Shares that the lead underwriter or underwriters advise should be included in such Distribution will be allocated as follows: (i) first, to the number of Registrable Securities requested to be included by the Initiating Holder(s); and (ii) second, subject to (i), to the number of Subordinate Voting Shares to be distributed by the Company, if any, that may be accommodated in such Distribution.

- (6) Except as set forth in Section 2.1(5), the Company shall not include in any Demand Registration (or Prospectus filed in connection with any Demand Registration) any securities which are not Registrable Securities without the prior written consent of the Holders.
- (7) In the case of an underwritten Demand Registration, each Initiating Holder and their Representatives has the right to participate in the negotiations of the terms of any underwriting agreement. An Initiating Holder's participation in, and the Company's completion of, the underwritten Demand Registration is conditional upon the Initiating Holder agreeing that the terms of any underwriting agreement are satisfactory to it, in its sole discretion.

Section 2.2 Piggy-Back Registration Rights

For so long as the Holders jointly or individually beneficially own or exercise control or direction over at least 10% of the voting rights of the issued and outstanding and the Company proposes to make a Distribution for its own account, the Company shall promptly give the Holders written notice of such proposed Distribution (the "**Piggy-Back Notice**"). Upon the written request of any Holder (each, a "**Responding Holder**"), given within five Business Days after receipt of such Piggy-Back Notice (provided that if such Distribution is to be effected as a "bought deal", the Holder shall respond consistent with the time periods typical for transactions of that nature), that a Holder wishes to include a specified number of the Registrable Securities in the Distribution, the Company will cause to be included in such Distribution all of the Subordinate Voting Shares that such Responding Holders have requested to be included in such Distribution (a "**Piggy-Back Registration**"). Notwithstanding the foregoing, the Company shall not be required to include all of the Registrable Securities requested to be qualified by the Responding Holders in a Piggy-Back Registration if, in connection with such Distribution, the Company and the Responding Holders are advised in good faith by the managing underwriter or underwriters to impose a limitation on the number or kind of securities which may be included in any such Distribution because, in its or their reasonable judgment, the inclusion of securities requested to be included in such Distribution exceeds the number of securities which can be sold in an orderly manner in such Distribution within a price range acceptable to the Company, then the maximum number of Subordinate Voting Shares that the lead underwriter or underwriters advise should be included in such Distribution will be allocated as follows: (i) first, to the number of Subordinate Voting Shares that the Company proposed to Distribute; and (ii) second, subject to (i), to the number of Registrable Securities requested to be included in such Distribution by the Responding Holder(s), if any, that may be accommodated in such Distribution on a pro rata basis as between Responding Holder(s) or in such other proportion as may be mutually agreed to by the Responding Holder(s). The Holders acknowledge and agree that the Company may abandon any Distribution effected pursuant to this Section 2.2 at any time.

Section 2.3 Exempted Sales of Registrable Securities

The Company shall, in connection with any sale by Holders of Registrable Securities in Canada under an exemption from the Prospectus Requirements or in the United States under Rule 144A under the United States Securities Act of 1933 (an "**Exempted Sale**"), at the expense of such Holders:

- (1) use its commercially reasonable efforts to assist any Holder and its Representatives in the preparation of documentation (including any offering memorandum) required in order to effect such Exempted Sale; and
- (2) subject to the entering into of a confidentiality agreement on customary terms, allow any prospective buyer of Registrable Securities pursuant to such Exempted Sale, to conduct reasonable due diligence on the Company and, without limiting the generality of the foregoing, make available its senior management and use its commercially reasonable efforts to make available its auditors and its legal counsel to answer any questions in one or more due diligence sessions.

Section 2.4 Distribution in the United States

If the Company proposes to file a registration statement for the distribution of Subordinate Voting Shares to the public in the United States or becomes subject to the registration requirements under U.S. securities laws, the Parties shall, prior to such distribution or registration taking place, supplement this Agreement so as to provide Holders of Registrable Securities with registration rights enabling distribution of Subordinate Voting Shares to the public in the United States that are substantially equivalent to the registration rights provided under this Agreement, including, without limitation, demand registration rights and piggy-back registration rights upon terms and conditions substantially equivalent to the terms and conditions set forth in Section 2.1 and Section 2.2, respectively, and provisions relating to payment of expenses and indemnification upon terms and conditions substantially equivalent to the terms and conditions set forth in Section 2.6 and Article 3, respectively.

Section 2.5 Withdrawal of Registrable Securities

Any Initiating Holder or Responding Holder shall have the right to withdraw its request for inclusion of Registrable Securities in any Distribution pursuant to Section 2.1 or Section 2.2 by giving written notice to the Company of its request to withdraw; provided, however, that:

- (1) such request must be made in writing prior to the execution of the enforceable bought deal letter or underwriting agreement with respect to such Distribution; and
- (2) such withdrawal shall be irrevocable and, after making such withdrawal, the Holder of Registrable Securities shall no longer have any right to include Registrable Securities in such Distribution pertaining to which such withdrawal was made;

provided that if an Initiating Holder or Responding Holder withdraws all Registrable Securities from a Demand Registration or a Piggy-Back Registration in accordance with this Section 2.5 prior to the execution of an enforceable bought deal letter or underwriting agreement and prior to the filing of a preliminary Prospectus in connection therewith, such Initiating Holder or Responding Holder shall be deemed to not have initiated or participated in such Demand Registration or Piggy-Back Registration, as applicable, including, without limitation, for purposes of the number of Demand Registrations that the Company shall be obliged to effect pursuant to Section 2.1(2)(a).

Section 2.6 Expenses

- (1) All expenses incurred in connection with a Demand Registration pursuant to Section 2.1 (excluding, for certainty, Selling Expenses of a Holder) including, without limitation, (i) Securities Regulators, Canadian stock exchange registration listing and filing fees relating to the Registrable Securities, (ii) fees and expenses of compliance with Securities Laws, (iii) printing and copying expenses, (iv) messenger and delivery expenses, (v) expenses incurred in connection with any road show and marketing activities, (vi) fees and disbursements of

counsel to the Company, (vii) fees and disbursements of all accountants (including the expenses of any audit and/or “comfort” letter) and fees and expenses of any other special experts retained by the Company, (viii) translation expenses, (ix) reasonable fees and disbursements of one set of Canadian, and, if applicable, U.S., legal counsel on behalf of all Holders and (x) any other fees and disbursements of underwriters customarily paid by issuers or sellers of Securities (but excluding, for certainty, Selling Expenses of a Holder) (all such expenses being hereinafter referred to as the “**Expenses**”), shall be borne by the Initiating Holder(s), unless the Company sells Subordinate Voting Shares as part of the Demand Registration, in which case the Expenses shall be borne by the Initiating Holder(s) and the Company in proportion to the gross proceeds received by each such Person from the Distribution. For greater certainty, in the event of any withdrawal by the Initiating Holder in circumstances where a Distribution of Subordinate Voting Shares does not otherwise occur pursuant to the Prospectus prepared at the initial request of an Initiating Holder, the Initiating Holder shall continue to be responsible for the applicable Expenses.

- (2) In the case of a Piggy-Back Registration pursuant to Section 2.2 in connection with which the Company participates, the Expenses (excluding, for certainty, Selling Expenses of a Holder) shall be paid by the Company and the Responding Holders in proportion to the gross proceeds received by each such Person from the Distribution.
- (3) The Initiating Holder or Responding Holder, as the case may be, will pay all underwriting discounts and commissions and transfer taxes, if any (“**Selling Expenses**”) attributable to the Registrable Securities to be sold by such Initiating Holder or Responding Holder, in proportion to the gross proceeds received by each such Initiating Holder or Responding Holder from any Demand Registration or Piggy-Back Registration, as the case may be, and the Company will pay all Selling Expenses attributable to the Subordinate Voting Shares sold by the Company, if any, in proportion to the gross proceeds received by the Company from any Demand Registration or Piggy-Back Registration, as the case may be.
- (4) The Company shall, in any event, pay its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties) in connection with any Demand Registration or Piggy-Back Registration.

Section 2.7 Short-Form Qualification

The Company agrees to use its reasonable best efforts to make available and maintain short form prospectus eligibility pursuant to applicable Securities Laws.

Section 2.8 Restrictions on Other Agreements

Except as contemplated herein, from the date hereof, the Company will not grant any rights relating to the qualification or Distribution of its securities, including any demand registration or piggy-back registration rights, to its securityholders if (i) the exercise thereof prevents the Company from fulfilling its obligations hereunder or (ii) any such rights would violate, subordinate or otherwise affect the rights granted to the Holders hereunder, in each case, without the prior written consent of the Holders.

ARTICLE 3 INDEMNIFICATION

Section 3.1 Indemnification by the Company

In connection with any Demand Registration or Piggy-Back Registration, the Company shall indemnify and hold harmless each Initiating Holder and Responding Holder, as the case may be, their Affiliates,

each Person who participates as an underwriter in connection with the applicable Demand Registration or Piggy-Back Registration, the respective directors, officers, employees, agents, partners and members of each Initiating Holder, Responding Holder, their Affiliates and each underwriter for the applicable Demand Registration or Piggy-Back Registration and each Person who controls such underwriter (within the meaning of applicable Securities Laws), from and against any loss (excluding loss of profits), liability, claim, damage and expense whatsoever, including any amounts paid in settlement of any investigation, order, litigation, proceeding or claim, joint or several, as incurred, (i) arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in any Prospectus (or any amendment or supplement thereto) covering Registrable Securities, including all documents incorporated therein by reference, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading, in light of the circumstances under which they were made or (ii) arising out of or based upon any failure by the Company to comply with applicable Securities Laws (other than any failure to comply with applicable Securities Laws by any Holder or underwriter, as applicable); provided that the Company shall not be liable under this Section 3.1 for any settlement of any action effected without its written consent, which consent shall not be unreasonably withheld, conditioned or delayed; and provided, further, that the indemnity provided for in this Section 3.1, in respect of a given Initiating Holder or Responding Holder or a given underwriter, shall not apply to any loss, liability, claim, damage or expense to the extent arising out of an untrue statement or omission or alleged untrue statement or omission (i) made in reliance upon and in conformity with written information furnished to the Company by such Initiating Holder, the Responding Holder or such underwriter, as the case may be, stating that such information is being provided for use in the Prospectus; or (ii) contained in any Prospectus if such underwriter failed to send or deliver a copy of the Prospectus to the Person asserting such losses, liabilities, claims, damages or expenses on or prior to the delivery of written confirmation of any sale of securities covered thereby to such Person in any case where such Prospectus corrected such untrue statement or omission. Any amounts advanced by the Company to an Indemnified Party pursuant to this Section 3.1 as a result of such losses shall be returned to the Company if it is finally determined by such a court in a judgment not subject to appeal or final review that such Indemnified Party was not entitled to indemnification by the Company.

Section 3.2 Indemnification by the Initiating Holders and the Responding Holders

In connection with any Demand Registration or Piggy-Back Registration, the Initiating Holders or the Responding Holders, as the case may be, severally (not jointly and severally), shall indemnify and hold harmless the Company, its Affiliates, each Person who participates as an underwriter in connection with the applicable Demand Registration or Piggy-Back Registration, the respective directors, officers, employees, agents and shareholders of each of the Company, its Affiliates and each underwriter for the applicable Demand Registration or Piggy-Back Registration and each Person who controls such underwriter (within the meaning of applicable Securities Laws), from and against any loss (excluding loss of profits), liability, claim, damage and expense whatsoever, including any amounts paid in settlement of any investigation, order, litigation, proceeding or claim, joint or solidary, as incurred, arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in any Prospectus (or any amendment or supplement thereto) covering Registrable Securities, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading, in light of the circumstances under which they were made, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Prospectus (or any amendment or supplement thereto) included in reliance upon and in conformity with written information furnished to the Company by the Initiating Holders or the Responding Holders, as the case may be, in writing expressly stating that such information is being provided for use in the Prospectus (or any amendment or supplement thereto); provided that the Initiating Holders or the Responding Holders, as the case may be, shall not be liable under this Section 3.2 for any settlement of any action effected without its written consent, which consent shall not be unreasonably withheld, conditioned or delayed; and

provided, further, that the indemnity provided for in this Section 3.2 shall not apply to any loss, liability, claim, damage or expense to the extent arising out of an untrue statement or omission or alleged untrue statement or omission contained in any Prospectus if the Company or applicable underwriter failed to send or deliver a copy of the Prospectus to the Person asserting such losses, liabilities, claims, damages or expenses on or prior to the delivery of written confirmation of any sale of securities covered thereby to such Person in any case where such Prospectus (or any amendment or supplement thereto) corrected such untrue statement or omission. Any amounts advanced by the Initiating Holders or the Responding Holders to an Indemnified Party pursuant to this Section 3.2 as a result of such losses shall be returned to the Initiating Holders or the Responding Holders, as the case may be, if it is finally determined by such a court in a judgment not subject to appeal or final review that such Indemnified Party was not entitled to indemnification by the Initiating Holders or the Responding Holders, as the case may be.

Section 3.3 Defense of the Action by the Indemnifying Parties

Each Party entitled to indemnification under this Article 3 (the “**Indemnified Party**”) shall give notice to the Party required to provide indemnification (the “**Indemnifying Party**”) promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, but the omission to so notify the Indemnifying Party shall not relieve it from any liability which it may have to the Indemnified Party pursuant to the provisions of this Article 3 except to the extent of the actual damages suffered by such delay in notification. The Indemnifying Party shall assume the defense of such action, including the employment of counsel to be chosen by the Indemnifying Party to be reasonably satisfactory to the Indemnified Party, and payment of expenses. The Indemnified Party shall have the right to employ its own counsel in any such case, but the legal fees and expenses of such counsel shall be at the expense of the Indemnified Party, unless (i) the employment of such counsel shall have been authorized in writing by the Indemnifying Party in connection with the defense of such action, (ii) the Indemnifying Party shall not have employed counsel to take charge of the defense of such action, or (iii) the Indemnified Party shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to those available to the Indemnifying Party, or that representation of the Indemnified Party and the Indemnifying Party by the same counsel would be inappropriate due to the actual or potential differing interests between them (in which cases the Indemnifying Party shall not have the right to direct the defense of such action on behalf of the Indemnified Party); in any of which events such fees and expenses shall be borne by the Indemnifying Party. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation.

Section 3.4 Contribution

If the indemnification provided for in this Article 3 is unavailable to a party that would have been an Indemnified Party under this Article 3 in respect of any losses, liabilities, claims, damages and expenses referred to herein, then each party that would have been an Indemnifying Party hereunder shall, in lieu of indemnifying such Indemnified Party, contribute to the amount paid or payable by such Indemnified Party as a result of such losses, liabilities, claims, damages and expenses in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and such Indemnified Party on the other in connection with the statement or omission which resulted in such losses, liabilities, claims, damages and expenses, as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Indemnifying Party or such Indemnified Party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, the Initiating Holder and the Responding Holder agree that it

would not be just and equitable if contribution pursuant to this Section 3.4 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 3.4.

Section 3.5 Limitation on Indemnification by the Initiating Holders and the Responding Holders

Notwithstanding any provision of this Agreement or any other agreement, in no event shall an Initiating Holder or a Responding Holder be liable for indemnification hereunder for an amount greater than the net amount of proceeds that the Initiating Holder or the Responding Holder, as the case may be, received in any particular Distribution in which its Registrable Securities were sold.

ARTICLE 4 NOMINATION RIGHTS

Section 4.1 Board of Directors

Immediately following the closing of the Transaction, the Company shall have a Board consisting of seven (7) directors and the Board shall not be comprised of more than seven (7) directors unless otherwise agreed to by the Holders. Following the closing of the Transaction, the directors of the Company shall be [●], [●], [●], [●], [●], [●] and [●] **[To be determined by the Company and BHEPMI prior to closing, each acting reasonably in accordance with this Agreement]**. Following the closing of the Transaction, the chairperson of the Board shall be [●] **[To be selected by BHEPMI]**.

Section 4.2 Board Nomination Rights

- (1) The Holders, as a group, shall have the right, pursuant to the terms and subject to the conditions of this Article 4 and applicable Securities Laws, to recommend to the Company four Nominees to be part of any slate proposed by the Company and included in a management information circular of the Company relating to the election of directors of the Company, provided that:
 - (a) the Nominees shall be eligible to serve as a director of the Company under the *Canada Business Corporations Act* and the Company's constating documents; and
 - (b) the Holder's right to recommend four Nominees shall be reduced (i) to three Nominees once the Holders, as a group, cease to beneficially own or exercise control or direction over more than 40.0% of the voting rights of the issued and outstanding Shares (ii) to two Nominees once the Holders, as a group, cease to beneficially own or exercise control or direction over at least 20% of the voting rights of the issued and outstanding Shares, (iii) to one Nominee once the Holders, as a group, cease to beneficially own or exercise control or direction over at least 10% of the voting rights of the issued and outstanding Shares, and (iv) to zero once the Holders, as a group, cease to beneficially own or exercise control or direction over at least 5% or more of the voting rights of the issued and outstanding Shares.
- (2) The Company shall notify the Holders of its intention to hold a meeting of shareholders of the Company at which directors are to be elected to the Board at least 45 days prior to the mailing of the management information circular of the Company in respect of such meeting, provided that the Holders may notify the Company of its recommendation for its Nominees pursuant to Section 4.2(1) at any time but not less than 15 days prior to the date of such mailing.

- (3) The Nominee(s) designated by the Holders hereunder shall be nominated by or at the direction of the Board or an authorized officer of the Company, including pursuant to a notice of meeting, to stand for election to the Board at the applicable shareholder meeting. The Company shall use its commercially reasonable efforts to cause the election of the Nominee(s) to the Board at each applicable shareholder meeting, including by soliciting proxies from the holders of Shares for such election, and shall otherwise support the election of the Nominee(s) in a manner no less rigorous and favourable to the Nominee(s) than the manner in which the Company supports its other nominees for election to the Board.
- (4) Any Nominee that is elected to the Board shall be covered by the same indemnification and insurance provisions and coverage as are applicable to other members of the Board and shall be entitled to enter into an indemnity agreement with the Company in substantially the form of agreement entered into by other members of the Board.
- (5) Subject to the conditions set forth in this Article 4, before the first annual meeting of Shareholders following the date of this Agreement, or if one of the individuals recommended as a Nominee ceases to be a director of the Company or if there is otherwise a vacancy in respect of the Nominees, the Holders, as a group, shall be entitled to recommend, and the Company shall promptly appoint to the Board, an individual as a Nominee to hold office for a term expiring on the close of the next annual meeting of Shareholders.
- (6) For so long as the Holders, as a group, are entitled to nominate at least two Nominees pursuant to this Section 4.2, the Holders shall have the right to designate one director (who may be the Holders' Nominee then serving on the Board or another qualified director) to serve as a member of each Committee. The Board shall take all necessary actions to cause such director to be appointed to each Committee as promptly as practicable.
- (7) Any director designated pursuant to Section 4.2(6) must satisfy all applicable legal, stock exchange, and governance requirements for service on the relevant Committee (including independence and financial literacy/financial expert requirements as applicable, and taking into account any available exemptions for "Controlled Companies"). If the Holder's designee does not meet the applicable requirements for a particular Committee, the Holder may designate an alternative qualified director.
- (8) If, despite the Holders' good faith efforts to designate a qualified director for a Committee, the Holder has no designee who satisfies the applicable requirements for a particular Committee, then the Holder shall be entitled to designate one non-voting observer to such Committee (other than any special or independent committee formed to consider matters involving an actual or potential conflict with the Holder) with customary access rights to notices, agendas, and materials for such Committee, subject to appropriate confidentiality, privilege, and conflicts limitations.
- (9) The Holders, as a group, may at any time remove and replace its Committee designee or observer on written notice to the Company. The Board shall take all necessary actions to fill any vacancy of the Holders' Committee designee or observer as promptly as practicable following notice from the Holders.
- (10) The Company shall cause each Committee to permit the Holders' Committee designee (or observer, as applicable) to attend all meetings (including by telephone or video conference) and to receive all information, notices, agendas, consents, minutes, and other materials provided to Committee members at the same time and in the same manner as other Committee members, in each case subject to the confidentiality, privilege, and conflicts limitations set forth in this Agreement and the applicable Committee charter.

Section 4.3 Permitted Disclosure

The Company agrees that the Nominees may share information about the Company and its Affiliates that he or she receives as a result of being a director of the Company with BHEPMI and its Affiliates (including their respective Representatives), but only to the extent that such Person needs to know such information in connection with their duties as a Representative of BHEPMI or its Affiliates or for the purposes of BHEPMI and its Affiliates monitoring its investment in the Company; provided that, the recipient of such disclosure is aware of the confidential nature of any Confidential Information, is directed to or aware that it must hold such Confidential Information in confidence and acknowledges or is aware that applicable securities laws may prohibit a Person who has material, non-public information regarding the Company or its securities from trading such securities or informing others of such material, non-public information.

Section 4.4 Listing of Shares

The Company shall use commercially reasonable efforts to maintain the listing of the Subordinate Voting Shares on the Toronto Stock Exchange and make, on a timely basis, all filings prescribed under applicable Securities Laws and under the rules of the Toronto Stock Exchange.

ARTICLE 5 INFORMATION RIGHTS

Section 5.1 Information Rights

- (1) For so long as the Holders are entitled to nominate for election as director any Nominee pursuant to Section 4.2:
 - (a) the Holders (represented by no more than four Representatives, except as management of the Company may permit) shall be entitled to reasonable access to the books, records, financial information material contracts, properties, employees and management of the Company and its Subsidiaries during normal business hours, upon reasonable notice and without causing undue disruption or requiring management to prepare any documentation or analysis, to the extent that such preparation would be unduly burdensome, in addition to its ordinary course duties, in connection with a legitimate business purpose of the Holders; including the monitoring of its investment in the Company and in connection with any insurance policy purchased in connection with its investment, including providing such information and cooperation as is reasonably necessary or appropriate to preserve rights to coverage under any such policy (and not in connection with any litigation or other proceeding against the Company or its Subsidiaries; provided that, for the avoidance of doubt, this parenthetical shall not impact any right to obtain discovery in any litigation or other proceeding or other rights to obtain such information under applicable laws); and
 - (b) the Holders shall be entitled to receive from the Company (i) as soon as practicable after the end of each month, monthly reports (including financial statements and management financial accounts) with respect to the business, operations and financial performance of the Company and (ii) upon a Holder's request, comparisons of the financial results of the Company and its Subsidiaries against the annual budget.
- (2) Each Holder agrees that it shall, and shall direct its Representatives to, keep confidential and not disclose any Confidential Information; provided that the Holder and its Representatives may disclose Confidential Information to (i) the Holder's and its Affiliates' Representatives in connection with a Holder's investment in the Company or in the ordinary course of business,

(ii) any Person, including a prospective purchaser of Shares, which has agreed to maintain the confidentiality of such Confidential Information; (iii) limited partners of such Holders or such Holders' Affiliates and their respective Representatives for the purposes of such limited partners monitoring their investments in funds managed by BHEPMI subject to customary confidentiality obligations between such funds and such limited partners; and (iv) any Person with respect to which the Company has provided its prior written consent to the Holder's disclosure of Confidential Information. Each Holder acknowledges that applicable Securities Laws may prohibit a Person who has material, non-public information regarding the Company or its securities from trading such securities or informing others of such material, non-public information.

ARTICLE 6 GENERAL

Section 6.1 Severability

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any Party. Upon any determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated by this Agreement are fulfilled to the fullest extent possible.

Section 6.2 Enurement

This Agreement shall be binding upon and enure to the benefit of the Parties to this Agreement and, from time to time, their respective successors and assigns, or permitted assigns, as provided under Section 6.4.

Section 6.3 Successor

- (1) Subject to Section 6.3(3), the Company shall not consummate any transaction (whether by way of reconstruction, reorganization, plan of arrangement, consolidation, merger, transfer, sale, lease or otherwise) whereby all or substantially all of its undertaking, property and assets would become the property of any other person or, in the case of a merger, of the continuing person resulting therefrom unless:
 - (a) such other person (the "**Successor**"), by operation of law, becomes bound by the terms and provisions of this Agreement or, if not so bound, executes, prior to or contemporaneously with the consummation of such transaction, an agreement supplemental hereto and such other instruments (if any) as are reasonably necessary or advisable to evidence the assumption by the Successor of liability for all amounts payable and property deliverable hereunder and the covenant of such Successor to pay and deliver or cause to be delivered the same and its agreement to observe and perform all the covenants and obligations of the Company under this Agreement; and
 - (b) such transaction shall be upon such terms and conditions so as to substantially preserve and not impair in any material respect any of the rights, duties, powers and authorities of the other Parties hereunder.

- (2) Whenever the conditions of Section 6.3(1) have been duly observed and performed, if required by Section 6.3(1), the Successor and the other Parties hereto shall execute and deliver the supplemental agreements provided for herein above and thereupon the Successor shall possess and from time to time may exercise each and every right and power and shall be subject to each and every obligation of the Company under this Agreement in the name of the Company or otherwise and any act or proceeding under any provision of this Agreement required to be done or performed by the Company or any officer of the Company, may be done and performed with like force and effect by the directors or officers of such Successor.
- (3) Nothing herein shall be construed as preventing the merger or similar transaction of any wholly-owned direct or indirect subsidiary entity of the Company with or into the Company or the winding-up, liquidation or dissolution of any wholly-owned subsidiary entity of the Company provided that all of the assets of such subsidiary entity are transferred to the Company or another wholly-owned direct or indirect subsidiary entity of the Company.

Section 6.4 Assignment

Except as may be expressly provided in this Agreement, none of the Parties may assign its rights or obligations under this Agreement without the prior written consent of the other Parties; provided that, a Holder may assign its rights and obligations under this Agreement to an Affiliate in connection with the transfer of any Shares to such Affiliate.

Section 6.5 Amendments, Modifications, etc.

This Agreement may not be amended or modified, or any provision hereof waived, except by an agreement in writing executed by all the Parties.

Section 6.6 Termination

This Agreement shall come into force and effect as of the date set out on the first page of this Agreement and shall continue in force until the earlier of:

- (a) the date on which this Agreement is terminated by the mutual consent of the Parties; and
- (b) the date after the first continuous 180 day period during which the Holders, as a group, beneficially own or exercise control or direction over less than 5% of the outstanding Shares; provided that in all cases the provisions of Section 2.6, Article 3, and this Article 6 shall survive termination of this Agreement and shall remain in full force and effect.

Section 6.7 Further Assurances

The Parties shall, from time to time, execute, deliver or cause to be executed or delivered all further documents as may be required or necessary for the purposes of giving effect to this Agreement.

Section 6.8 Notices

Any notice, direction or other communication given pursuant to this Agreement (each a “**Notice**”) must be in writing, sent by hand delivery, courier or email (provided confirmation of receipt is acknowledged by return email from the recipient) and is deemed to be given and received, if sent by hand delivery, same-day courier or email, on the date of delivery if it is a Business Day and the delivery was made prior to 5:00 p.m. (local time in the place of receipt), and otherwise on the next Business Day, in each

case to the Parties at the following addresses (or such other address for a Party as specified by like Notice):

(a) if to the Company:

Velan Inc.
7007 Côte de Liesse
Montreal, Quebec
H4T 1G2

Attention: James A. Mannebach
Email: *[Redacted – personal information]*

(b) if to the Holders:

Birch Hill Equity Partners Management Inc.
CIBC Square
81 Bay Street, Suite 4510
Toronto, Ontario
M5J 0E7

Attention: Patrick G. Duncan
Email: *[Redacted – personal information]*

Rejection or other refusal to accept, inability to deliver because of changed address of which no Notice was given, shall be deemed to be receipt of the Notice as of the date of such rejection, refusal or inability to deliver. Sending a copy of a Notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the Notice to that Party. The failure to send a copy of a Notice to legal counsel does not invalidate delivery of that Notice to a Party.

Section 6.9 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or faxed form and the Parties adopt any signatures received by a receiving fax machine as original signatures of the Parties; provided, however, that any Party providing its signature in such manner shall promptly forward to the other Parties an original of the signed copy of this Agreement which was so faxed.

Section 6.10 Public Filing

The Parties hereby consent to the public filing of this Agreement if any Party is required to do so by law or by applicable regulations or policies of any regulatory agency of competent jurisdiction or any stock exchange.

Section 6.11 Governing Law

This Agreement shall be construed and enforced in accordance with the laws in force in the Province of Quebec.

Section 6.12 Attornment

Each of the Parties agrees that any action or proceeding arising out of or relating to this Agreement may be instituted in the courts of Ontario, waives any objection which it may have now or later to the venue of that action or proceeding, irrevocably submits to the jurisdiction of those courts in that action or proceeding, agrees to be bound by any judgement of those courts and agrees not to seek, and hereby waives, any review of the merits of any judgement by the court of any other jurisdiction and hereby appoints the Company at its principal office in the Province of Ontario as attorney for service of process.

Section 6.13 Remedies

Each Party acknowledges that its failure to observe or perform its covenants and agreements herein contained shall result in damages to another Party which could not be adequately compensated for by a monetary award and accordingly each Party hereto agrees that in addition to all other remedies available to a party at law or in equity in the event another Party fails to observe or perform its covenants herein, a Party shall be entitled as a matter of right to apply to a court of competent jurisdiction for such relief by way of restraining order, injunction, decree of specific performance or otherwise, as may be appropriate to ensure compliance by each Party with this Agreement, without the requirement for the securing or posting of any bond in connection with obtaining any such injunctive or other equitable relief.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first written above.

VELAN INC.

By: _____
Name:
Title:

17607211 CANADA INC.

By: _____
Name:
Title:

SCHEDULE "A"
REGISTRATION PROCEDURES

1. Registration Procedures

In connection with the Company's registration obligations pursuant to this Agreement, the Company shall use its commercially reasonable efforts to effect the qualification for the offer and sale or other disposition or Distribution of Registrable Securities of any Holder (the "**Selling Persons**"), and pursuant thereto the Company shall as expeditiously as possible:

- (a) prepare and file with the applicable Canadian securities authorities (collectively, the "**Securities Regulators**") a preliminary Prospectus and Prospectus relating to the applicable Demand Registration or Piggy-Back Registration including all exhibits and financial statements required by the Securities Regulators to be filed therewith, and use its commercially reasonable efforts to cause such preliminary Prospectus and Prospectus to be receipted; provided, that the Company shall furnish to each Selling Person and the managing underwriters, if any, copies of such preliminary Prospectus and Prospectus and any amendments or supplements in the form filed with the Securities Regulators, simultaneously with the filing of such preliminary Prospectus and Prospectus, amendments or supplements;
- (b) prepare and file with the Securities Regulators such amendments to the preliminary Prospectus and Prospectus as may be necessary to complete the Distribution of all such Registrable Securities and as required under the *Securities Act* or under any applicable provisions of Securities Laws;
- (c) allow the Selling Persons, each of the managing underwriters, if any, and their respective representatives to:
 - (i) fully participate in the preparation of any prospectus (and other applicable documents) relating to the applicable Demand Registration or Piggy-Back Registration including all supplements, exhibits and financial statements required by the Securities Regulators to be filed therewith; and
 - (ii) conduct all reasonable and customary due diligence on the Company in order to enable such Persons to execute any certificate required to be executed by them under applicable Securities Laws, and, without limiting the generality of the foregoing, make available its senior management and use its commercially reasonable efforts to make available its auditors and its legal counsel to answer any questions in one or more due diligence sessions;
- (d) notify the Selling Persons and the managing underwriters, if any, and (if requested) confirm such advice in writing, as soon as practicable after notice thereof is received by the Company:
 - (i) when the preliminary Prospectus and Prospectus or any amendment thereto has been filed or been receipted, and, to furnish such Selling Persons and managing underwriters with copies thereof,
 - (ii) of any request by the Securities Regulators for amendments to the preliminary Prospectus, the Prospectus or for additional information

- (iii) of the issuance by the Securities Regulators of any stop order or cease trade order relating to the Prospectus or any order preventing or suspending the use of any preliminary Prospectus or Prospectus or the initiation or threatening for any proceedings for such purposes, and
 - (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for offering or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;
- (e) promptly notify the Selling Persons and the managing underwriters, if any, at any time during the period of effectiveness set forth in Section 1(1)(b) of this Schedule, when the Company becomes aware of the happening of any event as a result of which the preliminary Prospectus or the Prospectus contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein (in the case of the preliminary Prospectus or Prospectus in light of the circumstances under which they were made) when such preliminary Prospectus or the Prospectus was delivered not misleading or, if for any other reason it shall be necessary during such time period to amend or supplement the preliminary Prospectus or the Prospectus in order to comply with Securities Laws and, in either case as promptly as practicable thereafter, prepare and file with the Securities Regulators, and furnish without charge to the Selling Persons and the managing underwriters, if any, a supplement or amendment to such preliminary Prospectus or Prospectus which shall correct such statement or omission or effect such compliance;
- (f) make every commercially reasonable effort to obtain the withdrawal of any stop order, cease trade order or other order suspending the use of any preliminary Prospectus or Prospectus or suspending any qualification of the Registrable Securities covered by the Prospectus;
- (g) furnish to each Selling Person and each managing underwriter, without charge, one executed copy and as many conformed copies as they may reasonably request, of the Prospectus and any amendment thereto, including financial statements and schedules, all documents incorporated therein by reference, and provide Selling Persons and their counsel with an opportunity to review, and provide comments to the Company on the Prospectus;
- (h) deliver to each Selling Person and the underwriters, if any, without charge, as many copies of the preliminary Prospectus and the Prospectus and any amendment or supplement thereto as such Persons may reasonably request (it being understood that the Company consents to the use of the preliminary Prospectus and the Prospectus or any amendment thereto by each of the Selling Persons and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by the preliminary Prospectus and the Prospectus or any amendment or supplement thereto) and such other documents as such Selling Person may reasonably request in order to facilitate the disposition of the Registrable Securities by such Person;
- (i) on or prior to the date on which a receipt is issued for the Prospectus by the applicable Securities Regulators, use its commercially reasonable efforts to qualify, and cooperate with the Selling Persons, the managing underwriter or agent, if any, and their respective counsel in connection with the qualification of such Registrable Securities for offer and sale under the Securities Laws of each province and other jurisdiction of Canada as any such Person, underwriter or agent reasonably requests in writing provided that the Company shall not be required to qualify generally to do

business in any jurisdiction where it is not then so qualified or to take any action which would subject it to general service of process in any such jurisdiction where it is not then so subject;

- (j) in connection with any underwritten offering, enter into customary agreements, including an underwriting agreement on normal market terms;
- (k) as promptly as practicable after filing with the Securities Regulators any document which is incorporated by reference into the Prospectus, provide copies of such document to counsel for the Selling Persons and to the managing underwriters, if any; and
- (l) use its commercially reasonable efforts to obtain customary legal opinions addressed to the Selling Persons and underwriters.

2. Holders' Obligations

The Company may require each Selling Person as to which any registration is being effected hereunder to furnish to the Company such information regarding the Distribution of such Registrable Securities and such other information relating to such Person and its ownership of Shares as the Company may from time to time reasonably request in writing. Each such Person agrees to furnish such information to the Company and to cooperate with the Company as necessary to enable the Company to comply with the provisions of this Agreement. Such Selling Persons shall notify the Company immediately upon the occurrence of any event as a result of which any of the aforesaid Prospectuses includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they are made.

SCHEDULE D
REQUIRED REGULATORY APPROVALS

- Expiration of the waiting period for DDTC 60-Day pre-closing notification pursuant to ITAR 122.4(b).
- CFIUS Clearance.
- The Saudi Clearance.
- The notice period with respect to the notification pursuant to subsection 9(2) of the *Controlled Goods Regulations* (SOR/2001-32) filed by the Company with PSPC shall have expired without further action or request on the part of PSPC.
- If Part IX of the Competition Act applies to the Transactions on the Closing Date, the Competition Act Approval.