9360-9253 QUÉBEC INC.

solely in its capacity as Agent

AND

IRIS, LE GROUPE VISUEL (1990) INC.

as Corporation

AND

NEW LOOK VISION GROUP INC.

as Purchaser

SHARE PURCHASE AGREEMENT

Dated as of June 30, 2017

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SHARE PURCHASE AGREEMENT

Share Purchase Agreement to be completed through an arrangement under Chapter XVI – Division II of the QBCA (the "**Agreement**") dated June 30, 2017 among Iris, le groupe visuel (1990) Inc., a corporation governed by the Laws of Québec ("**Corporation**"), New Look Vision Group Inc., a corporation governed by the Laws of Canada ("**Purchaser**"), and 9360-9253 Québec inc., a corporation governed by the Laws of Québec, solely in its capacity as the agent of the Vendors ("**Agent**").

RECITALS

(1) Each Shareholder is party to the Unanimous Shareholders' Agreement.

(2) Pursuant to article 6 of the Unanimous Shareholders' Agreement, in the event that a person (the "**Bidder**") which does not hold Shares makes a bid (i) targeting all the Shareholders without exception, (ii) targeting all the voting Shares and all other Shares and (iii) containing an identical price for all Shares, whether or not they are voting shares (collectively, a "**Bid**") and that such Bid is accepted by the majority shareholder of Corporation, all of the other Shareholders are required to sell their Shares to the Bidder in accordance with the terms and conditions of the Bid.

(3) Purchaser is a qualified Bidder who wishes to acquire all of the issued and outstanding Shares and who has made a Bid subject to the terms and conditions hereof.

(4) The Parties intend to carry out the sale and purchase of the Shares contemplated by this Agreement by way of an arrangement under Chapter XVI – Division II of the QBCA in accordance with and subject to the terms and conditions of the Plan of Arrangement.

NOW THEREFORE, in consideration of the premises and the mutual agreements and covenants hereinafter set forth, the Parties hereby agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Defined Terms.

As used in this Agreement, the following terms have the following meanings:

(a) "**Acquired Business**" means any of the businesses acquired and fully paid in cash (with no balance of sale or earn-out payment existing or becoming due) no later than 30 Business Days prior to the Effective Date by a Purchased Corporation pursuant to an Acquisition listed on <u>Schedule 3.6</u> of the Disclosure Letter.

(b) "**Acquired EBITDA**" means, in respect of an Acquired Business, earnings of the acquired business before interest, taxes, depreciation and amortization as adjusted and as calculated by Corporation to value the Acquired Business. For greater certainty, the calculation of Acquired EBITDA will be based on the 12-month period prior to the closing of the Acquisition (or the most recently available 12 month period) and will not take into account management fees, special transaction fees, fees incurred in connection with the negotiation or closing of the Acquisition (including legal fees and brokerage commissions), any "extraordinary items" as defined by GAAP and any one time expenses or income that are not incurred or realized in the Ordinary Course.

(c) "**Acquired EBITDA Adjustment**" means, in respect of an Acquired Business, an amount equal to [Redacted for reason of commercial sensitivity] times the Acquired EBITDA for such Acquired Business, as determined in accordance with Section 3.6, minus Corporation's portion of the aggregate indebtedness of such Acquired Business.

(d) "**Acquisition**" means the transactions contemplated by a binding agreement between a Purchased Corporation and a Person for the acquisition by such Purchased Corporation of (i) all or substantially all of the Assets constituting a business, division or product line of such Person engaging in a business substantially similar to the Business, or (ii) 50% or more of the issued and outstanding Equity Securities in the capital of such Person, it being understood that such transactions shall have been completed and fully paid in cash (with no balance of sale or earn-out payment existing or becoming due) no later than 30 Business Days prior to the Effective Date.

(e) "**Acquisition Proposal**" means, other than the transactions contemplated by this Agreement or to which Purchaser is a party and other than any transaction involving only the Purchased Corporations, any offer, proposal or inquiry (written or oral) from any Person or group of Persons other than Purchaser (or any Affiliate of Purchaser or Person acting in concert with Purchaser or any Affiliate of Purchaser), or any modification or proposed modification of the foregoing, after the date of this Agreement relating to: (i) any direct or indirect sale, disposition, alliance or joint venture (or any lease, long term supply agreement or other arrangement having the same economic effect as a sale), in a single transaction or a series of related transactions, of assets representing [Redacted for reason of commercial sensitivity]% or more of the consolidated assets or contributing [Redacted for reason of commercial sensitivity]% or more of the consolidated revenue of Corporation or of [Redacted for reason of commercial sensitivity]% or more of the voting, equity or other securities of Corporation (or rights or interests therein or thereto); (ii) any direct or indirect exchange offer, treasury issuance or other transaction that, if consummated, would result in a Person or group of Persons beneficially owning [Redacted for reason of commercial sensitivity]% or more of any class of voting, equity or other securities or any other equity interests (including securities convertible into or exercisable or exchangeable for securities or equity interests) of Corporation; or (iii) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or winding up involving Corporation.

(f) "**Adjustment Escrow Amount**" means $[Redacted for reason of commercial sensitivity], which Adjustment Escrow Amount will secure the obligations of the Vendors pursuant to Section 3.5 and will be held and released by the Escrow Agent in accordance with and subject to the terms and conditions of the Escrow Agreement.

(g) "**Affiliate**" has the meaning ascribed thereto in the QBCA.

(h) "**Agent's Core Representations**" means the representations and warranties contained in Section 4.4(a) (Incorporation and Corporate Power), Section 4.4(b)(i) and (ii)(A) (Validity of Agreement) and Section 4.4(e) (Execution and Binding Obligation).

(i) "[Redacted for reason of commercial sensitivity] **Agreements**" means the Master Equipment Financing Agreement dated November 18, 2013 entered into between Corporation and [Redacted for reason of commercial sensitivity], as amended from time to time, and any documents and agreements ancillary thereto.

(j) "[Redacted for reason of commercial sensitivity] **Debt**" means all Indebtedness of the Purchased Corporations under the [Redacted for reason of commercial sensitivity] Agreements.

(k) "[Redacted for reason of commercial sensitivity] **Payoff Amount**" means the aggregate amount (including the outstanding principal, accrued and unpaid interest, any prepayment penalties or premiums and any costs and expenses) of [Redacted for reason of commercial sensitivity] Debt outstanding as at the Effective Date as set forth in the [Redacted for reason of commercial sensitivity] Payoff Letter.

(l) "[Redacted for reason of commercial sensitivity] **Payoff Letter**" means the payoff letter with respect to the [Redacted for reason of commercial sensitivity] Debt.

(m) "[Redacted for reason of commercial sensitivity] **Agreements**" means those certain agreements between one or more Purchased Corporations and [Redacted for reason of commercial sensitivity].

(n) "[Redacted for reason of commercial sensitivity] **Debt**" means all Indebtedness of the Purchased Corporations under the [Redacted for reason of commercial sensitivity] Agreements.

(o) "[Redacted for reason of commercial sensitivity] **Payoff Amount**" means the aggregate amount (including the outstanding principal, accrued and unpaid interest, any prepayment penalties or premiums and any costs and expenses) of [Redacted for reason of commercial sensitivity] Debt outstanding as at the Effective Date as set forth in the [Redacted for reason of commercial sensitivity] Payoff Letter.

(p) "[Redacted for reason of commercial sensitivity] **Payoff Letter**" means the payoff letter with respect to the [Redacted for reason of commercial sensitivity] Debt.

(q) "**Ancillary Agreements**" means the Escrow Agreement and the Support Agreements.

(r) "**Annual Financial Statements**" means the audited consolidated financial statements of Corporation, for the years ended on December 31, 2015 and December 31, 2016, together with the auditors reports thereon and the notes thereto, copies of which are annexed hereto as Schedule 1.1(i) of the Disclosure Letter.

(s) "**Arrangement**" means an arrangement under Chapter XVI – Division II of the QBCA in accordance with and subject to the terms and conditions of the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement made in accordance with the terms of this Agreement or made at the direction of the Court in the Final Order with the prior written consent of Agent, Corporation and Purchaser, each acting reasonably.

(t) "**Arrangement Resolution**" means the special resolutions of the Shareholders approving the Plan of Arrangement, to be considered at the Meeting, substantially in the form and content of Exhibit 1.1(t).

(u) "**Articles of Arrangement**" means the articles of arrangement of Corporation in respect of the Arrangement, required by the QBCA to be sent to the Enterprise Registrar after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in a form and content satisfactory to the Parties, each acting reasonably.

(v) "**Asset**" means, with respect to any Person, any property (including real property), assets and undertakings of such Person of every kind and wheresoever situated, whether now owned or hereafter acquired (and, for greater certainty, includes any equity or like interest of such Person in any other Person).

(w) "**Authorization**" means, with respect to any Person, any order, permit, approval, clearance, notification, waiver, license or similar authorization of any Governmental Entity having jurisdiction over the Person.

(x) "[Redacted for reason of commercial sensitivity] **Credit Documents**" means the Credit Facilities Agreement between [Redacted for reason of commercial sensitivity] and Corporation, dated as of September 30, 2016 including (i) a deed of movable hypothec made as of September 26, 2016 by [Redacted for reason of commercial sensitivity] in favour of [Redacted for reason of commercial sensitivity], (ii) an agreement as to loans and advances dated September 30, 2016 between Corporation and [Redacted for reason of commercial sensitivity], (iii) a general security agreement dated September 30, 2016 among [Redacted for reason of commercial sensitivity] and the debtors party thereto, (iv) an intercreditor agreement dated as of September 26, 2016 among [Redacted for reason of commercial sensitivity], [Redacted for reason of commercial sensitivity] and Corporation, (v) a guarantee agreement made as of September 30, 2016 by the guarantors party thereto in favour of [Redacted for reason of commercial sensitivity] and (vi) a deed of movable hypothec made as of September 21, 2016 by Corporation, the other debtors party thereto in favour of [Redacted for reason of commercial sensitivity].

(y) "[Redacted for reason of commercial sensitivity] **Debt**" means all Indebtedness of the Purchased Corporations under the [Redacted for reason of commercial sensitivity] Credit Documents.

(z) "[Redacted for reason of commercial sensitivity] **Payoff Amount**" means the aggregate amount (including the outstanding principal, accrued and unpaid interest, any prepayment penalties or premiums and any costs and expenses) of [Redacted for reason of commercial sensitivity] Debt outstanding as at the Effective Date as set forth in the [Redacted for reason of commercial sensitivity] Payoff Letter.

(aa) "[Redacted for reason of commercial sensitivity] **Payoff Letter**" means the payoff letter with respect to the [Redacted for reason of commercial sensitivity] Debt.

(bb) "**Board**" means the board of directors of Corporation.

(cc) "**Books and Records**" means all statements, budgets, books of account, Tax and financial records, sales and purchase records, customer and supplier lists, business reports and plans relating to Corporation, whether in writing or electronic form and in the possession of Corporation.

(dd) "**Business Day**" means any day other than a Saturday, Sunday or other day on which the principal commercial banks in Montreal, Quebec are not open for business during normal business hours.

(ee) "**Cash**" means with respect to each Purchased Corporation, all cash and cash equivalents in accordance with GAAP (including any deposits made by any of the Purchased Corporations pursuant to equipment or contractual arrangements such as equipment purchases, and also including any cash received to be deposited to the extent a reduction in accounts receivable was made in order to calculate the Final Net Working Capital Amount) minus, without duplication, outstanding cheques to the extent there has been a decrease in accounts payable used in determining Net Working Capital on account thereof. For greater certainty, Cash will comprise only an amount equal to Corporation's ultimate (whether direct or indirect) proportion of economic/participating ownership in each of the Purchased Corporations.

(ff) "**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Enterprise Registrar in accordance with the QBCA and in respect of the Articles of Arrangement.

(gg) "**Circular**" means the notice of the Meeting and accompanying information circular, including all schedules and exhibits thereto, to be sent by Corporation to the Shareholders in connection with the Meeting as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement.

(hh) "**Claim**" means any claim, demand, complaint, grievance, action, cause or right of action, or any proceeding, arbitration, mediation or other dispute resolution procedure, or any orders, writs, injunctions or decrees of any Governmental Entity.

(ii) "**Class A Shareholders**" means, as at the date of this Agreement, the holders of Class A Shares.

(jj) "**Class A Shares**" means the Class A voting non-participating shares in the capital of Corporation.

(kk) "**Class B Shareholders**" means, as at the date of this Agreement, the holders of Class B Shares.

(ll) "**Class B Shares**" means the series 1 and series 2 Class B non-voting participating shares in the capital of Corporation.

(mm) "**Closing**" means the consummation of the Arrangement on the Effective Date.

(nn) "**Closing Certificates**" means Corporation's Closing Certificate, each Qualifying Holdco’s Closing Certificate and Purchaser's Closing Certificate.

(oo) "**Commercially Reasonable Efforts**" means the efforts that a prudent Person desirous of achieving a result would use in similar circumstances to achieve that result as expeditiously as possible, provided, however, that such Person will not be required to (i) take actions that would result in a material adverse change in the benefits to such Person under this Agreement, (ii) dispose of or make any change to its business, (iii) expend any funds except funds that are due and payable in any event or are for incidental expenses or payments by Law, or (iv) incur any other material burden.

(pp) "**Confidentiality Agreement**" means the Confidentiality Agreement dated September 28, 2015 between Corporation and Purchaser.

(qq) "**Contracts**" means, in respect of any Purchased Corporation, all contracts, agreements, leases, commitments, arrangements, understandings, undertakings, understandings and orders made by or in favour of any Purchased Corporation, including the Material Contracts.

(rr) "**Contribution Amount**" means, in respect of each Iris retail outlet that constitutes a Leased Property and which is listed in Schedule 8.2(b) of the Disclosure Letter, the amount contributed by such Iris retail outlet (including its share of any central purchasing profits, administration royalties paid, accounting/management royalties paid, information technology rental costs and management fees from marketing funds) to the EBITDA of the Purchased Corporations for the twelve-month period ended September 30, 2016, as agreed by the Parties and more particularly set out in Schedule 8.2(b) of the Disclosure Letter.

(ss) "**Core Representations**" means Corporation's Core Representations and Purchaser's Core Representations.

(tt) "**Corporate Records**" means the corporate records of each Purchased Corporation, including (i) all Governing Documents, (ii) all minutes of meetings and resolutions of shareholders and directors (and any committees), and (iii) the share certificate books, securities register, register of transfer and register of directors.

(uu) "**Corporation's Core Representations**" means the representations and warranties of Corporation in Sections 4.1(a) (Incorporation and Qualification), 4.1(b)(i) and (ii) (Validity of Agreement), 4.1(c) (Execution and Binding Obligation), 4.1(f) (Title to Shares), 4.1(g) (Authorized and Issued Capital), first sentence of 4.1(h) (Subsidiaries), 4.1(i) (No Other Agreement to Purchase) and 4.1(o) (Tax Matters).

(vv) "**Court**" means the Quebec Superior Court (Commercial Division) or other court as applicable.

(ww) "**Current Assets**" means, without duplication, the sum of the current assets of each Purchased Corporation, including accounts receivable, inventory and prepaid expenses, but excluding Cash and deferred or future Tax assets. For illustration purposes, Exhibit 1.1(eeee) sets out the calculation of the Current Assets for the Purchased Corporations as at September 30, 2016 based on the Financial Statements.

(xx) "**Current Liabilities**" means, without duplication, the sum of the current liabilities of each Purchased Corporation (including accounts payable, accrued liabilities and deferred revenues but excluding Indebtedness and deferred or future Tax liabilities). For illustration purposes, Exhibit 1.1(eeee) sets out the calculation of the Current Liabilities for the Purchased Corporations as at September 30, 2016 based on the Financial Statements.

(yy) "**Damages**" means a loss, liability, Claim, damage, penalty, fine, cost or expense (whether or not involving a Third Party Claim), including Taxes, reasonable professional fees and all costs incurred investigating or pursuing any of the foregoing.

(zz) "[Redacted for reason of commercial sensitivity] **Credit Documents**" means, collectively certain credit documents between 9085-7160 Québec Inc and [Redacted for reason of commercial sensitivity], including a conventional movable hypothec without delivery dated July 30, 2001.

(aaa) "[Redacted for reason of commercial sensitivity] **Debt**" means all Indebtedness of the Purchased Corporations under the [Redacted for reason of commercial sensitivity].

(bbb) "[Redacted for reason of commercial sensitivity] **Payoff Amount**" means the aggregate amount (including the outstanding principal, accrued and unpaid interest, any prepayment penalties or premiums and any costs and expenses) of [Redacted for reason of commercial sensitivity] Debt outstanding as at the Effective Date as set forth in the [Redacted for reason of commercial sensitivity] Payoff Letter.

(ccc) "[Redacted for reason of commercial sensitivity] **Payoff Letter**" means the payoff letter with respect to the [Redacted for reason of commercial sensitivity] Debt.

(ddd) "[Redacted for reason of commercial sensitivity] **Debt**" means all Indebtedness of the Purchased Corporations under the [Redacted for reason of commercial sensitivity] Hypothec.

(eee) "[Redacted for reason of commercial sensitivity] **Hypothec**" means a conventional movable hypothec without delivery dated April 1, 2014 by [Redacted for reason of commercial sensitivity] in favour of [Redacted for reason of commercial sensitivity] and [Redacted for reason of commercial sensitivity].

(fff) "[Redacted for reason of commercial sensitivity] **Payoff Amount**" means the aggregate amount (including the outstanding principal, accrued and unpaid interest, any prepayment penalties or premiums and any costs and expenses) of [Redacted for reason of commercial sensitivity] Debt outstanding as at the Effective Date as set forth in the [Redacted for reason of commercial sensitivity] Payoff Letter.

(ggg) "[Redacted for reason of commercial sensitivity] **Payoff Letter**" means the payoff letter with respect to the [Redacted for reason of commercial sensitivity] Debt.

(hhh) "**Direct Claim**" means any cause, matter, thing, act, omission or state of facts not involving a Third Party Claim which entitles an Indemnified Party to make a claim for indemnification under this Agreement.

(iii) "**Disclosure Letter**" means the letter of disclosure dated the date hereof and signed by Corporation and delivered to Purchaser.

(jjj) "**Dissent Rights**" means the right to demand the repurchase of Shares pursuant to Section 372 of the QBCA or any other similar rights to dissent to the Arrangement described in the Plan of Arrangement.

(kkk) "**EBITDA**" means earnings before interest, taxes, depreciation, and amortization.

(lll) "**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

(mmm) "**Effective Time**" means 12:01 a.m. (Eastern Time) on the Effective Date or such other time as the Parties may agree to in writing.

(nnn) "**Employee Plans**" means all the employee benefit, fringe benefit, supplemental unemployment benefit, bonus, incentive, profit sharing, termination, change of control, pension, retirement, savings, phantom stock, stock option, stock purchase, stock appreciation, health, welfare, medical, dental, disability, life insurance and similar plans, programs, arrangements or practices relating to the current or former directors, officers or employees of any Purchased Corporation maintained, sponsored or funded by any Purchased Corporation, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered under which any Purchased Corporation may have any liability, contingent or otherwise, other than benefit plans established pursuant to statute.

(ooo) "**Enterprise Registrar**" means the enterprise registrar appointed by the Minister of Revenue of Québec.

(ppp) "**Environmental Laws**" means all applicable Laws and agreements with Governmental Entities and all other statutory requirements relating to, or imposing liabilities on, public health or the protection of the environment and all Authorizations issued pursuant to such Laws, agreements or statutory requirements, including legislation governing the labelling, use, transportation, manufacture, processing, generation, distribution, treatment, storage, discharge, release or threatened release, disposal, clean-up or handling of Hazardous Substances or noises and odours.

(qqq) "**Equity Securities**" means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of, such Person's capital, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, and any and all rights, warrants, options or other rights exchangeable for or convertible into any of the foregoing.

(rrr) "**Escrow Agent**" means Computershare Trust Company of Canada or such other Person as may be appointed in replacement thereof pursuant to the terms of the Escrow Agreement.

(sss) "**Escrow Agreement**" means the escrow agreement among Agent, Purchaser and the Escrow Agent, substantially in the form and content of Exhibit 1.1(sss).

(ttt) "**Escrow Amounts**" means the Indemnity Escrow Amount and the Adjustment Escrow Amount.

(uuu) "**Expense Reserve Holdback**" means any amount (including the Initial Expense Reserve Holdback) which Agent, in its sole discretion acting reasonably, decides to retain from any amount paid by Purchaser to, or to the benefit of, the Vendors, to be used by Agent to make, for and on behalf of the Vendors, any payment which the Vendors may have an obligation to make under this Agreement and for the payment of any fees, costs, expenses, commissions, Taxes and disbursements (including the fees and expenses of counsel, experts and other agents and consultants) incurred by Agent in exercising its duties and performing its functions set out in Section 12.7.

(vvv) "**Final Order**" means the final order of the Court approving the Arrangement, in a form acceptable to the Parties, each acting reasonably, as such order may be amended by the Court at any time prior to the Effective Time, or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal.

(www) "**Financial Statements**" means the Interim Financial Statements and the Annual Financial Statements.

(xxx) "**Former Property**" means immovable property that Corporation previously, but not at the date hereof, owned, leased, occupied (whether as tenant or otherwise), managed or otherwise controlled.

(yyy) "**Franchisees**" means such eyewear stores operating under the banner "Iris" pursuant to a franchise agreement or similar arrangements with Corporation or a Subsidiary.

(zzz) "**GAAP**" means the accounting standards from time to time adopted by the Canadian Accounting Standards Board, or any successor body, and set out in the CPA Canada Handbook – Accounting, that are applicable to the relevant corporation or entity for the relevant financial period applied on a consistent basis, and for greater certainty, in respect of Corporation and its

Subsidiaries, GAAP shall refer to Accounting standards for private enterprises.

(aaaa) "**Governing Documents**" means, with respect to any Person, (i) if a company or corporation, the certificate of incorporation, notice of articles, articles and bylaws, or memorandum and articles of association, as applicable; (ii) if a partnership, the partnership agreement and any declaration or statement of partnership required to be filed with any Governmental Entity in order to form the partnership or, in the case of a limited partnership, maintain the limited liability of any partners; (iii) if a limited liability company, the articles of organization and operating agreement; (iv) if another type of Person, any other charter or similar document adopted or filed with any Governmental Entity in connection with the creation, formation or organization of the Person; (v) all shareholders' or equityholders' agreements, voting agreements, voting trust agreements, joint venture agreements, registration rights agreements or other agreements or documents relating to the organization, management or operation of such Person or relating to the rights, duties and obligations of the shareholders or equityholders of such Person; and (vi) any amendment or supplement to any of the foregoing.

(bbbb) "**Governmental Entity**" means any (i) federal, state, provincial, municipal, local or other governmental (including foreign) or public department, central bank, court, commission, commissioner, board, bureau, agency, tribunal, minister, governor-in-council, cabinet, corporation or instrumentality, (ii) any quasi-governmental, rule or regulation-making entity or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above, (iii) any applicable stock exchange, or (iv) any subdivision or authority of any of the above.

(cccc) "**Hazardous Substances**" means any substance, material or waste defined, regulated, listed or prohibited by Environmental Laws including pollutants, contaminants, chemicals, deleterious substances, dangerous goods, hazardous or industrial toxic wastes or substances, radioactive materials, flammable substances, explosives, petroleum and petroleum products, polychlorinated biphenyls ("**PCBs**"), chlorinated solvents and asbestos.

(dddd) "**IFRS**" means the International Financial Reporting Standards, as published from time to time by the International Accounting Standards Board.

(eeee) "**Indebtedness**" means, collectively (and without duplication) with respect to each Purchased Corporation: (i) all indebtedness for borrowed money net of 50% of any receivable for lent money (calculated on a dollar-for-dollar basis), including any related prepayment fees or expenses (including overdraft facilities) or any loans from shareholders (in each case whether short term or long term, or interest-bearing or not), (ii) all obligations for the deferred purchase price of property or shares, (including any balances of sale and/or earn-out payments in respect to any acquired stores and premises), (iii) all obligations evidenced by notes, bonds, debentures or other similar instruments, (iv) any indebtedness arising under capitalized leases, financial leases, conditional sales contracts and other similar title retention instruments listed as such on the Financial Statements (net of any deposits made by any of the Purchased Corporations pursuant to equipment leases), (v) any obligation in respect of letters of credit and bankers' acceptances, (vi) all liabilities less all assets arising under any interest rate swap or other interest rate protection agreement or other similar interest rate agreement, (vii) all loans due to any related person (within the meaning of the Tax Act), including any shareholder, (viii) any declared dividend not paid by the Purchased Corporations as at the date hereof, (ix) any incentive payments, termination payments or change in control payments to any employee, independent contractors, officer or director which become payable as a result of the consummation of the transactions contemplated by this Agreement, including any accelerated payments or change of control payments pursuant to any share appreciation rights, as well as any employer contributions in connection therewith, (x) accruals in respect of litigation involving the Purchased Corporations, (xi) amounts owing in respect of Corporation for alternative minimum taxes net of amounts due in respect of Corporation for alternative minimum taxes, (xii) all accrued interest, fees, prepayment, penalties or other similar obligations with respect to any of the foregoing, (xiii) any fees or expenses (including legal, accounting and other professional fees and expenses) incurred by the Purchased Corporations in connection with the transactions contemplated hereby (but excluding all professional fees incurred (whether paid or accrued) by the Purchased Corporations in connection with the removal of the audit report qualification on the Financial Statements and for the IFRS reconciliation of the Financial Statements (including, for greater certainty, the IFRS reconciliation of the financial statements prepared pursuant to Section 8.2(f)), (xiv) all indebtedness of others referred to in paragraphs (i) through (x) above guaranteed by any Purchased Corporation and (xiv) the lesser of (a) the value of tax carry forwards at the Effective Date and (b) $250,000; the whole of the foregoing as calculated based on the line items set out in Exhibit 1.1(eeee) (which exhibit, for avoidance of doubt, can be added to if new "debt-like" items are incurred by the Purchased Corporation prior to the Effective Date); *provided, however,* that any item that is accounted for in the determination of Net Working Capital for purposes of this Agreement will be excluded from the calculation of Indebtedness for purposes of this Agreement. For avoidance of doubt, with respect to Indebtedness resulting from the ownership by Corporation of a portion of the capital, partnership interests or equivalent ownership interests in a Person that is insufficient to make such Person a wholly-owned Subsidiary, Indebtedness will only comprise such amount as is equal to Corporation’s ultimate (whether direct or indirect) proportion of economic/participating ownership in each of such Subsidiaries. For greater certainty, no amount that is taken into consideration in the determination of the Acquired EBITDA Adjustment shall be included in the calculation of Indebtedness (in other words, no "double counting" but provided that the Acquired EBITDA Adjustment is calculated net of debt).

(ffff) "**Indemnified Party**" means a Person with indemnification rights or benefits under this Agreement.

(gggg) "**Indemnifying Party**" means a Party which may have an obligation or liability for indemnification under this Agreement.

(hhhh) "**Indemnity Escrow Amount**" means $[Redacted for reason of commercial sensitivity], which Indemnity Escrow Amount will secure the indemnification obligations of the Vendors pursuant to Section 11.2 and will be held and released by the Escrow Agent in accordance with and subject to the terms and conditions of the Escrow Agreement.

(iiii) "**Initial Expense Reserve Holdback**" means such amount representing Expense Reserve Holdback to be determined by Agent, in its sole discretion acting reasonably, and communicated to Purchaser at least two Business Days prior to the Effective Date.

(jjjj) "**Intellectual Property**" means, without limitation, all trademarks, trade names, business names, brand names, service marks, logos or other indicia of origin, domain names, computer software and computer programs (other than standard off-the-shelf software), source codes, object codes, copyrights, designs, inventions, patents, formulae, recipes, product specifications, internet web sites, processes, trade secrets, know-how, proprietary information, technology and all other intellectual property of Corporation currently used by or currently being developed for use in the Business, whether domestic or foreign, registered or unregistered, as well as any applications, continuations, continuations in part, re-examinations, reissues, divisional applications or analogous rights therefor.

(kkkk) "**Interim Financial Statements**" means the unaudited non-consolidated financial statements of Corporation for the nine-month period ending on September 30, 2016, together with the notes thereto, copies of which are annexed hereto as <u>Schedule 1.1(kkkk)</u> of the Disclosure Letter.

(llll) "**Interim Order**" means the interim order of the Court providing for, among other things, the calling and holding of the Meeting, as amended by the Court.

(mmmm) "**Landlord Consents**" means the consent of Landlords required in connection with the Closing, including [Redacted for reason of commercial sensitivity], as more particularly set out in <u>Schedule 8.2(b)</u> of the Disclosure Letter.

(nnnn) "**Landlords**" means those landlords from which a consent is required in connection with the Closing under Lease Documents for Leased Properties with Corporation, as more particularly set out at Schedule 8.2(b) of the Disclosure Letter.

(oooo) "**Laws**" means (i) all constitutions, treaties, laws, statutes, codes, ordinances, principles of common law, notices, orders, decrees, rules, regulations and municipal by-laws, whether domestic, foreign or international; (ii) all judgments, orders, writs, injunctions, decisions, rulings, decrees, directions, sanctions and awards of any Governmental Entity; and (iii) all policies, practices and guidelines 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 or which establish the interpretative position of the Law by such Governmental Entity, in each case binding on or affecting the Person referred to in the context in which such word is used.

(pppp) "**Lien**" means any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), deemed or statutory trust, title retention agreement or arrangement, restrictive covenant, option, right of first refusal, adverse claim, easement, restriction on the use of Real Property, or other encumbrance of any nature or any other arrangement or condition which, in substance, secures payment or performance of an obligation.

(qqqq) "**Material Adverse Effect**" and "**Material Adverse Event**" means a fact, circumstance, development, disruption, change, effect or condition that has or could reasonably be expected to have a material adverse effect on the Business, operations, assets, liabilities, earnings or financial condition or results of operation or prospects of Corporation and the Subsidiaries, taken as a whole; except to the extent that the material adverse effect or material adverse event results from or is caused by (i) worldwide, national or local conditions or circumstances whether they are economic, political, regulatory or otherwise, including war, armed hostilities, acts of terrorism, emergencies, crises, man-made disasters, natural disasters or acts of God, (ii) changes in the markets or industry in which Corporation operates, regulation or inquiry which materially adversely affects, or may materially adversely affect the financial markets in Canada, the United States or the financial, banking or capital markets generally, (iii) the announcement of this Agreement and the transactions contemplated hereby, including the loss of any supplier, customer, vendor or distributor following the announcement of this Agreement and the transactions contemplated hereby, (iv) any act or omission of Purchaser or their Affiliates, (v) any act or omission of Corporation prior to the Effective Date taken with the prior consent or at the request of Purchaser, and (vi) the failure of Corporation in and of itself to meet any internal or public projections, forecasts, guidance or estimates of, including without limitation, revenues or earnings (it being understood that the causes underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred); except, in the case of clauses (i) and (ii), to the extent the matters referred to therein have a materially disproportionate impact on the Business, operations, assets, liabilities or financial condition of Corporation and the Subsidiaries, taken as a whole.

(rrrr) "**Meeting**" means the special meeting of Shareholders called pursuant to the Interim Order, including any adjournment or postponement thereof and held in accordance with the Interim Order, to consider and, if deemed advisable, approve Arrangement Resolution.

(ssss) "**Net Adjustment Amount**" means the sum of the Final Net Working Capital Amount and the Final Net Indebtedness Amount.

(tttt) "**Net Indebtedness**" means an amount equal to the amount of Indebtedness minus the amount of Cash, in each case as of the Effective Time.

(uuuu) "**Net Working Capital**" means, with respect to Corporation, an aggregate amount equal to the Current Assets minus the Current Liabilities, in each case as of the Effective Time. For illustration purposes, Exhibit 1.1(eeee) sets out the net working capital calculation for Corporation as at September 30, 2016 based on the Financial Statements.

(vvvv) "**Ordinary Course**" means, with respect to an action taken by a Person, that such action is consistent with the past practices of the Person and is taken in the ordinary course of the normal day-to-day operations of the Person.

(wwww) "**Outside Date**" means October 30, 2017 or such other date as the Parties may agree to in writing.

(xxxx) "**Parties**" means Corporation, Agent, Purchaser and, upon the Plan of Arrangement and the Final Order taking effect, the Vendors.

(yyyy) "**Payoff Amounts**" means each of the [Redacted for reason of commercial sensitivity] Payoff Amount, the [Redacted for reason of commercial sensitivity] Payoff Amount [Redacted for reason of commercial sensitivity] Payoff Amount, the [Redacted for reason of commercial sensitivity] Payoff Amount, the [Redacted for reason of commercial sensitivity] Payoff Amount, the [Redacted for reason of commercial sensitivity] Payoff Amount and the [Redacted for reason of commercial sensitivity] Payoff Amount.

(zzzz) "**Payoff Debts**" means each of the [Redacted for reason of commercial sensitivity] Debt, the [Redacted for reason of commercial sensitivity] Debt, the [Redacted for reason of commercial sensitivity] Debt, the [Redacted for reason of commercial sensitivity] Debt, the [Redacted for reason of commercial sensitivity] Debt, the [Redacted for reason of commercial sensitivity] Debt and the [Redacted for reason of commercial sensitivity] Debt.

(aaaaa) "**Payoff Letters**" means the [Redacted for reason of commercial sensitivity] Payoff Letter, the [Redacted for reason of commercial sensitivity] Payoff Letter the [Redacted for reason of commercial sensitivity] Payoff Letter, the [Redacted for reason of commercial sensitivity] Payoff Letter, the [Redacted for reason of commercial sensitivity] Payoff Letter and the [Redacted for reason of commercial sensitivity] Payoff Letter.

(bbbbb) "**Payoff Parties**" means each of [Redacted for reason of commercial sensitivity], [Redacted for reason of commercial sensitivity], [Redacted for reason of commercial sensitivity], [Redacted for reason of commercial sensitivity], [Redacted for reason of commercial sensitivity], [Redacted for reason of commercial sensitivity], [Redacted for reason of commercial sensitivity], [Redacted for reason of commercial sensitivity] and [Redacted for reason of commercial sensitivity].

(ccccc) "**Permitted Lien**" means:

(i) Liens for Taxes that are not yet due and delinquent or that are being contested in good faith by appropriate procedures;

(ii) restrictions rights-of-way, servitudes, easements, encroachments and other similar rights in land (including, without restriction, rights of way and servitudes for railways sewers, drains, gas and oil pipelines, gas and water mains, electric light and power and telephone or cable internet/television conduits, poles, wires and cables and other public utilities) granted to or reserved by other Persons or minor imperfections of title which do not, individually or in the aggregate, materially detract from the value of or impair the use or marketability of any real property;

(iii) undetermined or inchoate Liens which have not at such time been filed pursuant to law against any property or which relate to obligations not due or delinquent;

(iv) reservations, limitations, provisos and conditions expressed in any original grants of real property from the Crown;

(v) 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 owner to terminate any such lease, license, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof; and

(vi) Liens listed and described in Schedule 1.1(yyyy) of the Disclosure Letter.

(ddddd) "**Person**" means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Entity, and pronouns have a similarly extended meaning.

(eeeee) "**Personal Information**" means information in the possession or under the control of the Purchased Corporations which relates to a natural person and allows that person to be identified.

(fffff) "**Plan of Arrangement**" means the plan of arrangement substantially in the form and content of Exhibit 1.1(fffff) and any amendments, supplements or variations thereto made in accordance with its terms or made at the direction of the Court in the Final Order with the prior written consent of Agent, Corporation and Purchaser, each acting reasonably.

(ggggg) "**Pre-Closing Period**" means the period between the date of this Agreement and the earlier of (i) the Effective Time, and (ii) the date of earlier termination of this Agreement in accordance with Article 8.

(hhhhh) "**Proceeding**" means any action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding) or hearing commenced, brought, conducted or heard by or before, or otherwise involving, any court or tribunal or any arbitrator or arbitration panel.

(iiiii) "**Purchased Corporations**" means Corporation and the Subsidiaries collectively and "**Purchased Corporation**" means any of Corporation or a Subsidiary, individually.

(jjjjj) "**Purchased Shares**" means (i) the Shares sold directly by the Shareholders and (ii) the shares of Qualifying Holdcos (if any) sold by Qualifying Holdco Shareholders, in each case, pursuant to the terms of this Arrangement and the Plan of Arrangement.

(kkkkk) "**Purchaser's Core Representations**" means the representations and warranties of Purchaser in Sections 5.1(a) (Incorporation and Qualification), 5.1(b) (Validity of Agreement), and 5.1(c) (Execution and Binding Obligation).

(lllll) "**QBCA**" means the *Business Corporations Act* (Québec).

(mmmmm) "[Redacted for reason of commercial sensitivity] **Credit Documents**" means, collectively, the following documents: the credit agreement between [Redacted for reason of commercial sensitivity] and Corporation, dated July 23, 2014, as amended from time to time, and all other documents agreements ancillary thereto.

(nnnnn) "[Redacted for reason of commercial sensitivity] **Debt**" means all Indebtedness of the Purchased Corporations under the [Redacted for reason of commercial sensitivity] Credit Documents.

(ooooo) "[Redacted for reason of commercial sensitivity] **Payoff Amount**" means the aggregate amount (including the outstanding principal, accrued and unpaid interest, any prepayment penalties or premiums and any costs and expenses) of [Redacted for reason of commercial sensitivity] Debt outstanding as at the Effective Date as set forth in the [Redacted for reason of commercial sensitivity] Payoff Letter.

(ppppp) "[Redacted for reason of commercial sensitivity] **Payoff Letter**" means the payoff letter with respect to the [Redacted for reason of commercial sensitivity] Debt.

(qqqqq) "**Real Property**" means all lands and all buildings, systems, improvements and fixtures situated on or forming a part of such lands, and all easements, rights of way, privileges and appurtenances belonging to and enuring to the benefit thereof.

(rrrrr) "**Recovery Amount**" means an amount equal to the product obtained by multiplying [Redacted for reason of commercial sensitivity] by the Contribution Amount for the relevant Iris retail outlet for which a Landlord Consent is outstanding as of the Effective Date.

(sssss) "[Redacted for reason of commercial sensitivity] **Debt**" means all Indebtedness of the Purchased Corporations under the [Redacted for reason of commercial sensitivity] Pledge.

(ttttt) "[Redacted for reason of commercial sensitivity] **Payoff Amount**" means the aggregate amount (including the outstanding principal, accrued and unpaid interest, any prepayment penalties or premiums and any costs and expenses) of [Redacted for reason of commercial sensitivity] Debt outstanding as at the Effective Date as set forth in the [Redacted for reason of commercial sensitivity] Payoff Letter.

(uuuuu) "[Redacted for reason of commercial sensitivity] **Payoff Letter**" means the payoff letter with respect to the [Redacted for reason of commercial sensitivity] Debt.

(vvvvv) "[Redacted for reason of commercial sensitivity] **Pledge**" means the movable hypothec with delivery by Corporation in favour of [Redacted for reason of commercial sensitivity], [Redacted for reason of commercial sensitivity] and [Redacted for reason of commercial sensitivity] in respect of 224 shares of [Redacted for reason of commercial sensitivity].

(wwwww) "**Shareholders**" means, as at the date of this Agreement, the holders of Shares.

(xxxxx) "**Shares**" means, collectively, the Class A Shares and the Class B Shares together with any other shares that such shares may be exchanged for and/or converted into in connection with a Permitted Reorganization.

(yyyyy) "**Support Agreement**" means an irrevocable support and voting agreement related to the Arrangement entered into between Purchaser, the Class A Shareholders and certain Class B Shareholders, substantially in the form and content of Exhibit 1.1(yyyyy).

(zzzzz) "**Target Net Working Capital Amount**" means an amount determined pursuant to Section 3.7.

(aaaaaa) "**Tax**" or, collectively, "**Taxes**" includes, without limitation, any and all federal, state, provincial, municipal, local and foreign taxes, assessments, reassessments and other governmental charges, duties, premiums, impositions and liabilities, together with all interest, penalties, fines and additions imposed with respect to such amounts, including, without limitation, those based upon, measured by, or referred to as gross receipts, income, earnings, profits, sales, capital, corporate, business, use and occupation, goods and services, harmonized sales, and value added, ad valorem, transfer, land transfer, withholding, payroll, employment, wage, employer health, social services, severance, occupation, utility, premium, windfall, education, stamp, excise and real or personal property taxes, all surtaxes, all customs duties and import and export taxes, all licence, franchise and registration fees and all unemployment insurance, health insurance and Canada, Quebec and other government pension plan premiums, workers' compensation levies and retirement contributions.

(bbbbbb) "**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time, and any applicable equivalent provincial legislation.

(cccccc) "**Tax Return**" or, collectively "**Tax Returns**" means all returns, declarations, reports, statements, schedules, notices, elections, forms or other documents or information filed or required to be filed in respect of the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of any legal requirement relating to any Tax.

(dddddd) "**Total Contribution Amount**" means the aggregate Contribution Amount in respect of all Iris retail outlets which constitute a Leased Property and for which a Landlord Consent is required as agreed to by the Parties and more particularly set out in Schedule 8.2(b).

(eeeeee) "**Unanimous Shareholders' Agreement**" means Corporation's unanimous shareholders agreement dated as of September 30, 2000, as amended.

(ffffff) "**Vendors**" means collectively, the Shareholders who sell Shares and the Qualifying Holdco Shareholders (if any) who elect to sell shares of Qualifying Holdcos, in each case pursuant to the terms of this Agreement and the Plan of Arrangement.

1.2 Other Defined Terms.

In addition to the defined terms in Section 1.1, each of the following capitalized terms shall have the meaning ascribed thereto in the corresponding Sections:

<u>Term</u>	<u>Section</u>
Agent	Preamble
Agreement	Preamble
Bid	Recitals
Bidder	Recitals
Business	4.2(a)
Confidential Information	6.4(c)
[Redacted for reason of commercial sensitivity]	6.7(c)(ii)
Corporation	Preamble
Corporation Financial Information	6.6(a)
Corporation's Closing Certificate	8.2(a)
Data Room	1.6
Defending Party	11.10
Draft Acquired EBITDA Statement	3.6(a)
Draft Statement	3.5(a)
Estimated Net Indebtedness Amount	3.2
Estimated Net Working Capital Amount	3.2
Estimated Purchase Price	3.3
Estimated Statement	3.2
Final Acquired EBITDA Statement	3.6(d)
Final Net Indebtedness Amount	3.5(d)
Final Net Working Capital Amount	3.5(d)
Final Statement	3.5(d)
Gross Purchase Price	0
Holdco Alternative	2.11(a)
Holdco Election Date	2.11(a)
Indemnity Exceptions	11.6(g)
Individual Representations	11.6(e)
Joint Representations	11.6(e)
Landlord Consent Escrow Amount	3.4(c)
Lease Documents	4.2(i)(ii)
Leased Properties	4.2(i)(ii)
Material Contracts	4.2(k)(i)
Notice	12.2
Owned Properties	4.2(i)(i)
PCBs	1.1(cccc)
Permitted Reorganization	6.8

Term	Section
Post-Closing Adjustment Date	3.5(d)
Purchase Price	3.1
Purchaser	Preamble
Purchaser Consideration Shares	6.3
Purchaser Indemnified Party	11.2
Purchaser Requested Reorganization	6.9(a)
Purchaser's Closing Certificate	8.3(a)
Qualifying Holdco	2.11(a)
Qualifying Holdco's Closing Certificate	8.2(a)
Qualifying Holdco Shareholders	2.11(a)
R&W Insurance Policy	11.15(a)
recipient	6.4(c)(ii)
Relocation Plan	6.7(b)
Sample Working Capital Calculation	6.9
Share Consideration Request	6.3
Subsidiary	4.1(h)
Tax Assessment Period	11.1(b)
Tax Claim	11.14(a)
Tax Proceeding	11.14(b)
[Redacted for reason of commercial sensitivity]	6.7(c)(v)
Third Party Auditors	3.5(c)
Third Party Claim	11.10
TSX	6.3
Vendor Indemnified Party	11.4

1.3 Headings, etc.

The provision of a table of contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and are not to affect the interpretation of this Agreement.

1.4 Currency.

All references in this Agreement to dollars, unless otherwise specifically indicated, are expressed in Canadian currency.

1.5 Time Reference and Calculation of Time.

All references in this Agreement to times of the day are to local time in the relevant jurisdiction, unless otherwise indicated. Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends. Where the last day of any such time period is not a Business Day, such time period shall be extended to the next Business Day following the day on which it would otherwise end.

1.6 Certain Expressions, Etc.

In this Agreement, (i) the words "includes", "including" and similar expressions mean "include (or including) without limitation", (ii) the phrases the "aggregate of", the "total of", the "sum of" and similar expressions mean the "aggregate (or total or sum), without duplication, of", (iii) the phrase "made available", when used in reference to a document, means that the document was (A) delivered or provided to Purchaser, or (B) made available for viewing in the "Project Cascade" electronic data room hosted by RR Donnelley (the "**Data Room**"), as that site existed as of 2:00 a.m. (Eastern Daylight Time) on June 29, 2017, (iv) pronouns in one gender include the other gender, unless the context clearly indicates otherwise, (v) definitions in the singular include the plural, and vice versa, (vi) the words "hereof", "herein", "hereunder", "hereto" and similar expressions refer to this Agreement as a whole and the words "Article", "Section", "Exhibit" or "Schedule" refer to an Article of, Section of, Exhibit to or Schedule to, this Agreement, unless specified otherwise, and (vii) any reference to a statute shall mean the statute in force as at the date of this Agreement (together with all regulations promulgated thereunder), as the same may be amended, re-enacted, consolidated or replaced from time to time, and any successor statute thereto, unless otherwise expressly provided.

1.7 Knowledge.

Where any representation or warranty contained in this Agreement is qualified by reference to the knowledge of Corporation, it shall be deemed to refer to the knowledge of each of [Redacted for reason of confidentiality], [Redacted for reason of confidentiality], [Redacted for reason of confidentiality] and/or [Redacted for reason of confidentiality], after reviewing all relevant records and making due inquiries regarding the relevant matter of all relevant directors, officers and employees of the Purchased Corporations and the Franchisees without personal liability on the part of any of them.

1.8 Payment by Wire Transfers.

Any cash to be delivered by one Person to another pursuant to this Agreement must be paid by wire transfer of immediately available funds to an account designated in writing by the Person entitled to receive the payment.

1.9 Accounting Terms.

All accounting terms not specifically defined in this Agreement shall be interpreted in accordance with GAAP, unless otherwise provided.

1.10 Incorporation of Exhibits and Schedules.

The exhibits attached to this Agreement and the Disclosure Letter form an integral part of this Agreement for all purposes of it. The Disclosure Letter itself and all information contained therein is confidential information and may not be disclosed unless (i) such information is required to be disclosed pursuant to applicable Law unless such Law permits the Parties to refrain from disclosing the information for confidentiality or other purposes or (ii) a Party needs to disclose such information in order to enforce or exercise its rights under this Agreement or any Ancillary Agreement.

1.11 No Strict Construction.

The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favouring or disfavouring either Party by virtue of the authorship of any provision of this Agreement.

ARTICLE 2
ARRANGEMENT

2.1 Plan of Arrangement.

(a) The Parties agree to implement the Plan of Arrangement in accordance with and subject to the terms and conditions contained in this Agreement and the Plan of Arrangement.

(b) As soon as reasonably practicable after the date of this Agreement, but in any event in sufficient time to permit the Meeting to be conducted in accordance with Section 2.2, Corporation shall apply in a manner reasonably acceptable to Purchaser pursuant to Chapter XVI – Division II of the QBCA and, in cooperation with Purchaser, prepare, file and diligently pursue an application for the Interim Order, which will provide, among other things:

(i) for the calling and holding of the Meeting, including confirming the record date for determining the classes of Persons to whom notice is to be provided in respect of the Plan of Arrangement and the Meeting and for the manner in which such notice is to be provided;

(ii) that the requisite approval for the Arrangement Resolution will be:

(a) 66 $^2/_3$% of the votes cast on the Arrangement Resolution by the Class A Shareholders present in person or represented by proxy at the Meeting, voting separately as a single class;

(b) 66 $^2/_3$% of the votes cast on the Arrangement Resolution by the Class B, Series 1 Shareholders present in person or represented by proxy at the Meeting, voting separately as a single class; and

(c) 66 $^2/_3$% of the votes cast on the Arrangement Resolution by the Class B, Series 2 Shareholders present in person or represented by proxy at the Meeting, voting separately as a single class;

(iii) that, in all other respects, the terms, restrictions and conditions of Corporation's Governing Documents, including quorum requirements, shall apply in respect of the Meeting;

(iv) not to grant any Dissent Rights;

(v) for the notice requirements with respect to the presentation of the application to the Court for a Final Order;

(vi) that the Meeting may be adjourned or postponed from time to time by Corporation, without the need for further approval from the Court; and

(vii) for such other matters as Agent, Purchaser or Corporation (with each other's consent) may agree in writing from time to time.

2.2 Meeting.

(a) Corporation shall:

(i) set the record date for Shareholders entitled to vote at the Meeting;

(ii) convene and hold Meeting in accordance with the Interim Order, Corporation's Governing Documents and applicable Law for the purpose of considering the Arrangement Resolution and use Commercially Reasonable Efforts to cause the Meeting to be held on or before September 8, 2017; and

(iii) unless this Agreement has been validly terminated in accordance with Article 8, not adjourn, postpone or cancel the Meeting or fail to put the Arrangement Resolution before Shareholders for their consideration without Purchaser's prior written consent, other than (i) as may be required under the Interim Order, applicable Law or (subject to and without limiting the obligations of Corporation and Shareholders hereunder) Corporation's Governing Documents, or (ii) as permitted under Section 8.6(b).

2.3 Circular.

(a) As promptly as practicable after the date of this Agreement, Corporation shall prepare the Circular, together with any other documents required by applicable Law in connection with the Meeting and the Plan of Arrangement, and Corporation shall, promptly after the receipt of the Interim Order, use Commercially Reasonable Efforts to cause the Circular and all other documentation required in connection with the Meeting to be sent to each Shareholder, in each case so as to permit the Meeting to be held by the date specified in Section 2.2.

(b) Corporation shall ensure that the Circular complies in all material respects with applicable Law and with the Interim Order and provides the Shareholders with sufficient information to permit them to form a reasoned judgment concerning the matters to be placed before them at the Meeting. Without limiting the generality of the foregoing, the Circular must include a statement that the Board has determined that the Arrangement Resolution is in the best interests of Corporation and recommends that the Shareholders vote in favour of the Arrangement Resolution and that all of the Class A Shareholders and all of the directors and officers of Corporation who hold Class B Shareholders together with at least 20% of the Class B Shareholders, have entered into a Support Agreement.

(c) Corporation shall give Purchaser and its legal counsel a reasonable opportunity to review and comment on drafts of the Circular and other related documents, and shall give reasonable consideration to any comments made by them, and agrees that all information relating solely to Purchaser, its affiliates included in the Circular must be in a form and content satisfactory to them, acting reasonably.

2.4 Information for Filings and Circular.

Each of Purchaser and Corporation will furnish to the other all such information concerning it as may be required for the completion of the actions described in Section 2.1 and Section 2.3, and each covenants that no information furnished by it in connection with such actions or otherwise in connection with the consummation of the Arrangement and the other transactions contemplated by this Agreement and the Plan of Arrangement will contain any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make the statements contained therein not misleading in light of the circumstances in which they are made.

2.5 Changes in Information.

Each of Purchaser, Corporation and Agent will promptly notify the other if it becomes aware that an application for an order described in Section 2.1 or the Circular contains any untrue statement of a material fact, or omits to state a material fact, or otherwise requires an amendment or supplement. In any such event, Corporation shall as promptly as practicable cause any amendment or supplement to be, to the extent required, sent to the Shareholders and to be filed as required by the Interim Order and applicable Law.

2.6 Final Order.

If the Interim Order is obtained and the Arrangement Resolution is passed at the Meeting as provided for in the Interim Order and as required by applicable Law, Corporation shall submit the Arrangement to the Court and diligently pursue an application for the Final Order pursuant to Chapter XVI – Division II of the QBCA, as soon as reasonably practicable, but in any event not later than four Business Days after the Arrangement Resolution is passed at the Meeting.

2.7 Court Proceedings.

In connection with all Court proceedings relating to obtaining the Interim Order and the Final Order, Corporation shall:

(a) diligently pursue the Interim Order and the Final Order;

(b) provide legal counsel to Purchaser with a reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement;

(c) provide copies of any notice of appearance, evidence or other documents served on Corporation or its legal counsel in respect of the application for the Interim Order or the Final Order or any appeal from them, and any notice, written or oral, indicating the intention of any Person to appeal, or oppose the granting of, the Interim Order or the Final Order;

(d) ensure that all material filed with the Court in connection with the Arrangement is consistent with this Agreement and the Plan of Arrangement;

(e) not file any material with the Court in connection with the Arrangement or serve any such material, or agree to modify or amend any material so filed or served, except as contemplated by this Agreement or with Purchaser's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed; and

(f) oppose any proposal from any Person to include in the Final Order any provision inconsistent with this Agreement, and if required by the terms of the Final Order or by Law to return to Court with respect to the Final Order.

2.8 Articles of Arrangement and Effective Date.

The Articles of Arrangement shall implement the Plan of Arrangement. Corporation shall file the Articles of Arrangement with the Enterprise Registrar within five Business Days of the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is, of the conditions set out in Article 8 (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is, of those conditions as of the Effective Date), unless another time or date is agreed to in writing by the Parties.

2.9 Binding Arrangement.

This Agreement is a purchase and sale agreement relating to the Purchased Shares, the terms and conditions of which shall include the provisions of the Plan of Arrangement and subject to the Plan of Arrangement and the Final Order taking effect:

(a) the execution of this Agreement by Agent will be deemed to be and to have always been an execution of such purchase and sale agreement on behalf of each Vendor;

(b) each Vendor will be deemed to be and to have always been a party to such purchase and sale agreement effective on and as of the date of this Agreement and, without limiting the generality of the foregoing, each such

Vendor shall be bound by the terms and conditions of this Section 2.9 (Binding Arrangement), Article 11 (Indemnification), and Section 12.7 (Appointment of Agent) of this Agreement; and

(c) the Unanimous Shareholders' Agreement will be deemed to be terminated without any further act or formality on the part of the Shareholders immediately prior to the Effective Time. Agent, on behalf of the Shareholders, hereby recognizes that any rights or obligations of Corporation or the Board under the Unanimous Shareholders' Agreement has been respected in the context of this Arrangement. Each Shareholder will be deemed to have irrevocably and unconditionally released and discharged Corporation from any and all claims which such Shareholder has now, or may have in the future, against Corporation and/or Purchaser or either of their respective Affiliates, relating to or arising out of the Unanimous Shareholders' Agreement existing up to and including this date including the entering into of this Agreement.

2.10 Withholding Tax.

Purchaser and Agent shall be entitled to deduct and withhold from any consideration or other payments payable or otherwise deliverable to any person hereunder or under the Plan of Arrangement such amounts as Purchaser or Agent may be entitled or required to deduct and withhold therefrom under any provision of any applicable Laws, or the interpretation or administration thereof, in respect of Taxes. To the extent that such amounts are deducted, withheld and remitted to the relevant Governmental Entity, such amounts shall be treated for all purposes under this Agreement or the Plan of Arrangement as having been paid to the person to whom such amounts would otherwise have been paid.

2.11 Holdco Alternative

(a) Purchaser will permit Persons ("**Qualifying Holdco Shareholders**") that (a) are resident in Canada for purposes of the Tax Act (including a partnership if all of the members of the partnership are resident in Canada), (b) are directly or indirectly beneficial owners of Shares as of the date of this Agreement, and (c) elect in respect of such Shares, by notice in writing provided to Purchaser not later than 5:00 p.m. (Montreal time) on the 10th Business Day prior to the Effective Date (the "**Holdco Election Date**") to sell all (but not less than all) of the issued shares of a corporation ("**Qualifying Holdco**") that meets the conditions described below (the "**Holdco Alternative**"):

(i) Such Qualifying Holdco holds more than 100 Shares as of the date of this Agreement;

(ii) Such Qualifying Holdco was incorporated under the Laws of the province of Québec;

(iii) such Qualifying Holdco is a single purpose corporation that has not carried on any business, has no employees, has not held or does not hold any assets other than Shares, cash and other non-material assets, has never entered into any transaction other than those relating to and necessary for the ownership of Shares or, with Purchaser's consent, such other transactions as are necessary to facilitate those transactions described in the Plan of Arrangement;

(iv) at the Effective Time, such Qualifying Holdco has no liabilities or obligations of any kind whatever (except to Purchaser and Corporation under the terms of the Holdco Alternative);

(v) at the Effective Time, such Qualifying Holdco Shareholder will be the registered and beneficial owner of the shares being sold to Purchaser by the Qualifying Holdco Shareholder with good and valid title thereto, free and clear of all Liens and the Qualifying Holdco will be the registered and beneficial owner of its Shares with good and valid title thereto, free and clear of all Liens;

(vi) at the Effective Time, performance of this Agreement by the Qualifying Holdco Shareholder, and the consummation of the transactions contemplated hereby, will not (i) contravene, conflict with, or result in any violation or breach of any provision of the articles or by-laws or constating documents of Qualifying Holdco or Qualifying Holdco Shareholder (if applicable); (ii) contravene, conflict with or result in a violation or breach of any provision of any applicable Law or judgment, order, writ, injunction or decree of any Governmental Entity having jurisdiction over Qualifying Holdco or Qualifying Holdco Shareholder (if applicable); (iii) require any consent or other action by any person under, constitute a default or an event that, with or without notice of lapse of time or both, would constitute a default under, any provision of any contract to which the Qualifying Holdco or Qualifying Holdco Shareholder (if applicable) is a party or by which it or any of its properties or assets may be bound; or (iv) result in the creation or imposition of any Lien on the Shares or the shares of the Qualifying Holdco being sold to Purchaser by the Qualifying Holdco Shareholder;

(vii) at the Effective Time, such Qualifying Holdco will not have unpaid declared dividends or distributions and, prior to the Effective Time, such Qualifying Holdco shall be entitled to pay any dividends or other distributions, either in stock, cash financed with a daylight loan, or through the issuance of a promissory note with a determined principal amount and any such promissory note issued in relation to the payment of any such dividend or distribution shall no longer be outstanding as of the Effective Time, or a combination thereof;

(viii) prior the Effective Time, such Qualifying Holdco shall be entitled to increase the stated capital in respect of any of its issued and outstanding class of shares;

(ix) such Qualifying Holdco shall have no securities outstanding other than the shares being sold to Purchaser by the Qualifying Holdco Shareholder;

(x) at all times such Qualifying Holdco shall be a resident of Canada for the purposes of the Tax Act and shall not be a resident of, and shall have no taxable presence in, any other country;

(xi) the Qualifying Holdco Shareholder shall at its cost and in a timely manner prepare and file all income Tax Returns of such Qualifying Holdco in respect of the taxation year of such Qualifying Holdco ending immediately prior to the acquisition of such Qualifying Holdco by Purchaser, subject to Purchaser's right to approve all such Tax Returns as to form and substance (such approval not to be unreasonably withheld, delayed or conditioned);

(xii) Notwithstanding any other provision hereof, the Qualifying Holdco Shareholder, and its direct and indirect controlling shareholders, shall indemnify Corporation and Purchaser, and any successor thereof, in the manner set forth in Section 11.3;

(xiii) the Qualifying Holdco Shareholder will provide Corporation and Purchaser with copies of all documents necessary to effect the transactions contemplated in this Section 2.11 on or before the 10th Business Day preceding the Effective Date, the completion of which will comply with applicable Laws (including securities Laws) at or prior to the Effective Time;

(xiv) the entering into or implementation of the Holdco Alternative will not result in any delay in completing any other transaction contemplated by this Agreement;

(xv) access to the books and records of such Qualifying Holdco shall have been provided on or before the 10th Business Day prior to the Effective Date and Purchaser and its counsel shall have completed their due diligence regarding the business and affairs of such Qualifying Holdco; and

(xvi) the Qualifying Holdco Shareholder will be required to pay all reasonable out-of-pocket expenses incurred by Purchaser and Corporation in connection with the Holdco Alternative, including any reasonable costs associated with any due diligence conducted by Purchaser or Corporation.

(b) Any Qualifying Holdco Shareholder who elects the Holdco Alternative will be required to make full disclosure to Purchaser of all transactions involved in such Holdco Alternative. In the event that the terms and conditions of or the transactions involved in such Holdco Alternative are not satisfactory to Purchaser, acting reasonably, no Holdco Alternative shall be offered to such Qualifying Holdco Shareholder and the other transactions contemplated by this Agreement shall be completed in accordance with the other terms and conditions of this Agreement.

(c) Upon request by a Qualifying Holdco Shareholder, Purchaser may in its sole discretion agree to waive any of the requirements described in Section 2.11(a).

(d) In the event that any Qualifying Holdco Shareholder elects the Holdco Alternative in accordance with the terms and conditions of this Section 2.11, and thereby becomes a Vendor, the portion of the Purchase Price payable to such Vendor, the applicable portion of any Escrow Amount allocated to such Vendor, and such Vendor's pro rata share of any indemnification obligations under Article 11 and Section 12.7 shall, in each case, be calculated based on the actual number of Shares held by the Qualifying Holdco.

ARTICLE 3
PURCHASE PRICE

3.1 Purchase Price.

The aggregate purchase price (the "**Purchase Price**") payable by Purchaser for all of the issued and outstanding Purchased Shares, free and clear of all Liens shall be an amount equal to $120,000,000 (the "**Gross Purchase Price**"), as adjusted in accordance with Sections 3.5(e), 6.11, 11.11 and 11.14 and shall be payable pursuant to Sections 3.2, 3.3, 3.4 and 3.5(e).

3.2 Determination of Estimated Adjustments.

No later than five Business Days prior to the Effective Date, Corporation shall deliver to Purchaser a statement (the "**Estimated Statement**") setting forth Corporation's good faith estimate of the Net Working Capital (the "**Estimated Net Working Capital Amount**") and the Net Indebtedness of Corporation (the "**Estimated Net Indebtedness Amount**"), in each case as of immediately prior to the Effective Time, together with a calculation of the Estimated Purchase Price.

3.3 Estimated Purchase Price.

For the purposes of calculating the payment amounts at Closing, the Gross Purchase Price shall be adjusted as follows (the "**Estimated Purchase Price**"):

(a) <u>increased</u> the amount by which the Estimated Net Working Capital Amount is greater than the Target Net Working Capital Amount, or <u>decreased</u> by the amount by which the Estimated Net Working Capital Amount is less than the Target Net Working Capital Amount, as the case may be;

(b) increased by the Estimated Net Indebtedness Amount if it is a negative amount, or decreased by the Estimated Net Indebtedness Amount if it is a positive amount, as the case may be; and

(c) increased by the aggregate amount of all Acquired EBITDA Adjustments pursuant to Section 3.6.

3.4 Payments at Closing.

On the Effective Date following receipt of the Final Order and immediately prior to the filing of the Articles of Arrangement with the Enterprise Registrar, Purchaser shall pay the Estimated Purchase Price (by wire transfer of immediately available funds to such account as Agent and Escrow Agent shall have indicated by direction in writing to Purchaser at least two (2) Business Days prior to the Effective Date) as follows and in accordance with and subject to the terms and conditions of the Plan of Arrangement:

(a) by Purchaser paying to the Escrow Agent the applicable portion of the Indemnity Escrow Amount allocated to the Vendors;

(b) by Purchaser paying to the Escrow Agent the applicable portion of the Adjustment Escrow Amount allocated to the Vendors;

(c) by Purchaser paying to the Escrow Agent an amount equal to the aggregate Recovery Amount in respect of each Iris retail outlet that constitutes a Leased Property for which a Landlord Consent is outstanding as of Closing (in the aggregate, the "**Landlord Consent Escrow Amount**") to be held pursuant to the terms of the Escrow Agreement in accordance with Section 6.7;

(d) by Purchaser paying to Agent or to the Escrow Agent (as indicated by Agent to Purchaser at least 5 days prior to Closing) an amount equal to the Initial Expense Reserve Holdback;

(e) by Purchaser paying to the Payoff Parties and other applicable lenders and creditors, in accordance with the instructions set out in the Payoff Letters and any other payout letters or payment obligations, if any, in each case, as directed therein, the Payoff Amounts in full satisfaction of the Payoff Debts and any other debts owing by the Purchased Corporations as set out in such payout letters (and for greater certainty, excluding any debts owing by the Purchased Corporations that are subject to the Permitted Liens specifically listed on Schedule 1.1(qqqqq) of the Disclosure Letter);

(f) by Purchaser paying to Sonenshine Partners LLC, in accordance with the written instructions and confirmation by Sonenshine Partners LLC of the final amounts due to them in connection with the transactions contemplated hereby;

(g) by Purchaser paying the insurance provider of the R&W Insurance Policy, 50% of the subscription amount in respect of such policy for which Agent is responsible pursuant to Section 11.15(a); and

(h) by Purchaser paying to Agent or to the Escrow Agent (as indicated in writing by Agent to Purchaser at least 5 days prior to Closing), for and on behalf of the Vendors, an amount equal to the Estimated Purchase Price, less the amounts referred to at Sections 3.4(a) (Vendors' portion of Indemnity Escrow Amount), 3.4(b) (Vendors' portion of Adjustment Escrow Amount), 3.4(c) (Landlord Consent Escrow Amount), 3.4(d) (Initial Expense Reserve Holdback), 3.4(e) (Payoff Amounts), 3.4(f) (Sonenshine Amount) and 3.4(g) (Insurance Subscription).

3.5 Determination of Net Adjustment Amount.

(a) **Delivery of Statement**. Within 90 days following the Effective Date (or such other date as is mutually agreed by the Parties), Purchaser shall prepare and deliver to Agent a statement (the "**Draft Statement**") setting forth the determination of the Net Working Capital and the Net Indebtedness, in each case as at the Effective Time and determined in accordance with GAAP.

(b) **Objection Period**. Within 30 days following delivery of the Draft Statement, Agent shall notify Purchaser in writing if Agent has any good faith objections to the Draft Statement. The notice of objection must (i) state in reasonable detail the basis of each objection and the approximate amounts in dispute and (ii) be accompanied by reasonable supporting documentation for each such objection. Agent will be deemed to have (A) agreed with all other items and amounts set forth in the Draft Statement other than those specified in a notice of objection and (B) accepted the Draft Statement if Agent does not notify Purchaser of any objection within such period of 30 days or if Agent delivers a notice to Purchaser that confirms acceptance of the Draft Statement.

(c) **Settlement of Dispute**. If Agent disputes the Draft Statement in accordance with Section 3.5(b), then Purchaser and Agent will work expeditiously and in good faith in an attempt to resolve such dispute within a further period of 15 days after the date of the notification of such dispute, failing which the dispute may be submitted by Agent or Purchaser for final determination to Pricewaterhouse Coopers LLP, or if such firm is unwilling or unable to act, Ernst & Young LLP (in any such case, the "**Third Party Auditors**"). Purchaser and Agent shall use Commercially Reasonable Efforts to cause the Third Party Auditors to complete their work within 30 days of their engagement. The Third Party Auditors shall allow each of Purchaser and Agent to submit, in writing, their respective positions regarding the Draft Statement and the determination of the Net Working Capital and the Net

Indebtedness, in each case as of the Effective Time, and each of Purchaser and Agent shall have the right to submit additional documents, materials and other written information. The Third Party Auditors shall consider such additional documents, materials and other written information. Any such other documents, materials or other information shall be copied to Purchaser and Agent. Purchaser and Agent shall jointly instruct the Third Party Auditors that: (i) they shall act as an expert in accounting, and not as an arbitrator, to resolve the unresolved disputed items and amounts that were properly included in the notice of objection in accordance with this Agreement; and (ii) they may not assign a dollar value to any disputed item greater than the highest amount or less than the lowest amount claimed by Purchaser and Agent as applicable. Such written decision shall be final, binding and conclusive on the Parties and shall not be subject to appeal, absent manifest error. The Draft Statement shall be revised as necessary to reflect the Third Party Auditors' written decision, and judgment may be entered upon the determination of the Third Party Auditors in any court having jurisdiction over the Party against whom such determination is to be enforced.

(d) **Final Determination**. Promptly following the expiry of the 30-day period or the delivery of a notice of acceptance referred to in Section 3.5(b), or the resolution of any dispute in accordance with Section 3.5(c), as the case may be, Purchaser shall deliver to Agent a statement (the "**Final Statement**") setting forth the final determination of the Net Working Capital (the "**Final Net Working Capital Amount**") and the Net Indebtedness (the "**Final Net Indebtedness Amount**"), in each case as of the Effective Time. The Final Statement shall reflect the resolution of any dispute in accordance with Section 3.5(c). The Final Statement shall be final and binding upon the Parties upon delivery thereof and shall not be subject to appeal, absent manifest error. The date on which the Estimated Statement becomes final in accordance with this Section 3.5(d) will be the "**Post-Closing Adjustment Date**".

(e) **Final Net Working Capital and Final Indebtedness Adjustments**.

(i) If the Final Net Working Capital Amount is greater than the Estimated Net Working Capital Amount, then Purchaser will owe to the Vendors, dollar-for-dollar (in cash), the amount by which the Final Net Working Capital Amount is greater than the Estimated Net Working Capital Amount. If the Final Net Working Capital Amount is less than the Estimated Net Working Capital Amount, then the Vendors will owe to Purchaser dollar-for-dollar (in cash) the amount by which the Final Net Working Capital Amount is less than the Estimated Net Working Capital Amount.

(ii) If the Final Net Indebtedness Amount is greater than the Estimated Net Indebtedness Amount, then the Vendors will owe to Purchaser, dollar-for-dollar (in cash), the amount by which the Final Net Indebtedness Amount is greater than the Estimated Net Indebtedness Amount. If the Final Net Indebtedness Amount is less than the Estimated Net Indebtedness Amount, then Purchaser will owe to the Vendors dollar-for-dollar (in cash), the amount by which the Final Net Indebtedness Amount is less than the Estimated Net Indebtedness Amount.

(iii) Within five Business Days of the Post-Closing Adjustment Date:

(A) if the Net Adjustment Amount is zero, then (i) Agent and Purchaser shall give written instructions to the Escrow Agent to release the Vendors' allocated portion of the Adjustment Escrow Amount to Agent, for and on behalf of the Vendors, in accordance with and subject to the terms and conditions of the Escrow Agreement, and (ii) no adjustment shall be made to the Purchase Price;

(B) if the Net Adjustment Amount is owed by Purchaser to the Vendors, then (i) Agent and Purchaser shall give written instructions to the Escrow Agent to release the Vendors' allocation portion of the Adjustment Escrow Amount to Agent, for and on behalf of the Vendors, in accordance with and subject to the terms and conditions of the Escrow Agreement, (ii) Purchaser shall pay the Net Adjustment Amount to Agent, for and on behalf of the Vendors, and (iii) the Purchase Price shall be increased dollar-for-dollar by the Net Adjustment Amount; or

(C) if the Net Adjustment Amount is owed by the Vendors to Purchaser, then (i) Agent and Purchaser shall give written instructions to the Escrow Agent to release the Net Adjustment Amount from the Vendors' allocated portion of the Adjustment Escrow Amount to Purchaser and the balance, if any, of the Vendors' allocated portion of the Adjustment Escrow Amount to Agent, for and on behalf of the Vendors, in accordance with and subject to the terms and conditions of the Escrow Agreement, and (ii) the Purchase Price shall be decreased dollar-for-dollar by the Net Adjustment Amount. Notwithstanding anything herein to the contrary, if the amount owed to Purchaser pursuant to this Section 3.5(e)(iii)(C) exceeds the amount of the Adjustment Escrow Amount, then each Shareholder shall pay its allocated portion of the excess amount and Agent may use for this purpose any amount in the Indemnity Escrow Account.

(f) **<u>Fees and Expenses.</u>** Purchaser, on the one hand, and Agent, on the other hand, will each bear the fees and expenses of their respective accountants, auditors and other professional advisors in preparing, reviewing or settling, as the case may be, the Draft Statement. In the case of a dispute and the retention of Third Party Auditors to determine such dispute, the fees and expenses of the Third Party Auditors will be divided between Agent, on the one hand, and Purchaser, on the other hand, based on the percentage which the portion of the contested amount not awarded to a Party bears to the amount actually contested by such Party, which percentage shall be finally determined by the Third Party Auditors. Agent and Purchaser, however, shall each bear their own fees and expenses in presenting their respective cases to the Third Party Auditors.

3.6 Acquired EBITDA Adjustment.

(a) As soon as practicable, but in any event (i) no later than 5 Business Days following an Acquisition and (ii) no less than 30 Business Days prior to the Effective Date, Agent shall prepare and deliver to Purchaser a statement (the "**Draft Acquired EBITDA Statement**") setting forth the determination of the Acquired EBITDA and the related Acquired EBITDA Adjustment in respect of an Acquisition, in each case determined in accordance with GAAP.

(b) Within 5 days following delivery of the Draft Acquired EBITDA Statement, Purchaser shall notify Agent in writing if Purchaser has any good faith objections to the Draft Acquired EBITDA Statement. The notice of objection must (i) state in reasonable detail the basis of each objection and the approximate amounts in dispute and (ii) be accompanied by reasonable supporting documentation for each such objection. Purchaser will be deemed to have (A) agreed with all other items and amounts set forth in the Draft Acquired EBITDA Statement other than those specified in a notice of objection and (B) accepted the Draft Acquired EBITDA Statement if Purchaser does not notify Agent of any objection within such period of 5 days or if Purchaser delivers a notice to Agent that confirms acceptance of the Draft Acquired EBITDA Statement.

(c) If Purchaser disputes the Draft Acquired EBITDA Statement in accordance with Section 3.6(b), then Purchaser and Agent shall work together expeditiously and in good faith to resolve such dispute within a further period of five (5) days after the date of the notification of such dispute, failing which the dispute may be submitted by Agent or Purchaser for final determination to the Third Party Auditors. Purchaser and Agent shall use Commercially Reasonable Efforts to cause the Third Party Auditors to complete their work within 10 days of their engagement. The Third Party Auditors shall allow each of Purchaser and Agent to submit, in writing, their respective positions regarding the Acquired EBITDA and the related Acquired EBITDA Adjustment in respect of the Acquisition, and each of Purchaser and Agent shall have the right to submit additional documents, materials and other written information. The Third Party Auditors shall consider such additional documents, materials and other written information. Any such other documents, materials or other information shall be copied to Purchaser and Agent. Purchaser and Agent shall jointly instruct the Third Party Auditors that: (i) they shall act as an expert in accounting, and not as an arbitrator, to resolve the unresolved disputed items and amounts that were properly included in the notice of objection in accordance with this Agreement; and (ii) they may not assign a dollar value to any disputed item greater than the highest amount or less than the lowest amount claimed by Purchaser and Agent as applicable. Such written decision shall be final, binding and conclusive on the Parties and shall not be subject to appeal, absent manifest error. The Draft Acquired EBITDA Statement shall be revised as necessary to reflect the Third Party Auditors' written decision, and judgment may be entered upon the determination of the Third Party Auditors in any court having jurisdiction over the Party against whom such determination is to be enforced.

(d) Promptly following the expiry of the 5-day period or the delivery of a notice of acceptance referred to in Section 3.6(b), or the resolution of any dispute in accordance with Section 3.6(c), as the case may be, Agent shall deliver to Purchaser a statement (the "**Final Acquired EBITDA Statement**") setting forth the final determination of the Acquired EBITDA and related Acquired EBITDA Adjustment in relation to an Acquisition. The Final Acquired EBITDA Statement shall fully reflect the resolution of any dispute in accordance with Section 3.6(c). The Final Acquired EBITDA Statement shall be final and binding upon the Parties upon delivery thereof and shall not be subject to appeal, absent manifest error.

(e) Within ten (10) Business Days of the date when the Final Acquired EBITDA Statement becomes final and binding on the Parties, the Purchase Price shall be increased, on a dollar-for-dollar basis, by the Acquired EBITDA Adjustment as determined in accordance with this Section 3.6. Notwithstanding the foregoing, in the event that such Final Acquired EBITDA Statement becomes final and binding within the ten (10) Business Days prior to the Effective Date or thereafter, Purchaser shall pay the adjustment to Purchase Price to Agent, for the benefit of the Vendors.

(f) Purchaser, on the one hand, and Agent, on the other hand, will each bear the fees and expenses of their respective accountants, auditors and other professional advisors in preparing, reviewing or settling, as the case may be, any Acquired EBITDA Adjustment. In the case of a dispute and the retention of Third Party Auditors to determine such dispute, the fees and expenses of the Third Party Auditors will be divided between Agent, on the one hand, and Purchaser, on the other hand, based on the percentage which the portion of the contested amount not awarded to a Party bears to the amount actually contested by such Party, which percentage shall be finally determined by the Third Party Auditors. Agent and Purchaser, however, shall each bear their own fees and expenses in presenting their respective cases to the Third Party Auditors.

3.7 Target Net Working Capital Amount

(a) No later than 28 days before the Effective Date, Corporation shall prepare and deliver to Purchaser a statement (the "**Target Working Capital Statement**") setting forth the determination of the Target Net Working Capital Amount determined as follows:

(i) by taking into account the items identified as "Net Working Capital" set forth in Exhibit 1.1(eeee) (the "**Sample Working Capital Calculation**") for each of the Purchased Corporations in the proportion of economic/participating interest that Corporation directly or indirectly owns as at 28 days before the Effective Date;

(ii) for Purchased Corporations in which Corporation has held an ownership interest for at least four calendar quarters ("calendar quarter periods" being March 31, June 30, September 30 and December 31) as at 28 days before the Effective Date (each, a "**12-Month Entity**"), by computing the simple average of each of the items identified at Section 3.7(a)(i) using amounts reported in the financial statements of each 12-Month Entity (or, as applicable, supporting the amounts therein) for each of the last four quarters in the four calendar quarter period ending no later than 22 days before the Effective Date for the items identified at Section 3.7(a)(i), with said amounts determined on a basis consistent with that applicable for the Annual Financial Statements. The result of this operation represents "**Target Net Working Capital Amount 1**";

(iii) for Purchased Corporations in which Corporation has not held an ownership interest for at least four calendar quarters as at 28 days before the Effective Date, by computing the simple average of each of the items identified at Section 3.7(a)(i) using amounts reported in the financial statements of each New Entity (or, as applicable, supporting the amounts therein) for each of the calendar months (not to exceed eleven (11) months) ended no later than 28 days before the Effective Date for the items identified at Section 3.7(a)(i). The result of this operation represents "**Target Net Working Capital Amount 2**"; and

(iv) the sum of Target Net Working Amount 1 and Target Net Working Capital Amount 2 will represent the "**Target Net Working Capital Amount**".

(b) For clarity, an illustrative example of the calculation of Target Net Working Capital Amount 1 as at September 30, 2016 is provided in Exhibit 1.1(eeee). However, for avoidance of doubt, this illustrative example covers only the month of September 2016 and not the four calendar quarters ending prior thereto, as will be required for the calculation of the Target Net Working Capital Amount and the Final Net Working Capital Amount.

(c) If Purchaser disputes the Target Working Capital Statement, the provisions of Sections 3.5(c) and 3.5(d) shall apply, with necessary adaptations.

(d) The parties agree that the Target Net Working Capital Amount will be calculated on the basis of the Purchased Corporations being acquired on a debt-free basis. When prepared, the Final Statement will be prepared in accordance with GAAP on a basis consistent with the preparation of the Financial Statements and the Sample Working Capital Calculation (except for the fact that the Sample Working Capital Calculation was based on a one-month period and not a four calendar quarter period and will present fairly the Final Net Working Capital Amount as at the close of business on the date immediately prior to the Effective Date).

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF CORPORATION AND AGENT

4.1 Representations and Warranties as to Corporation.

Agent and Corporation represent and warrant to Purchaser as follows:

(a) **Incorporation and Qualification**. Each Purchased Corporation is duly incorporated and validly existing under the Laws of its jurisdiction of incorporation and has the corporate power and authority to own and operate its assets and conduct its Business as now owned and conducted. Each Purchased Corporation is duly qualified, licensed or registered to carry on business and is in good standing in each jurisdiction in which the character of its assets and properties, owned, leased, licensed or otherwise held, or the nature of its activities makes such qualification necessary, and has all Authorizations required to own, lease and operate its properties and to carry on the Business as now conducted.

(b) **Validity of Agreement**. Subject to the Arrangement Resolution being passed at the Meeting as provided for in the Interim Order and as required by applicable Law, the Circular being approved by the Board and filings being made as required by the Court and except as disclosed in Schedule 4.1(d) (Required Consents) of the Disclosure Letter, the execution and delivery of and performance by Corporation of this Agreement and any of the Ancillary Agreements to which it is a party:

(i) have been duly authorized by all necessary action of Corporation;

(ii) 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) result in a violation or breach of, or conflict with, or allow any other Person to exercise any rights under, any of the terms or provisions of Corporation's Governing Documents;

(iii) do not and will not (or would not with the giving of notice, the lapse of time or the happening or any other event or condition) constitute or result in a breach or violation of, or conflict with or allow any other Person to exercise any rights under, any of the terms or provisions of any Material Contract; and

(iv) do not and will not result in the violation of any Law.

(c) **Execution and Binding Obligation.** This Agreement and each of the Ancillary Agreements to which a Purchased Corporation is party have been duly executed and delivered by such Purchased Corporation and constitute legal, valid and binding agreements of Corporation enforceable against it in accordance with their respective terms subject only to any limitation under applicable laws relating to (i) bankruptcy, winding-up, insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

(d) **Required Consents**. Except as disclosed in Schedule 4.1(d) of the Disclosure Letter, there is no requirement to obtain any consent, approval or waiver of a party under any Contract to which any Purchased Corporation is a party in connection with any of the transactions contemplated by this Agreement where the failure to obtain such consent would be material to the Business and operations of Corporation.

(e) **Required Authorizations.** Except as disclosed in Schedule 4.1(e) of the Disclosure Letter and except for the Interim Order and any approval required by the Interim Order and the Final Order, no filing with, notice to, or Authorization of, any Governmental Entity is required on the part of Corporation as a condition to the lawful consummation of the Arrangement and the other transactions contemplated by this Agreement, the Plan of Arrangement and the Ancillary Agreements to which it is a party.

(f) **Title to Shares**. As at the date hereof, each Shareholder is the registered and beneficial owner of the number and class of Shares set out beside such Shareholder's name in Schedule 4.1(g) of the Disclosure Letter, with good and valid title thereto, free and clear of all Liens.

(g) **Authorized and Issued Capital**. Schedule 4.1(g) of the Disclosure Letter sets forth a complete and accurate list of the Shareholders, showing the number of Shares, and the class or series of such Shares, held by each Shareholder, which represents all of the issued or outstanding Shares. The Shares are the sole securities issued and outstanding with respect to Corporation. All of the issued and outstanding Shares have been duly authorized and validly issued as fully paid and non-assessable. All of the issued and outstanding Shares have been issued in compliance with all applicable Laws. There are no outstanding options, warrants, rights, securities, debentures, loans or notes convertible or exchangeable for any Shares or other securities of Corporation.

(h) **Subsidiaries**.

(i) Schedule 4.1(h) of the Disclosure Letter sets forth a complete and accurate list of all Persons in which Corporation holds, directly or indirectly, any shares or other ownership, equity or proprietary interests (collectively, the "**Subsidiaries**" and individually a "**Subsidiary**") showing for each such Person the number and type of securities and other equity thereof and their holders. All of the issued and outstanding securities and other equity of the Subsidiaries have been duly authorized and validly issued as fully paid and non-assessable and are free of all preemptive rights. All of such issued and outstanding securities and other equity have been issued by the Subsidiaries in compliance with all applicable Laws.

(ii) Each Subsidiary (i) is a Person duly organized and validly existing under the Laws of the jurisdiction of its incorporation or formation, as the case may be, and (ii) has the requisite power to own its property and conduct its business as presently owned or conducted.

(iii) Except as disclosed in Schedule 4.1(h) of the Disclosure Letter, Corporation or another Subsidiary is the registered and beneficial owner of all securities and other equity of each Subsidiary, with good and valid title thereto, free and clear of all Liens.

(i) **No Other Agreement to Purchase**. Except for Purchaser's rights under this Agreement and except as disclosed in Schedule 4.1(i) of the Disclosure Letter, no Person has any Contract, option or warrant or any right or privilege (whether by Law, pre-emptive or contractual) capable of becoming such for (i) the purchase, subscription, allotment or issuance of unissued shares or securities of Corporation, (ii) the purchase or acquisition from the Shareholders of any of the Shares, or (iii) the purchase or acquisition of any assets of Corporation, other than in the Ordinary Course.

(j) **Corporate Records**. The Corporate Records are complete and accurate, in all material respects.

(k) **Financial Statements**. The Financial Statements have been prepared in accordance with GAAP, as applicable, applied on a basis consistent with the preceding period, are complete and accurate in all material respects and present fairly the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of Corporation on a consolidated basis as at their respective dates for the respective periods covered by them. The financial position and condition of the Purchased Corporations as of the date hereof is, and on the Effective Date will be, at least as good as that shown on or reflected in the Financial Statements. The Purchased Corporations have no liabilities, liquidated or contingent or otherwise, that are not reflected on the Financial Statements, other than liabilities incurred after the date of the Interim Financial Statements in the Ordinary Course (other than with respect to acquired or closed Iris retail locations).

(l) **No Undisclosed Liabilities**. Except (i) as disclosed in Schedule 4.1(l) of the Disclosure Letter, (ii) as reflected or reserved against in the Financial Statements or disclosed in a note therein, or (iii) for Current Liabilities incurred in the Ordinary Course since the date of the Interim Financial Statements, Corporation has no liabilities, obligations, or commitments of the type required to be reflected on a balance sheet prepared in accordance with GAAP.

(m) **Liens.** Other than the Permitted Liens and the Liens disclosed in Schedule 4.1(m) of the Disclosure Letter, there are no Liens on any of the Assets, Shares or other securities of any of the Purchased Corporations.

(n) **Bank Accounts.** Schedule 4.1(n) of the Disclosure Letter is a correct and complete list showing the name of each bank in which Corporation has an account or safe deposit box and the names of all Persons authorized to draw on the account or to have access to the safety deposit box.

(o) **Tax Matters**.

(i) Each Purchased Corporation has:

(A) filed all Tax Returns required to be filed by it and such Tax Returns are complete and accurate in all material respects and no jurisdiction or authority in or with which the Purchased Corporation does not file a Tax Return has alleged that the Purchased Corporation is required to file such a Tax Return;

(B) paid all Taxes shown as due and payable on such Tax Returns within the time required by applicable Law;

(C) made adequate provision in the Books and Records for all Taxes which are not yet due and payable but which relate to periods ending on or before the Effective Date; and

(D) withheld and collected all amounts required by applicable Law to be withheld or collected by it on account of Taxes and has remitted all such amounts to the appropriate Governmental Entity within the time prescribed under applicable Law.

(ii) Except as disclosed in Schedule 4.1(o) of the Disclosure Letter, there are no outstanding agreements, arrangements, waivers or objections extending the statutory period or providing for an extension of time with respect to the assessment or reassessment of Taxes against any Purchased Corporation.

(iii) Except as disclosed in Schedule 4.1(o), there are no actions, suits, proceedings, investigations or claims pending or, to the knowledge of Corporation, threatened against any Purchased Corporation in respect of Taxes, nor are any material matters under discussion with any Governmental Entity relating to Taxes. To the knowledge of Corporation, no director or officer or employee of any Purchased Corporation responsible for Tax matters of any Purchased Corporation has any reason to expect any Governmental Entity to assess any additional Taxes for any period for which Tax Returns have been filed. Corporation is not aware of any contingent liability for Taxes or any ground for the assessment or reassessment of the Purchased Corporations, including, without limitation, unreported benefits conferred on any shareholder of any Purchased Corporation, aggressive treatment of income, expenses, credits or other claims for deduction under any return or notice, other than as disclosed in the Books and Records.

(iv) There are no Liens (other than Permitted Liens) on any of the assets of any of the Purchased Corporations that arose in connection with any failure (or alleged failure) to pay any Taxes.

(v) Corporation has provided to Purchaser a true copy of all Tax Returns filed by each of the Purchased Corporations in respect of each of the previous three (3) fiscal years of the Purchased Corporations and all correspondence with any Governmental Entity relating to Taxes for any taxation periods that remain open for assessment or reassessment as of the date hereof.

(vi) Schedule 4.1(o) of the Disclosure Letter includes a summary of all income Tax years still open for assessment or reassessment in respect of the Purchased Corporations under all applicable Laws imposing a requirement to file Tax Returns.

(vii) Amounts payable by the Purchased Corporations in respect of compensation, including but not limited to salary, wages or other remuneration (other than reasonable vacation or holiday pay) have been paid within 180 days of the end of the taxation year in which the expense was incurred.

(viii) The Purchased Corporations have not, either directly or indirectly, transferred property to or acquired property from a Person with whom Corporation was not dealing at arm’s length as that term is understood for purposes of the Tax Act for consideration other than consideration equal to the fair market value of the property at the time of the disposition or acquisition thereof.

(ix) No amount in respect of any outlay or expense that is deductible for the purpose of computing the income of the Purchased Corporations for purposes of the Tax Act will, as of the Effective Date, have been owing by the Purchased Corporations for longer than two taxation years to a Person with whom the Purchased Corporations were not dealing at arm's length as that term is understood for purposes of the Tax Act at the time the outlay or expense was incurred.

(x) There are no circumstances that exist or that have existed and that would result in sections 78 and 80 to 80.04 of the Tax Act or any similar provincial or territorial provisions applying to the Purchased Corporations after Closing.

(xi) No Purchased Corporation has ever declared or paid a dividend to which Tax under Part VI.1 of the Tax Act applies.

(xii) No Purchased Corporation has any outstanding loans or indebtedness incurred by directors, former directors, officers, shareholders and/or employees or by any Person or corporation not dealing at arm's length (within the meaning of the Tax Act) with any of the foregoing.

(xiii) Except if similar reserves were claimed for accounting purposes in the Financial Statements, no Purchased Corporation has claimed, nor will it claim, any reserve under any one or more of subparagraph 40(1)(a)(iii), or paragraph 20(1)(m) or 20(1)(n) of the Tax Act or any similar provincial or territorial provision, if any such amount could be included in the income of the Purchased Corporation for any period ending after the Effective Date.

(xiv) The Shares (and any other shares for which the Shares were issued as consideration or on exchange) do not derive, and have not derived at any time prior to Closing, directly or indirectly, more than 50% of their fair market value from one or any combination of (i) real or immovable property situated in Canada, (ii) Canadian resource properties, (iii) timber resource properties, or (iv) options in respect of, interests in or civil law rights in any of the foregoing, whether or not the property exists, as such terms are defined for purposes of the definition of "taxable Canadian property" in subsection 248(1) of the Tax Act.

(p) **No Brokers**. Except for Sonenshine Partners LLC, no broker, finder or investment banker or other Person is directly or indirectly entitled to receive from Corporation any brokerage, finder's or other contingent fee or commission or any similar charge in connection with the transactions contemplated by this Agreement.

4.2 Representations and Warranties as to the Business.

Agent and Corporation represent and warrant to Purchaser as follows (for avoidance of doubt, each representation and warranty of Corporation made hereunder also applies as if made for and in respect of each Subsidiary):

(a) **Business of Corporation**. The only business operation carried on by the Purchased Corporations consists of (i) the performance, through licensed optometrists of optometric services (such as eye exams, surgery, etc.), (ii) the sale and distribution of optical products and accessories relating thereto, including prescription eyewear (such as eyeglasses, sunglasses and contact lenses) and non-prescription eyewear (including reading and sunglasses) and (iii) the billing and administrative aspects of managing the independent in-house optometrists operating in Corporation's premises (collectively, the "**Business**"). During the three (3) years preceding the date of this Agreement, there has not been any interruption of operations of the Business for any reason. With the exception of inventory in transit, and with the exception of certain equipment such as personal computers and vehicles that may be under the physical control of certain of Corporation's employees in the Ordinary Course, all the corporeal assets of Corporation are located on the Real Property.

(b) **Title to Assets**. Except as disclosed in Schedule 4.2(b) of the Disclosure Letter, and except for any Authorizations, licensed Intellectual Property, Leased Properties and assets otherwise used by Purchased Corporations pursuant to leases or licenses, Corporation owns all the material properties and assets that it purports to own, with good and valid title thereto, free and clear of any Liens, other than Permitted Liens.

(c) **Condition of Tangible Assets**. Except as disclosed in Schedule 4.2(c) of the Disclosure Letter, the buildings, plants, structures, the vehicles, machinery, equipment and other tangible personal property of the Purchased Corporations are, in all material respects, in good operating condition and repair having regard to their use and age and are sufficient to operate the Business as currently operated.

(d) **Conduct of Business**. Except as disclosed in Schedule 4.2(d) of the Disclosure Letter, since September 30, 2016, the Purchased Corporations have conducted the Business in the Ordinary Course and

(i) have not:

(A) amended their Governing Documents;

(B) made any change in their accounting or Tax principles and practices which are not required by GAAP as theretofore applied including, without limitation, the basis upon which their assets and liabilities are recorded on their books and their earnings and profits and losses are ascertained;

(C) settled any litigation, other than litigation which is not material to the Business and operations of the Purchased Corporations, taken as a whole;

(D) sold, leased, transferred or assigned, in one or more transactions, any assets, tangible or intangible, other than in the Ordinary Course or in transactions which are not material to the Business and operations of the Purchased Corporations, taken as a whole; or

(E) made any loan to, or any other investment in, any other Person other than an Affiliate of Corporation; and

(ii) there has not been:

(A) any material adverse change in the condition (financial or otherwise), assets, liabilities, operations, earnings, business or prospects of the Purchased Corporation, taken as whole;

(B) any material damage, destruction or loss (whether or not covered by insurance) affecting the property or assets of Purchased Corporation;

(C) any obligation or liability (whether absolute, accrued, contingent or otherwise, and whether due or to become due) incurred by Purchased Corporation, other than in the Ordinary Course;

(D) any payment, discharge or satisfaction of any Lien, liability or obligation of Purchased Corporation (whether absolute, accrued, contingent or otherwise, and whether due or to become due) other than payment of accounts payable and Tax liabilities incurred in the Ordinary Course consistent with past practice or in transactions which are not material to the Business and operations of the Purchased Corporations, taken as a whole;

(E) any labour trouble, strikes, work slow-downs or stoppages adversely affecting any Purchased Corporation;

(F) any hypothec, pledge, mortgage or granting of a security interest or other Lien on or over any property or assets of Purchased Corporation,

(G) any write down of the value of any inventory or any write-off as uncollectible of any accounts or notes receivable or any portion thereof of the Purchased Corporations in amounts exceeding

$[Redacted for reason of commercial sensitivity] in each instance or $[Redacted for reason of commercial sensitivity] in the aggregate;

(H) any cancellation of any debts or claims owing to, or any amendment, termination or waiver of any rights of value to, the Purchased Corporations in amounts exceeding $25,000 in each instance or $50,000 in the aggregate;

(I) other than in the Ordinary Course, any general increase in the compensation of employees of any Purchased Corporation (including any increase pursuant to any Employee Plan or commitment), or any increase in any such compensation or bonus payable to any officer, director, employee, consultant, mandatary or agent of any Purchased Corporation having an annual salary or remuneration in excess of $[Redacted for reason of commercial sensitivity], or the execution of any employment, severance or similar Contract with any officer or employee having an annual salary or remuneration in excess of $[Redacted for reason of commercial sensitivity], or the making of any loan to, or engagement in any transaction with, any employee, officer or director of the any Purchased Corporation;

(J) any capital expenditures or commitments of the Purchased Corporations in excess of $[Redacted for reason of commercial sensitivity] in the aggregate;

(K) any forward purchase commitments in excess of the requirements of the Purchased Corporations for normal operating inventories or at prices higher than the current market prices;

(L) any forward sales commitments other than in the Ordinary Course or any failure to satisfy any accepted order for goods or services;

(M) any change in Purchased Corporations' depreciation or amortization policies or rates;

(N) any change in the credit terms offered to customers of, or by suppliers to, the Purchased Corporations; or

(O) any issuance or sale by the Purchased Corporations, or any Contract entered into by Purchased Corporations, for the issuance or sale by the Purchased Corporations, of any shares in the capital of or securities convertible into or exercisable for shares in the capital of any of the Purchased Corporations.

(e) **<u>Compliance with Laws</u>**. Except as disclosed in <u>Schedule 4.2(e)</u> of the Disclosure Letter, the conduct of the Business is in compliance in all material respects with all applicable Laws in each jurisdiction in which it carries on the Business (including any applicable franchise legislation).

(f) **<u>Personal Information</u>** The Purchased Corporations are in compliance in all material respects with (i) applicable privacy and/or personal information protection Laws and (ii) the Purchased Corporations' policies governing the collection, use and disclosure of Personal Information. Any required consents to the collection, use or disclosure of Personal Information in connection with the conduct of the Purchased Corporations' businesses (including disclosure between the Purchased Corporations, Franchisees, partner stores and other Affiliates of the Purchased Corporations) has been obtained.

(g) **<u>Inventories</u>**. The inventories of each Purchased Corporation do not include any material items that are obsolete or of a quality or quantity not useable or saleable in the Ordinary Course, except for items that are not material in the aggregate or items the value of which has been written down to net realizable value on the Purchased Corporation's books of account on a basis consistent with prior periods. For the purposes of this Section 4.2(g), "material" means having an aggregate net book value in excess of $[Redacted for reason of commercial sensitivity]. The inventory levels of the Purchased Corporations have been maintained at such amounts as are required for the operation of the Business in the Ordinary Course, and such inventory levels are adequate therefor. The inventories of the Purchased Corporations have been valued in their books at the lower of cost and net realizable value on a first-in-first-out basis.

(h) **<u>Accounts Receivable</u>**. All accounts receivable, book debts and other debts due or accruing to the Purchased Corporations are *bona fide* and, subject to an allowance or reserve for doubtful accounts which has been reflected on the Books and Records of Corporation in accordance with GAAP on a basis consistent with prior periods, are good and collectible without compensation, set-off or counterclaim.

(i) **<u>Real Property</u>**.

(i) None of the Purchased Corporations is the owner of, nor has any been, during the past five years nor has it owned or been subject to any agreement or option to own, any Real Property or any interest in any Real Property, other than the lands and premises disclosed in Section 7 of the Data Room (the "**Owned Properties**"). Each Purchased Corporation, as applicable, owns the Owned Properties, free and clear of all Liens, other than Permitted Liens. To the knowledge of Corporation, other than with respect to Permitted Liens hereunder, such Owned Properties and the buildings and structures on them do not encroach on any property owned by any other Person.

Schedule 4.2(i) of the Disclosure Letter sets forth the municipal addresses and complete and accurate legal descriptions of all the Owned Properties. No Purchased Corporation has agreed to acquire any immovable property or any interest in any immovable property other than the Owned Properties.

(ii) Section 7 of the Data Room discloses each Real Property and/or premises currently leased (including properties subject to ground or emphyteutic leases) or subleased by a Purchased Corporation from a third party (collectively, the "**Leased Properties**") or otherwise used by the Business and sets forth the name of the entity holding such leasehold interest and the date of the lease (collectively, the "**Lease Documents**"). True, correct and complete copies of all Lease Documents have been made available to Purchaser. Except as disclosed in Schedule 4.2(i) of the Disclosure Letter, as of the date hereof, to the knowledge of Corporation, no party to any of the Lease Documents is in breach or violation of, or default (in each case, with or without notice or lapse of time or both) under any of the Lease Documents and the Purchased Corporations have not received or given any notice of default under any such agreement which remains uncured, where such breach, violation or default, as the case may be, would be material to the business and operations of the Purchased Corporations.

(j) **Owned Properties and Use of Leased Properties**. All buildings, structures, appurtenances fixtures and other improvements situated on, in, over or under the Owned Properties or, to the knowledge of Corporation, the Leased Properties, are in good operating condition and are in a state of good repair and maintenance (subject to normal wear and tear), and Corporation has adequate rights of ingress and egress for the operation of the Business in the Ordinary Course. None of such buildings, structures, appurtenances, fixtures or other improvements situated on the Owned Properties (or to the knowledge of Corporation, the Leased Properties) nor the operation or maintenance thereof, violate any restrictive covenant or any provision of any Laws other than with respect to Permitted Liens. Without limiting the generality of the foregoing:

(i) the Owned Properties, the Leased Properties (to the knowledge of Corporation) and the equipment owned or leased by the Purchased Corporations are sufficient for the continued conduct of the Business after the Closing in the same manner as currently conducted;

(ii) the Owned Properties, the Leased Properties (to the knowledge of Corporation), and the current uses thereof by the Purchased Corporations and the conduct of the Business comply with all Laws including those dealing with zoning, parking, access, loading facilities, landscaped areas, building construction, fire and public health and safety (but excluding Environmental Laws, which are dealt with exclusively at Section 4.2(n));

(iii) no alteration, repair, improvement or other work has been ordered, directed or requested in writing to the Purchased Corporations by any Governmental Entity to be done or performed to or in respect of the Owned Properties, the Leased Properties (to the knowledge of Corporation) or to any of the plumbing, heating, elevating, water, drainage or electrical systems, fixtures or works therein or thereon, which has not been completed, and no written notification has been given to the Purchased Corporations of any such outstanding work being ordered, directed or requested, other than those that have been complied with;

(iv) all accounts for work and services performed and materials placed or furnished upon or in respect of the Owned Properties have been fully paid and satisfied and no Person is entitled to register a legal hypothec or similar lien in other provinces of Canada against the Owned Properties or any part thereof;

(v) there is nothing owing by the Purchased Corporations in respect of the Owned Properties or the Leased Properties to any municipal corporation or to any other corporation or commission owning or operating a public utility for water, gas, electrical power or energy, steam or hot water, or for the use thereof, other than current accounts in respect of which the payment due date has not yet passed and which are reserved for;

(vi) no part of the Owned Properties or, to the knowledge of Corporation, the Leased Properties, has been taken or expropriated by any Governmental Entity nor has any notice or proceeding in respect thereof been given or commenced;

(vii) Schedule 4.2(j) of the Disclosure Letter lists all of the Liens, agreements, indentures and other matters which affect the Owned Property;

(viii) each of the Owned Properties and, to the knowledge of Corporation, the Leased Properties (including all buildings, improvements and fixtures) is fit for its present use, and, except as disclosed in Schedule 4.2(j) of the Disclosure Letter, there are no material or structural repairs or replacements that are necessary 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. Except as disclosed in Schedule 4.2(j) of the Disclosure Letter, none of the Owned Properties or the Leased Properties is currently undergoing any alteration or renovation nor is any such alteration or renovation contemplated by Corporation;

(ix) each of the Owned Properties and, to the knowledge of Corporation, the Leased Properties, is fully serviced by public utilities necessary for occupation of such properties and has suitable access to public roads, and there are no outstanding levies, charges or fees assessed against the Owned Properties by any Governmental Entity (including development or improvement levies, charges or fees) other than as reflected on the property tax bills for such properties.

(k) **Contracts**.

(i) Sections 3.7, 6.1, 7.2, 7.4, 8.2, 9.3, 11.2, 11.7, 11.8, 12.1, 12.2, 13.5, 13.6, 13.8, 16.1 and 22 of the Data Room contains copies of the following Contracts as of the date hereof (the Contracts described in this Section 4.2(k) (other than leases for Leased Properties), together with all exhibits and schedules thereto being, the "**Material Contracts**"):

(A) any Contract with any optometrist relating to the operation of the Business, and any written employment Contract with any senior officer or employee of a Purchased Corporation;

(B) any distribution, sales, agency or advertising Contract for an amount in excess of $[Redacted for reason of commercial sensitivity] on an annual basis or any agency Contract;

(C) any Contract under which a Purchased Corporation is obliged to make payments on an annual basis in excess of $[Redacted for reason of commercial sensitivity] in the aggregate;

(D) any partnership, joint venture, franchise agreement or other similar agreement relating to the Business;

(E) any Contract under which Indebtedness for borrowed money in excess of $[Redacted for reason of commercial sensitivity] is outstanding or pursuant to which any property or asset of any Purchased Corporation is mortgaged, pledged, hypothecated or otherwise subject to a Lien (other than a Permitted Lien) for an amount in excess of $[Redacted for reason of commercial sensitivity], or any Contract restricting the incurrence of Indebtedness by a Purchased Corporation or the incurrence of Liens (other than Permitted Liens) on any properties or securities of wholly-owned subsidiaries or restricting the payment of dividends;

(F) any Contract that purports to limit in any material respect the right of any Purchased Corporation to engage in any line of business or to compete with any person or operate in any location;

(G) any Contract providing for the sale or acquisition of, or option to sell or acquire, any property other than any such Contract entered into in the Ordinary Course;

(H) any collective bargaining agreement or other Contract with any labour union;

(I) any purchase order or Contract for the supply of materials, supplies, equipment or services involving more than $75,000 in respect of any one such Contract or any particular supplier;

(J) any employment or consulting Contract or any other Contract with any officer, employee or consultant other than Contracts of indeterminate term terminable by the employer without cause on reasonable notice;

(K) any profit sharing, bonus, stock option, pension, retirement, disability, stock purchase, medical, dental, hospitalization, insurance or similar plan or agreement providing benefits to any current or former director, officer, employee or consultant;

(L) any commitment for charitable contributions;

(M) any Contract for capital expenditures in excess of $[Redacted for reason of commercial sensitivity] in the aggregate;

(N) any Contract for the sale of any assets, other than sales of inventory to customers in the Ordinary Course;

(O) any Contract pursuant to which any Purchased Corporation is a lessor of any machinery, equipment, motor vehicles, office furniture, fixtures or other movable property;

(P) any confidentiality, secrecy, non-disclosure or non-competition Contract (for which any Purchased Corporation is a beneficiary or obligor thereunder) or similar Contract, other than those relating to the purchase and sale process leading up to the transactions contemplated by this Agreement;

(Q) any licence, franchise or other agreement which relates in whole or in part to any Intellectual Property;

(R) any Contract that expires, or may expire, more than one year after the date of this Agreement;

(S) any power of attorney relating to the Business in favour of any Person;

(T) any agreement of guarantee, support, indemnification, assumption or endorsement of, or any other similar commitment with respect to, the obligations, liabilities (whether accrued, absolute, contingent or otherwise) or indebtedness of any other Person, except for cheques endorsed for collection in the Ordinary Course; or

(U) any Contract entered into by any Purchased Corporation other than in the Ordinary Course.

(l) **No Breach of Material Contracts.** Except as disclosed in Schedule 4.2(l) of the Disclosure Letter and except as would not be material to the business and operations of the Purchased Corporations, no Purchased Corporation has been and, to the knowledge of Corporation, no other party is in breach or violation of, or default (in each case, with or without notice or lapse of time or both) under, any Material Contract and, to the knowledge of Corporation, no Purchased Corporation has received or given any notice of default under any such Material Contract which remains uncured, and, to the knowledge of Corporation, there exists no state of facts which after notice or lapse of time or both would constitute a default or breach of such Material Contract where such breach would be material to the business and operations of the Purchased Corporations.

(m) **Authorizations**. Except as disclosed in Schedule 4.2(m) of the Disclosure Letter, the Purchased Corporations hold all Authorizations required to carry on the Business as now conducted by the Purchased Corporations, other than such Authorizations, the absence of which would not be material to the business and operations of the Purchased Corporations.

(n) **Environmental Matters**.

(i) Each Purchased Corporation is conducting the Business in compliance in all material respects with all applicable Environmental Laws in each jurisdiction in which it carries on business.

(ii) No building, structure or improvement located on the Owned Properties or, to the knowledge of Corporation, the Leased Properties, is insulated with urea formaldehyde insulation. No such building, structure or improvement contains and to the knowledge of Corporation, during the period when the Purchased Corporation owned, leased or occupied any Former Property, no building, structure or improvement located on such Former Property contained, asbestos, mould, PCBs or other Hazardous Substances;

(iii) Except as disclosed in Schedule 4.2(n), no underground storage tanks are or, to the knowledge of Corporation, have been located on the Owned Properties or, to the knowledge of Corporation the Leased Property, and, to the knowledge of Corporation, during the period when Corporation owned, leased or occupied any Former Property, no underground storage tanks were located on the Former Property;

(iv) Except as has been fully resolved or settled and disclosed in Schedule 4.2(n) of the Disclosure Letter, no Purchased Corporation has, in the five years preceding the date hereof or to the knowledge of Corporation at any prior time, received any notice of or been prosecuted for any actual or alleged non-compliance with any Environmental Laws.

(v) All Hazardous Substances and all other wastes and other materials and substances used in whole or in part or in connection with or resulting from the Business have been disposed of, treated and stored in compliance with all Environmental Laws and have not been disposed of by the Purchased Corporations outside of Canada;

(vi) Corporation has delivered to Purchaser complete and accurate copies of (i) all environmental reports, audits, evaluations, assessments, studies or tests relating to Corporation, the Business, the Owned Properties, the Leased Properties and their use by the Purchased Corporations that are, or with reasonable efforts could be brought under the possession or control of Corporation and (ii) all environmental reports, audits, evaluations, assessments, studies or tests relating to any Former Property and their use by the Purchased Corporations that are under the possession or control of Corporation.

(vii) This Section 4.2(n) contains the sole and exclusive representations and warranties of Agent and Corporation with respect to environmental matters and all other provisions of this Agreement shall be interpreted accordingly.

(o) **Intellectual Property**.

(i) Schedule 4.2(o) of the Disclosure Letter includes complete and accurate particulars of all registrations and applications for registration of the Intellectual Property owned by the Purchased Corporations that are material to the Business of the Purchased Corporations.

(ii) The Purchased Corporations own all right, title and interest in and to the Intellectual Property owned by the Purchased Corporations, free and clear of all Liens.

(iii) To the knowledge of Corporation, the operation of the Business does not infringe upon the Intellectual Property rights of any Person. Except as set forth in Schedule 4.2(o) of the Disclosure Letter, no written claims have been asserted by any Person alleging that the conduct of the Business, including the use of the Intellectual Property owned by, licensed to or used by the Purchased Corporations, infringes upon any of their Intellectual Property rights.

(iv) The Intellectual Property owned by or licensed to the Purchased Corporations or which the Purchased Corporations otherwise have the right to use constitutes all Intellectual Property necessary for the conduct of the Business as presently conducted. Except as set forth in Schedule 4.2(o) of the Disclosure Letter, following Closing, the Purchased Corporations will be entitled to continue to use, practice and exercise rights in, all of the Intellectual Property owned by, licensed to and used by Corporation, to the same extent and in the same manner as used, practiced and exercised by the Purchased Corporations prior to Closing without financial obligation to any Person.

(p) **Software and Technology.** Schedule 4.2(p) of the Disclosure Letter contains a complete list of software (excluding off-the-shelf software) owned by, licensed to or used by the Purchased Corporations that is material to the Business of the Purchased Corporations. To the knowledge of Corporation, such software does not contain any undisclosed program routine, device or other feature, including viruses, worms, bugs, time locks, Trojan horses or back doors, in each case that is designed to delete, disable, deactivate, interfere with or otherwise harm such software, and any virus or other intentionally created, undocumented contaminant that may, or may be used to, access, modify, delete, damage or disable any hardware, system or data.

(q) **Suppliers**. Schedule 4.2(q) of the Disclosure Letter lists the ten largest suppliers of the Purchased Corporations by dollar amount for the twelve-month period ended December 31, 2016.

(r) **Employee Matters**.

(i) Except as disclosed in Section 13.6 of the Data Room, no Purchased Corporation is a party to any written agreement pursuant to which either: (A) retention, change in control, severance or termination payments to any director, officer or employee may be required to be paid, waived or renounced solely as a result of the completion of the transactions contemplated by this Agreement; or (B) any employee or consultant who is bound by confidentiality, non-competition or non-solicitation covenants with a Purchased Corporation is relieved thereof as a result of the completion of the transactions contemplated by this Agreement;

(ii) No Purchased Corporation is bound by other collective bargaining agreements or agreements with any employee association;

(iii) Except as disclosed in Sections 13 and 14 of the Data Room: (A) there are no Employee Plans; (B) each Employee Plan has been administered in all material respects according to its terms and applicable Laws and there are no material outstanding violations or defaults thereunder nor any actions, claims or other proceedings pending or, to the knowledge of Corporation, threatened with respect to any Employee Plan; (C) a Purchased Corporation has paid all contributions and all premiums in respect of each Employee Plan in a timely fashion in accordance with the terms of each Employee Plan and applicable Laws; (D) no Employee Plan provides for retiree benefits; (E) the transactions contemplated herein will not increase or accelerate any entitlement under any Employee Plan; and

(iv) There are no collective bargaining agreements in force with respect to the employees of any Purchased Corporation or agreements with any employee association; (B) no Person holds any bargaining rights with respect to any of the employees of any Purchased Corporation; and (C) there has not been, for a period of 24 months preceding the date hereof, nor is there in progress or, to the knowledge of Corporation, threatened any strike, slowdown, picketing or work stoppage with respect to the employees.

(s) **Insurance.** The Purchased Corporations' property and assets are insured against loss or damage pursuant to the terms of the insurance policies which are maintained by Corporation and are disclosed in Section 16 of the Data Room. No Purchased Corporation is in default with respect to any of the provisions contained in the insurance policies or the payment of any premiums under any insurance policy, nor has any Purchased Corporation failed to give any notice or to present any claim under any insurance policy in a due and timely fashion. To the knowledge of Corporation, the insurance policies are consistent with market standards for a company of its size operating in its market.

(t) **Litigation**. Except as set forth in Schedule 4.2(t) of the Disclosure Letter, there are no actions, suits (whether or not purportedly on behalf of Corporation or a Subsidiary), appeals, claims, applications, orders, investigations, proceedings, grievances, arbitrations or alternative dispute resolution, processes in progress or pending or, to the knowledge of Corporation, threatened by, against or affecting, any Purchased Corporation, its property or assets or the Business, before any Governmental Entity or before or by an arbitrator or arbitration board. Corporation has delivered to Purchaser complete and accurate copies of all pleadings and other material documents relating to the actions, suits and proceedings described in Schedule 4.2(t) of the Disclosure Letter. Corporation has no knowledge of any ground on which any such action, suit, appeal, claim, application, order, investigation, proceeding, grievance, arbitration or alternative dispute resolution might be commenced with any reasonable likelihood of success. Except as disclosed in Schedule 4.2(t) of the Disclosure Letter, no Purchased Corporation is subject to any judgment, order or decree affecting any Purchased Corporation, any of its property or assets or the Business.

(u) **Non-Arm's Length Transactions**. Since the date of the Annual Financial Statements, no Purchased Corporation has made any payment or loan to or borrowed any monies from or become indebted to, any officer, director, employee, shareholder or any other Person not dealing at arm's length with any Purchased Corporation (within the meaning of the Tax Act) or any Affiliate or associate of any of the foregoing and the Purchased Corporations are not indebted to any such Person, except for (i) usual employee reimbursements and compensation paid in the Ordinary Course; (ii) amounts owing by Corporation to Shareholders or by Shareholders to Corporation, as applicable, on account of (A) deposits into the bank account of Corporation to cover over-drafts, and (B) withdrawals from the bank account of Corporation, details of which deposits and withdrawals are set out in Schedule 4.2(u) of the Disclosure Letter; (iii) as otherwise disclosed in the Financial Statements. Except as disclosed in Schedule 4.2(u) of the Disclosure Letter and except for Contracts of employment, franchise agreements and services Contracts or consultancy Contracts, Corporation is not a party to any Contract with any officer, director, employee, shareholder or any other Person not dealing at arm's length with the Purchased Corporations (within the meaning of the Tax Act) or any Affiliate or associate of any of the foregoing. No officer, director or shareholder of Corporation and, to the knowledge of Corporation, no entity which is an Affiliate of one or more of the foregoing:

(i) owns, directly or indirectly, in whole or in part, any property that the Purchased Corporations use in the operation of the Business; or

(ii) has any cause of action or other claim whatsoever against, or owes any amount to, the Purchased Corporations in connection with the Business, except for (i) any liabilities reflected in the Financial Statements for claims in the Ordinary Course, (ii) claims or rights under their written employment agreements, or (iii) wages on a current basis, accrued vacation pay and accrued benefits under the Employee Plans and reimbursements of ordinary business expenses.

(v) **List of Iris Retail Stores**. Schedule 4.2(v) of the Disclosure Letter contains a list, by store number and location, of all Iris retail outlets in operation as of the date hereof, indicating in each case whether they are (i) "corporate stores" (as commonly referred to by Corporation) that are wholly-owned by a Purchased Corporation, (ii) franchise stores or (iii) retail outlets commonly referred to as "partner stores" (and indicating, in the latter case, the percentage interest owned by the applicable Purchased Corporation). In addition, Schedule 4.2(v) of the Disclosure Letter indicates which Iris retail outlets have ceased operations since January 1, 2017 and which are anticipated to cease operations or have leases expire prior to December 31, 2017.

4.3 Disclaimer of Corporation.

Purchaser acknowledges that, except as set forth in this Article 4, none of Agent, Corporation, their Affiliates or any of their respective officers, directors, employees or representatives makes or has made any other representation or warranty, express or implied, with respect to the Shares, the Purchased Corporations or the Business, including with respect to (i) the operation of the Business by Purchaser after the Closing, and (ii) the success or profitability of the Purchased Corporations after the Closing.

4.4 Representations and Warranties of Agent.

Agent represents and warrants to Purchaser as follows:

(a) **Incorporation and Corporate Power**. Agent is incorporated and existing under the Laws of its jurisdiction of incorporation and has the corporate power to own its property and conduct its business as presently owned and conducted and enter into and perform its obligations under this Agreement and the Ancillary Agreements to which it is a party.

(b) **Validity of Agreement**. The execution and delivery of, and performance by Agent of the transactions contemplated by, this Agreement and the Ancillary Agreements to which Agent is a party and the consummation of the Arrangement:

(i) have been duly authorized by all necessary action on the part of Agent;

(ii) do not (or would not with the giving of notice, the lapse of time, or the happening of any other event or condition) result in a breach or violation of, or conflict with, or allow any Person to exercise any rights under (A) Agent's Governing Documents or (B) any Contract to which Agent is bound; and

(iii) do not and will not result in the violation of any Law applicable to Agent.

(c) **Required Authorizations**. Except as disclosed in Schedule 4.1(e) of the Disclosure Letter, no filing with, notice to, or Authorization of, any Governmental Entity is required on the part of Agent as a condition to the lawful consummation of the Arrangement and the other transactions contemplated by this Agreement, the Plan of Arrangement and the Ancillary Agreements to which it is a party.

(d) **Required Consents**. There is no requirement to obtain any Consent of a contracting party under any Contract to which Agent is bound.

(e) **Execution and Binding Obligation**. This Agreement and the Ancillary Agreements to which Agent is a party have been duly executed and delivered by Agent and constitute legal, valid and binding agreements enforceable against it in accordance with their terms, and to any limitation under applicable Laws relating to (i) bankruptcy, insolvency, reorganization and other Laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF PURCHASER

5.1 Representations and Warranties of Purchaser.

Purchaser represents and warrants to Corporation and Agent as follows:

(a) **Incorporation and Qualification**. Purchaser is a corporation duly incorporated, validly subsisting and in good standing under the Laws of its jurisdiction of incorporation.

(b) **Validity of Agreement**. The execution, delivery and performance by Purchaser of this Agreement:

(i) have been duly authorized by all necessary action on the part of Purchaser;

(ii) do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Governing Documents of Purchaser; and

(iii) will not result in the violation of any applicable Law.

(c) **Execution and Binding Obligation**. This Agreement has been duly executed and delivered by, and constitutes a legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms subject only to any limitation on enforcement under applicable Laws relating to (i) bankruptcy, winding-up, insolvency, arrangement and other similar Laws of general application affecting the enforcement of creditors' rights; and (ii) the discretion that a court may exercise in the granting of extraordinary remedies such as specific performance and injunction.

(d) **Litigation**. There are no actions, suits, appeals, claims, applications, investigations, orders, proceedings, grievances, arbitrations or alternative dispute resolution processes in progress, pending, or to Purchaser's knowledge, threatened against Purchaser, which prohibit, restrict or seek to enjoin the transactions contemplated by this Agreement.

(e) **Required Consents.** There is no requirement to obtain any Consent of a contracting party to any Contract to which Purchaser is bound, other than any Consent which may have been obtained prior to the entering into of this Agreement or which is not material.

(f) **Required Authorizations**. Except for the Interim Order and any approval required by the Interim Order and the Final Order, no filing with, notice to, or Authorization of, any Governmental Entity is required on the part of Purchaser as a condition to the lawful consummation of the Arrangement and the other transactions contemplated by this Agreement, the Plan of Arrangement and the Ancillary Agreements to which it is a party. No filing with, notice to or Authorization of, any Governmental Entity is required on the part of Purchaser as a condition to the lawful completion of the transactions contemplated by this Agreement.

(g) **Securities Laws**. Purchaser is acquiring the Purchased Shares as principal and not as agent and is acquiring the Purchased Shares for investment purposes only and not with a view to resale or distribution.

(h) **Purchaser's Financing**. Purchaser will have at the Effective Date, all funds on hand necessary to pay the Purchase Price and to consummate the transactions contemplated by this Agreement and the Plan of Arrangement.

(i) **No Reliance**. Purchaser acknowledges that, except for the specific representations and warranties made in Article 4 hereof, it is not relying upon any representation or warranty of Corporation or Agent, nor upon the accuracy of any record, projection or statement made available or given to Purchaser in the performance of its due diligence review.

(j) **No Brokers**. Except as disclosed to Corporation, no broker, finder or investment banker or other person engaged by Purchaser is directly or indirectly entitled to any brokerage, finder's or other contingent fee or commission or any similar charge in connection with the transactions contemplated by this Agreement.

ARTICLE 6
PRE-CLOSING COVENANTS OF THE PARTIES

6.1 Regarding the Plan of Arrangement.

Each of the Parties shall use Commercially Reasonable Efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things required or advisable under Law to consummate the Arrangement as soon as practicable, including:

(a) using Commercially Reasonable Efforts to satisfy, or cause the satisfaction of, each of the conditions set forth in Article 8 to the extent the same is within its control;

(b) using 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 Arrangement or the other transactions contemplated by this Agreement or the Plan of Arrangement and defend, or cause to be defended, any Claim to which it is a party or brought against it or its directors or officers challenging the Arrangement, this Agreement or the Plan of Arrangement; and

(c) carrying out the terms of the Interim Order and the Final Order applicable to it and complying with all requirements imposed by Law on Corporation with respect to this Agreement or the Plan of Arrangement.

6.2 Conduct of Business Prior to Closing of Corporation.

Corporation agrees that, during the Pre-Closing Period, unless (i) Purchaser shall otherwise consent to in writing (which consent may not be unreasonably withheld or delayed), (ii) as contemplated or permitted by this Agreement (including the Disclosure Letter), (iii) as required by the terms of any Contract to which any Purchased Corporation is party, (iv) as required by Law, or (v) as contemplated or permitted by the Permitted Reorganization, Corporation shall, and shall cause each of the Subsidiaries (except for transactions involving Corporation and one or more of its Subsidiaries or between Subsidiaries of Corporation to:

(a) conduct its Business in the Ordinary Course materially consistent with past practices provided that no Purchased Corporation shall enter into any agreement related to an Acquisition or complete any Acquisition, the agreement related to which has not been approved in writing by Purchaser;

(b) use Commercially Reasonable Efforts to preserve intact its present business organization and goodwill, keep available the services of its officers and employees as a group and preserve the current relationships with suppliers, distributors, employees, customers and others having business relationships with it and, without limiting the generality of the foregoing, Corporation shall not take any affirmative action or omit to take any reasonable action within its control, as a result of which action or omission any of the representations and warranties in Section 4.2(d) would become untrue;

(c) not amend its Governing Documents or the terms of its outstanding securities;

(d) not amalgamate or merge with any other person or adopt or enter into a plan of liquidation or dissolution;

(e) not split, consolidate or reclassify any of its shares nor undertake any other capital reorganization;

(f) not declare, set aside or pay any dividends on, or make any other distributions on or in respect of, shares, other (i) than dividends declared and paid by Corporation in accordance with Corporation's current dividend policy in effect as of the date hereof, (ii) distributions by a Subsidiary to Corporation or a wholly-owned subsidiary of Corporation, (iii) dividends or distributions declared prior to the date hereof and (iv) in accordance with the terms of shares, as set out in Corporation's Governing Documents;

(g) not issue any securities or any options, warrants or other rights to acquire securities, or redeem or purchase any of its outstanding securities;

(h) subject to Section 6.2(a), not acquire any business or assets or sell, lease, encumber or otherwise dispose of any business or assets, which, in each case, are individually or in the aggregate material, including any interest in any partner store;

(i) not enter into any joint venture or similar agreement, arrangement or relationship;

(j) not incur or commit to capital expenditures in excess of $[Redacted for reason of commercial sensitivity] in the aggregate;

(k) not incur or commit to incur any Indebtedness in an aggregate amount in excess of $[Redacted for reason of commercial sensitivity], other than to trade creditors in the Ordinary Course;

(l) not guarantee, endorse or otherwise become responsible for any material liability, obligation or indemnity or the obligations of any other person, or make any loans or advances, except to Subsidiaries or in the Ordinary Course;

(m) not enter into any material interest rate, currency, equity or commodity swaps, hedges, derivatives, forward sales contracts or other similar financial instruments except in the Ordinary Course;

(n) not pay, discharge or satisfy any material claims, liabilities or obligations other than (i) the payment, discharge or satisfaction, in the Ordinary Course, of liabilities reflected or reserved against in Corporation's financial statements or incurred in the Ordinary Course; (ii) in connection with advances under Corporation's or any Subsidiary's existing credit facilities in the Ordinary Course;

(o) not waive, release or relinquish any material contractual right, material right under any licence or permit or other material legal rights or claims, other than in the Ordinary Course;

(p) not amend or modify in any material respect any material contract, licence or permit, other than in the Ordinary Course;

(q) not abandon or fail to diligently pursue any application for any material licences, permits, authorizations or registrations;

(r) not enter into or modify any employment, severance, collective bargaining or similar agreements, policies or arrangements with, or grant any bonuses, salary increases, stock options, pension or supplemental pension or other benefits, profit sharing, retirement allowances, deferred compensation, incentive compensation, severance or termination pay or any other form of compensation to, or make any loan to, any of its employees, directors or officers, other than with respect to employees in the Ordinary Course or as required pursuant to employment, pension, supplemental pension, termination or compensation arrangements or policies existing as of the date hereof;

(s) not make any material changes to Corporation's existing accounting policies other than as required by applicable Laws, a Governmental Entity or GAAP;

(t) not open or close any retail outlet, except retail outlets for which Corporation has already expressed, as of the date hereof, an intent to open or close, to the extent such intent has been disclosed to Purchaser in the Disclosure Letter;

(u) use Commercially Reasonable Efforts to cause its current material insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such cancellation, termination or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect; and

(v) not announce an intention, enter into any agreement, or otherwise make a commitment to do any of the things prohibited by any of the foregoing subparagraphs.

6.3 Potential Issuance of Common Shares of the Purchaser

During the period commencing on the date of this Agreement and ending on the date that is 20 days following the date of this Agreement, Agent may, upon written notice to Purchaser, request (the "**Share Consideration Request**") that no more than [Redacted for reason of commercial sensitivity]% of the portion of the Estimated Purchase Price payable to the Vendors at the Closing be payable and paid in common shares of the Purchaser (the "**Purchaser Consideration Shares**"). Purchaser agrees to act reasonably in considering the Share Consideration Request and in negotiating the terms of the issuance of the Purchaser Consideration Shares which, at a minimum, will be subject to the following conditions: (i) such issuance will be subject to any applicable regulatory approval, including the approval of the Toronto Stock Exchange (the "**TSX**"), (ii) the issuance price of the Purchaser Consideration Shares will be the volume weighted average price of the common shares of Purchaser on the

TSX for the five trading days preceding the Effective Date, subject to a minimum issuance price of $[Redacted for reason of commercial sensitivity], (iii) the issuance will be exempt from the prospectus requirements of applicable securities laws and (iv) the Purchaser Consideration Shares will be subject to a regulatory (if applicable) and a contractual hold period. If Purchaser agrees to issue Purchaser Consideration Shares as partial consideration of the Purchase Price hereunder to certain Vendors, Purchaser covenants and agrees act reasonably to jointly execute and deliver to each Vendor who elects to receive such Purchaser Consideration Shares, or cause to be executed and delivered, an election prepared by each such Vendor pursuant to subsection 85(1) of the Tax Act (and under the comparable provisions of any applicable provincial Tax Law) in respect of the transfer of Shares (or shares of Qualifying Holdco) by such Vendor. The preparation of such elections shall be the sole responsibility of the relevant Vendor, at the sole expense of such Vendor, and shall be provided to Purchaser for review and execution at least 30 days prior to any applicable filing deadlines for such election (failing which Purchaser shall have no obligation to execute the election). Purchaser agrees that the elected amount in such election shall be determined solely by the applicable Vendor but shall always be within the limits set forth in the Tax Act.

6.4 Confidentiality.

(a) Neither the Shareholders, Agent nor the Purchased Corporations shall disclose to anyone other than Purchaser and individuals owing a duty of confidentiality to the Purchased Corporations any Confidential Information relating to the Purchased Corporations or the Business unless required to do so by applicable Law or regulatory authority or stock exchange having jurisdiction over the Purchased Corporations, and then only after Purchaser shall have been given an opportunity, if so advised, to seek a protective order.

(b) If for any reason the transactions contemplated herein are not completed, none of the Parties shall disclose to any third party any Confidential Information relating to the Purchased Corporations (in the case of disclosures by Purchaser) or Purchaser (in the case of disclosures by Shareholders, Agent and/or the Purchased Corporations), except to their respective boards of directors, senior management, or legal, accounting, financial or other professional advisors, any financial institution contacted by it with respect to any financing required in connection with such transaction and counsel to such institution, or as may be required by any applicable Law or any regulatory authority or stock exchange having jurisdiction, and then only after the Party whose information is to be disclosed shall have been given an opportunity, if so advised, to seek a protective order.

(c) As used herein, "**Confidential Information**" means all information pertaining to a Party except for information that:

(i) is or becomes generally available to the public, other than as a result of disclosure in violation of this Agreement;

(ii) was developed by the Party owing a duty of confidentiality hereunder (a "**recipient**") independent of any disclosure by a Party to whom such duty is owed (a "**beneficiary**") or was available to the recipient on a non-confidential basis prior to its disclosure to the recipient by or on behalf of the beneficiary; or

(iii) becomes available to the recipient on a non-confidential basis from a source other than a beneficiary, provided that the recipient shall have made reasonable inquiry to satisfy itself that the source was not, when it disclosed the information to the recipient, prohibited from so doing by a confidentiality obligation owed to a beneficiary, whether contractual, fiduciary or otherwise.

6.5 Consents and Authorizations.

(a) Corporation shall use best efforts to obtain, or cause to be obtained, prior to Closing, the consents, approvals and waivers required by Schedule 4.1(d) of the Disclosure Letter. Despite the previous sentence but subject to Sections 6.7 and 8.2(b), Corporation is under no obligation to pay any money, incur any obligations, commence any legal proceedings, or offer or grant any accommodation (financial or otherwise) to any third party in order to obtain such consents. Purchaser shall co-operate in obtaining such consents, approvals and waivers, including providing information of Purchaser as is reasonably requested by a third party in order to grant its consent.

(b) Each Party shall use Commercially Reasonable Efforts to obtain and deliver to the other Party those Authorizations required to be delivered to such other Party on or before the Closing as set forth in Article 8. No Party (nor any of its respective Affiliates) shall take any action that would reasonably be expected to delay the obtaining of, or result in not obtaining, any Authorization required to be obtained prior to the Closing.

6.6 Financial Information.

(a) At Purchaser's request, Corporation shall, from time to time, make, or cause its auditors to make, all documents or written materials relating to Corporation that Purchaser may reasonably require and that are within the possession or control of Corporation, available to Purchaser, including, without limitation, the Financial Statements, all relevant books, records and financial information concerning the Business (collectively, the "**Corporation Financial Information**") that Purchaser may reasonably require to comply with securities and other similar laws applicable to Purchaser and the public offering of its securities.

(b) Corporation acknowledges that Purchaser may, at its entire cost and expense, if required by law, include the Corporation Financial Information or any part thereof in any public or private document of Purchaser, including, without limitation, a prospectus or any similar document.

6.7 Landlord Consents.

(a) Agent, Corporation and Purchaser hereby acknowledge and agree that receipt of certain Landlord Consents in advance of Closing in accordance with Section 8.2(b) shall be a condition precedent to Closing. Corporation and Purchaser hereby agree to work in good faith and using Commercially Reasonable Efforts prior to Closing in order to secure the necessary Landlord Consents on terms satisfactory to Corporation and Purchaser, acting reasonably, provided that Corporation shall be the principal point of contact and shall have sole responsibility to secure each such Landlord Consent. Purchaser shall use Commercially Reasonable Efforts to, and shall use Commercially Reasonable Efforts to cause its representatives to provide customary and reasonable cooperation to Agent and Corporation in connection with their efforts to secure the necessary Landlord Consents. For the purposes of this Section 6.7, with respect to obtaining Landlord Consents, "Commercially Reasonable Efforts" shall mean an obligation on the part of each Party to devote appropriate resources and time and support the other Party with its efforts to secure the Landlord Consents, including, without limitation, the obligation to provide appropriate financial or other information reasonably requested from the Landlords but not to change any of the terms of the Lease Documents or to pay any money or incur any additional obligations, monetary or otherwise, to secure such consents, provided that the Parties shall be required to take the foregoing actions if (and only if) the following conditions are satisfied:

(i) any such modification to the terms or payment of money or incurrence of additional obligations, monetary or otherwise are, individually and in the aggregate, *de minimis* in relation to the businesses, operations and assets of Corporation and Purchaser; and

(ii) the effect of any such modification to the terms or payment of money or incurrence of additional obligations, monetary or otherwise would not, individually or in the aggregate, reasonably be expected to result in a reduction (other than a *de minimis* reduction) of the reasonably expected benefits to Purchaser of the transactions contemplated hereby.

(b) [Redacted for reason of commercial sensitivity].

(c) [Redacted for reason of commercial sensitivity].

(d) Any amount payable to Purchaser or Agent under this Section 6.7 shall be deemed to be a dollar-for-dollar adjustment to the Purchase Price.

6.8 Permitted Reorganization.

(a) Notwithstanding anything to the contrary set forth herein, prior to Closing, the Shareholders and the Purchased Corporations may, and may cause the Purchased Corporations to, take all steps reasonably necessary to effect and carry out the reorganization as set forth in Schedule 6.8 of the Disclosure Letter (the "**Permitted Reorganization**"), subject to each of such steps being fully approved, in writing, by Purchaser (which approval shall not unreasonably withheld, conditioned or delayed).

(b) [Redacted for reason of commercial sensitivity].

6.9 Purchaser Requested Reorganization.

(a) Subject to the other terms of this Agreement, the Vendors and Agent agree that they shall, and shall cause the Purchased Corporations to, use Commercially Reasonable Efforts to effect the reorganization set forth in Exhibit 6.9 (which reorganization includes, for greater certainty, all of the related legal steps and documents, included or not in a closing agenda or closing list or in Exhibit 6.9, to be completed to effect any step of the reorganization including, any transfer or disposition and any creation or incorporation of any Person) (the "**Purchaser Requested Reorganization**"), which reorganization will be implemented through the Plan of Arrangement.

(b) Purchaser covenants and agrees that the Purchaser Requested Reorganization will not:

(i) unreasonably interfere with the ongoing operations of the Purchased Corporations;

(ii) be considered in determining whether a representation, warranty or covenant of any of Agent, the Shareholders or the Purchased Corporations has been breached;

(iii) result in an unreimbursed material cost, expense or Tax for the Shareholders or the Purchased Corporations; or

(iv) be considered (and for greater certainty any cost and Tax related thereto will not be considered) in the determination of the Current Assets, Current Liabilities and the Indebtedness.

(c) Purchaser and the Purchased Corporations shall work cooperatively and use Commercially Reasonable Efforts to prepare, before the Effective Date, all documentation necessary and do such other acts and things as are necessary to give effect to the Purchaser Requested Reorganization.

6.10 Environmental Investigations.

During the Pre-Closing Period, Purchaser may (at its own cost) have a Phase I environmental site assessment and Phase II environmental site assessment and an environmental compliance review conducted by an environmental consultant with respect to potential liability under Environmental Laws of the Owned Properties, provided that the location and schedule of sampling shall be pre-approved by Corporation, acting reasonably and without unreasonable delay.

6.11 Partner Stores.

[Redacted for reason of commercial sensitivity].

ARTICLE 7
ADDITIONAL COVENANTS

7.1 Non-Solicitation.

(a) From and after the date of this Agreement with respect to any Person and until the earlier of the Effective Time or the date, if any, on which this Agreement is terminated, Corporation shall not, directly or indirectly, through any representative, or otherwise, and shall not permit any such Person to:

(i) solicit, initiate, knowingly encourage or otherwise knowingly facilitate any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute, an Acquisition Proposal; or

(ii) enter into or otherwise engage or participate in any substantive discussions or negotiations with any Person (other than Purchaser) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute, an Acquisition Proposal.

(b) From and after the date of this Agreement with respect to any Person and until the earlier of the Effective Time or the date, if any, on which this Agreement is terminated, Corporation shall cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiations, or other activities commenced prior to the date of this Agreement with any Person (other than Purchaser) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute, an Acquisition Proposal, and in connection with such termination shall:

(i) discontinue access to and disclosure of all information, including any data room and any confidential information, properties, facilities, books and records of Corporation or any of its Subsidiaries; and

(ii) request, and exercise all rights it has to require (x) the return or destruction of all copies of any confidential information regarding Corporation provided to any Person other than Purchaser, and (y) Corporation shall request the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding Corporation, to the extent that such information has not previously been returned or destroyed.

ARTICLE 8
CONDITIONS OF THE PLAN OF ARRANGEMENT

8.1 Conditions to the Obligations of each Party.

The obligations of Corporation and Purchaser to consummate the Arrangement and the other transactions contemplated by this Agreement and the Plan of Arrangement are subject to the satisfaction of the following conditions at or prior to the Effective Time, each of which may be waived in writing by the mutual consent of Corporation and Purchaser:

(a) **Arrangement Resolution**. The Arrangement Resolution has been approved by the Shareholders in accordance with the Interim Order.

(b) **Interim and Final Orders**. The Interim Order and the Final Order each have been obtained on terms consistent with this Agreement, and shall not have been set aside or modified in a manner unacceptable to either Corporation or Purchaser, acting reasonably, on appeal or otherwise.

(c) **Illegality**. There shall be no action taken under any existing Laws, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any Governmental Entity, that makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the transactions contemplated by this Agreement or the Plan of Arrangement.

(d) **No Legal Action**. There shall be no Proceeding pending by any Governmental Entity that would reasonably be expected to prevent or delay the consummation of the Arrangement or, if the Arrangement is consummated, would reasonably be expected to have a Material Adverse Effect.

8.2 Conditions for the Benefit of Purchaser.

The obligation of Purchaser to consummate the Arrangement and the other transactions contemplated by this Agreement and the Plan of Arrangement is subject to the satisfaction of the following conditions precedent, each of which may be waived in writing in the sole discretion of Purchaser:

(a) **Truth of Representations and Warranties and Performance of Covenants.** Each of:

(i) Corporation's Core Representations and Agent's Core Representations, the representation and warranty of Corporation contained in Section 4.2(v) (List of IRIS Retail Stores), and the representations and warranties of Corporation and Agent made pursuant to this Agreement that are qualified by materiality, must in each case be true and correct in all respects as of the Effective Date with the same force and effect as if such representations and warranties were made on and as of such date, *provided, however* that:

(A) if a representation and warranty speaks only as of a specific date, it only needs to be true and correct as of that date; and

(B) with respect to the representations and warranties of Corporation in Sections 4.1(f) (Title to Shares) and 4.1(g) (Authorized and Issued Capital), in the event of any change of less than 10% of the number of outstanding Shares set forth in such representations and warranties and related Schedules of the Disclosure Letter by reason of subdivision or consolidation of Shares, capital reorganization, payment of a share dividend, amalgamation, reorganization, recapitalization, merger, consolidation, decapitalization, spin-off, combination, exchange of Shares, or any other reason, the representations and warranties in Sections 4.1(f) (Title to Shares) and 4.1(g) (Authorized and Issued Capital) will be considered true and correct for the purpose of this Section 8.2(a)(i);

(ii) the other representations and warranties of each of Corporation, Agent and each Qualifying Holdco Shareholder made pursuant to this Agreement will be true and accurate in all material respects on the Effective Date with the same force and effect as if made at and as of the Effective Date, *provided, however,* that if a representation and warranty speaks only as of a specific date, it only needs to be true and accurate as at that date;

(iii) the covenants contained in this Agreement to be fulfilled or performed by Corporation, the Agent and each Qualifying Holdco Shareholder on or prior to Closing shall have been fulfilled or performed in all material respects;

(iv) other than the Permitted Liens, there are no Liens on any of the assets, shares or other securities of any of the Purchased Corporations or the Qualifying Holdcos;

and Purchaser shall have received a certificate confirming the foregoing, signed for and on behalf of each of Corporation and Agent by a senior officer or director of each of Corporation and Agent, in form and substance reasonably satisfactory to Purchaser (the "**Corporation's Closing Certificate**") together with, to the extent applicable, a certificate confirming the representations, warranties and covenants set forth in Section 2.11 by each Qualifying Holdco, signed for and on behalf of by a senior officer or director and Qualifying Holdco Shareholder, in form and substance reasonably satisfactory to Purchaser (the "**Qualifying Holdco's Closing Certificate**"). Upon delivery of such certificate, the representations and warranties of Corporation and Agent in Article 4 will be deemed to have been made on and as of the Effective Date with the same force and effect as if made on and as of such date.

(b) **Landlord Consents**. Corporation shall have delivered to Purchaser evidence of Landlord Consents representing not less than [Redacted for reason of commercial sensitivity] of the Total Contribution Amount (as set forth in Schedule 8.2(b)), together with a copy of each Landlord Consent obtained by Corporation and provided further that such Landlord Consents representing not less than [Redacted for reason of commercial sensitivity] shall include [Redacted for reason of commercial sensitivity] the Landlord Consents from the Landlords of the principal Iris retail outlets specifically identified as such in Schedule 8.2(b);

(c) **No Preliminary or Permanent Injunction**. No preliminary or permanent injunction or other order, decree or ruling issued by a Governmental Entity, and no statute, rule, regulation or executive order promulgated or enacted by a Governmental Entity, which restrains, enjoins, prohibits, or otherwise makes illegal the consummation by Purchaser of the transactions contemplated hereby, shall be in effect.

(d) **Authorizations.** There shall have been obtained any and all other Authorizations specified on Schedule 4.1(e).

(e) **Consents.** There shall have been obtained any and all notices, consents and approvals described in Schedule 8.2(e) of the Disclosure Letter, in each case in form and substance satisfactory to Purchaser, acting reasonably.

(f) **Financial Statements.** Corporation shall deliver Annual Financial Statements issued with an unqualified opinion and prepared in accordance with IFRS. To the extent that the Interim Financial Statements are not in respect of the most recently completed financial quarter of Corporation prior to Closing, Corporation shall deliver updated, unaudited, consolidated, financial statements of Corporation as prepared by KPMG LLP for the most recently completed quarter then ended and prepared in accordance with IFRS, together with the notes thereto, provided that such most recently completed financial quarter has been completed for at least 45 days.

(g) **R&W Insurance Policy**. Purchaser shall have obtained the R&W Insurance Policy.

(h) **Employment Agreements**. Corporation shall have delivered to Purchaser an employment agreement duly executed by each Person identified on Schedule 8.2(h), on commercially reasonable terms acceptable to Purchaser and each such Person.

(i) **Material Adverse Event.** There shall have been no Material Adverse Event since the date of the Financial Statements.

(j) **Data Room**. Agent shall deliver to Purchaser a physical copy (DVD, or USB key) of the Data Room, as that site existed as of 2:00 a.m. (Eastern Daylight Time) on June 29, 2017.

(k) **Deliveries**. At or prior to Closing, Corporation or Agent, as applicable, shall have delivered, or caused to have been delivered, to Purchaser the following:

(i) a confirmation that all bonuses have been paid to directors and officers of Corporation;

(ii) Corporation's Closing Certificate;

(iii) each Qualifying Holdco's Closing Certificate;

(iv) the Ancillary Agreements duly executed by the parties thereto; and

(v) such other certificates, assurances and documents as Purchaser may reasonably request on or prior to the Effective Date in order to effectuate the Closing.

8.3 Conditions for the Benefit of Corporation and Agent.

The obligation of Corporation to consummate the Arrangement and the other transactions contemplated by this Agreement and the Plan of Arrangement is subject to the satisfaction of the following conditions precedent, each of which may be waived in writing in the sole discretion of Agent:

(a) **Deposit of Funds**. Subject to obtaining the Final Order and the satisfaction or waiver of the other conditions precedent contained herein in its favour (other than conditions which, by their nature, are only capable of being satisfied as of the Effective Time), Purchaser shall have deposited or caused to be deposited with the Escrow Agent in escrow in accordance with Section 3.4, the Estimated Purchase Price payable at Closing.

(b) **Truth of Representations and Warranties and Performance of Covenants.** Each of:

(i) Purchaser's Core Representations, and the representations and warranties of Purchaser made pursuant to this Agreement that are qualified by materiality, must in each case be true and correct in all respects as of the Effective Date with the same force and effect as if such representations and warranties were made on and as of such date;

(ii) the other representations and warranties of Purchaser made pursuant to this Agreement will be true and accurate in all material respects on the Effective Date with the same force and effect as if made at and as of the Effective Date, *provided, however,* that if a representation and warranty speaks only as of a specific date, it only needs to be true and accurate as at that date;

(iii) the covenants contained in this Agreement to be fulfilled or performed by Purchaser on or prior to the Effective Date shall have been fulfilled or performed in all material respects;

and Agent will have received a certificate confirming the foregoing, signed for and on behalf of each Purchaser by a senior officer or director of each Purchaser, in form and substance reasonably satisfactory to Agent (the "**Purchaser's Closing Certificate**"). Upon delivery of such certificate, the representations and warranties of Purchaser in Article 5 will be deemed to have been made on and as of the Effective Date with the same force and effect as if made on and as of such date.

(c) **Deliveries.** At or prior to Closing, Purchaser shall have delivered or caused to have been delivered to Corporation or Agent, as applicable, the following:

(i) certified copies of (i) the Governing Documents of Purchaser, and (ii) all required resolutions of the board of directors of Purchaser approving the entering into and completion of the transaction contemplated by this Agreement;

(ii) a certificate of status, compliance, good standing or like certificate with respect to Purchaser issued by the appropriate government official of its jurisdiction of incorporation;

(iii) Purchaser's Closing Certificate;

(iv) the Purchase Price in the manner set forth in Section 3.4;

(v) the Ancillary Agreements duly executed by Purchaser; and

(vi) such other certificates, assurances and documents as Agent may reasonably require on or prior to the Effective Date in order to effectuate the Closing.

8.4 Termination by Purchaser.

Purchaser may terminate this Agreement prior to Closing by notice in writing to Agent:

(a) if any representation and warranty of Corporation or Agent fails to be true and accurate such that any of the conditions set forth in Section 8.2(a)(i) or Section 8.2(a)(ii) would not be satisfied or Corporation or Agent breaches, or fails to perform, its covenants or obligations herein such that the conditions set forth in Section 8.2(a)(iii) would not be satisfied, and, in each case, such breach, inaccuracy or failure to perform either cannot be cured or continues uncured for 10 Business Days (or until the Outside Date, if earlier) after the date on which Purchaser provides Corporation with written notice of such breach, inaccuracy or failure to perform; except if Corporation can reasonably expect to cure such breach, inaccuracy or failure to perform prior to the Outside Date (and Corporation confirms in writing to Purchaser that Corporation is continuing to exercise Commercially Reasonable Efforts to cause such breach, inaccuracy or failure to perform to be cured), then Purchaser may not terminate this Agreement on account of such breach, inaccuracy or failure to perform prior to the Outside Date (and then, Purchaser may only terminate this Agreement to the extent that such breach, inaccuracy or failure to perform is not cured on or before the Outside Date);

(b) if any of the conditions set forth in Section 8.1 or Section 8.2 (other than those conditions which by their nature are to be satisfied at Closing and other than those covered in Section 8.4(a)), have not been fulfilled in all material respects or waived by Purchaser on or prior to the Outside Date or if it becomes reasonably apparent that any such conditions cannot be satisfied on or prior to such date;

(c) in the event that Shareholders of any class of Shares exercise Dissent Rights;

(d) if a Material Adverse Event occurs prior to Closing;

(e) if the R&W Insurance Policy (as defined below) is not issued on terms acceptable to Purchaser, acting reasonably;

in each case, provided, however, that Purchaser shall not be entitled to terminate this Agreement if the failure or impossibility of satisfaction of the condition was as a result of a breach by Purchaser of any of its obligations under this Agreement.

8.5 Termination by Corporation.

Corporation may terminate this Agreement prior to Closing by notice in writing to Purchaser:

(a) if any representation and warranty of Purchaser fails to be true and accurate such that any of the conditions set forth in Section 8.3(b)(i) or Section 8.3(b)(ii) would not be satisfied or Purchaser breaches, or fails to perform with its covenants and obligations herein such that the condition set forth in Section 8.3(b)(iii) would not be satisfied, and, in each case, such breach, inaccuracy or failure to perform either cannot be cured or continues uncured for 10 Business Days (or until the Outside Date, if earlier) after the date on which Corporation provides Purchaser with written notice of such breach, inaccuracy or failure to perform; except if Purchaser can reasonably expect to cure such breach, inaccuracy or failure to perform prior to the Outside Date (and Purchaser confirms in writing to Corporation that Purchaser is continuing to exercise Commercially Reasonable Efforts to cause such breach, inaccuracy or failure to perform to be cured), then Agent may not terminate this Agreement on account of such breach, inaccuracy or failure to perform prior to the Outside Date (and then, Agent may only terminate this Agreement to the extent that such breach, inaccuracy or failure to perform is not cured on or before the Outside Date);

(b) if any of the conditions set forth in Section 8.1 or Section 8.3 (other than those conditions which by their nature are to be satisfied at Closing and other than those covered in Section 8.5(a)), have not been fulfilled in all material respects or waived on or prior to the Outside Date or if it becomes reasonably apparent that any such conditions cannot be satisfied on or prior to such date in each case, provided, however, that Corporation shall not be entitled to terminate this Agreement if the failure or impossibility of satisfaction of the condition was as a result of the breach by Corporation of any of its obligations under this Agreement;

(c) if the Landlord Consent Escrow Amount is equal to or greater than $[Redacted for reason of commercial sensitivity].

If Corporation waives compliance with any of the conditions, obligations or covenants contained in this Agreement, the waiver will be without prejudice to any of its rights of termination in the event of non-fulfillment, non-observance or non-performance of any other condition, obligation or covenant in whole or in part.

8.6 Effect of Termination.

(a) Upon termination of this Agreement by Purchaser or Corporation pursuant to this Article 8, Purchaser, Corporation and Agent shall be released from all of their respective obligations under this Agreement save and except for their respective obligations and liabilities under this Section 8.6 (Effect of Termination), Section 6.4 (Confidentiality), Article 11 (Indemnification) with respect to Damages in respect of breaches of this Agreement on or prior to the date of termination of this Agreement, Sections 12.4 (Announcements), 12.6 (Expenses) and 12.13 (Governing Law).

(b) If a Party seeking to terminate the Agreement delivers to the other Party a notice pursuant to Section 8.4 or Section 8.5, as applicable, prior to the date of the Meeting, unless the Parties agree otherwise, Corporation shall postpone or adjourn the Meeting to the earlier of (i) five (5) Business Days prior to the Outside Date and (ii) the date that is 10 Business Days following receipt of such notice.

8.7 Satisfaction of Conditions.

The conditions precedent set out in Sections 8.1, 8.2 and 8.3 will be conclusively deemed to have been satisfied waived or released when the Certificate of Arrangement is issued by the Enterprise Registrar.

ARTICLE 9
CLOSING

9.1 Date and Time of Closing.

The completion of the transactions of purchase and sale contemplated by this Agreement shall take place on the Effective Date or on such other date and at such other time as may be agreed upon in writing among the Parties.

ARTICLE 10
POST-CLOSING COVENANTS

10.1 Books and Records.

For a period of six (6) years from the Effective Date or for such longer period as may be required by Law, Purchaser will retain all original Books and Records existing and in the possession of the Purchased Corporations on the Effective Date. So long as any such Books and Records are retained by Purchaser pursuant to this Agreement, Agent has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of Corporation. Purchaser has the right to have its representatives present during any such inspection.

10.2 Director and Officer Indemnification.

(a) For a period of six (6) years from the Effective Date:

(i) Purchaser shall not, and shall not permit Corporation, or any successor or assign by amalgamation or otherwise, to amend, repeal or modify any material provision in Corporation's Governing Documents relating to the exculpation or indemnification of any current or former officer or director in any way which is materially prejudicial to such current or former officer or director (unless required by Law), it being the intent of the Parties that the officers and directors of Corporation continue to be entitled to such exculpation and indemnification in all material respects to the full extent of the Law. If Corporation or any successor or assign (i) consolidates or amalgamates with or merges into any other Person, or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in each such case, proper provisions shall be made so that the successors and assigns of Corporation assume all of the obligations set forth in this Section 10.2; and

(ii) Agent shall cause Corporation to obtain prior to Closing and effective as of the Effective Date, "tail" insurance policies with a claims period of six years from the Effective Date with at least the same coverage and amounts, and containing terms and conditions that are not less advantageous to the directors and officers of Corporation, in each case with respect to claims arising out of or relating to events which occurred on or prior to the Effective Date (including in connection with the transactions contemplated by this Agreement and the Plan of Arrangement).

(b) This Section 10.2 is intended for the benefit of, and is enforceable by, each current and former officer and director of Corporation and their respective heirs, executors and representatives, and are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such Person may have had by contract or otherwise.

10.3 Further Assurances.

Each Party upon the request of the other, whether prior to, at or after the Closing, shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further conveyances, transfers and other assurances as may be reasonably required to effectively transfer the Shares to Purchaser and carry out the intent of this Agreement.

10.4 Tax Matters.

(a) **Amended Tax Returns and Waivers**. Purchaser shall not, without Agent's prior written consent, (not to be unreasonably withheld, conditioned or delayed), (i) amend any Tax Return of any Purchased Corporation (and any Qualifying Holdco whose shares are acquired by Purchaser) for any periods or portions thereof ending on or before the Effective Date, (ii) make or file any waiver, agreement or other document that extends the period during which a Governmental Entity may issue a tax assessment to any Purchased Corporation and any Qualifying Holdco whose shares are acquired by Purchaser) for any periods or portions thereof ending on or before the Effective Date, or (iii) take any action that may increase the amount that may be subject to indemnification in accordance with Section 11.2(c) or Section 11.4.

(b) **Filing of Tax Returns for Pre-closing Periods**. Purchaser will prepare and file all Tax Returns of any Purchased Corporation that are due after the Effective Date in respect of periods or portions thereof ending on or before the Effective Date, which Tax Returns must be prepared and filed on a timely basis and, except as required under applicable Law, in a manner consistent with prior practice with respect to the treatment of specific items on the Tax Returns. Purchaser shall provide Agent with a draft of such income Tax Returns 30 days prior to the due date for filing such income Tax Returns with the appropriate taxing authorities. Agent shall have the right to review the draft of such Tax Returns and provide reasonable comments in writing on a timely basis to Purchaser regarding such draft income Tax Returns which comments shall then be included in the Tax Returns by Purchaser.

(c) **256(9) Election**. Purchaser shall cause each Purchased Corporation (and any Qualifying Holdco whose shares are acquired by Purchaser) to file an election under subsection 256(9) of the Tax Act for the taxation years ending as a result of the Closing.

(d) **89(11) Election.** Purchaser shall cause each Purchased Corporation to file an election under subsection 89(11) of the Tax Act such that subsection 249(3.1) of the Tax Act shall not apply to a Purchased Corporation.

ARTICLE 11
INDEMNIFICATION

11.1 Survival of Representations and Warranties.

The representations and warranties contained in this Agreement (and the corresponding representations and warranties contained in the Closing Certificates) shall survive Closing and continue in full force and effect for a period of 18 months after the Effective Date, except that:

(a) the Core Representations (and the corresponding representations and warranties contained in the Closing Certificates) shall survive Closing and continue in full force and effect indefinitely;

(b) the Intellectual Property representations (and the corresponding representations and warranties contained in the Closing Certificates) shall survive Closing and continue in full force and effect for a period of four years after the Effective Date;

(c) the representations and warranties set out in Section 4.1(o) (Tax Matters) (and the corresponding representations and warranties set out in Corporation's Closing Certificate and the Tax representations contained in Section 2.11, and the corresponding representations and warranties set out in Qualifying Holdco's Closing Certificate) shall survive Closing and continue in full force and effect until 60 days following the expiration of all periods during which any tax assessment may be issued by a Governmental Entity in respect of a taxation year to which the relevant representations and warranties extend (the "**Tax Assessment Period**"). A given Tax Assessment Period will be determined having regard to any consent, waiver, agreement or other document made or filed with the prior consent of Agent that extends the period during which a Governmental Entity may issue a tax assessment; and

(d) there is no limitation as to time for claims based on fraud or fraudulent misrepresentation.

11.2 Indemnification in favour of Purchaser by Vendors.

Subject to the limitations set out in Section 11.6, each Vendor shall solidarily indemnify and save Purchaser, its Affiliates, and each of their respective directors, officers, employees, agents, representatives, successors and assigns (each, a "**Purchaser Indemnified Party**") harmless of and from any Damages suffered by, imposed upon or asserted against a Purchaser Indemnified Party as a result of, in respect of, connected with, or arising out of, under, or pursuant to:

(a) any failure by Purchased Corporations or Agent to perform or fulfill any of their covenants under this Agreement for which a notice of claim under Section 11.8 has been provided to Agent within the applicable period specified in Section 11.1;

(b) any breach or inaccuracy of any representation or warranty given by Corporation or Agent with respect to matters set out in Sections 4.1 and 4.2 of this Agreement or Corporation's Closing Certificate for which a notice of claim under Section 11.8 has been provided to Agent within the applicable period specified in Section 11.1;

(c) Notwithstanding the existence of any Permitted Lien in respect thereof, any liabilities of the Purchased Corporations for Taxes (including any Tax in connection with the Permitted Reorganization but excluding any Tax in connection with the Purchaser Requested Reorganization or any liabilities for Taxes that arise as a result of the matters contemplated by Section 2.11) in connection with any period ending on or before the Closing for which a notice of claim under Section 11.8 has been provided to Agent within the applicable period specified in Section 11.1, except for those included in the Final Net Working Capital Amount or the Acquired EBITDA Adjustment, or reserved against in Corporation's financial statements or the notes included therein; and

(d) any reliance by Purchaser on decisions, actions, omission to act and payments made by Agent on behalf of the Vendors.

11.3 Indemnification in favour of Purchaser by Qualifying Holdco Shareholders.

Subject to Section 11.6, each Qualifying Holdco Shareholder who elects the Holdco Alternative in accordance with the terms and conditions of Section 2.11 shall (solidarily with its direct and indirect controlling shareholders) jointly indemnify and save the Purchaser Indemnified Parties harmless of and from any Damages suffered by, imposed upon or asserted against a Purchaser Indemnified Party as a result of, in respect of, connected with, or arising out of, under, or pursuant to all liabilities of the Qualifying Holdco (including any Tax liability of the Purchased Corporations in connection with a period ending on or before the Effective Date and resulting from the Qualifying Holdco Shareholder's election to have the Holdco Alternative apply and excluding any Tax liability of the Qualifying Holdcos in connection with any period commencing on or after the Effective Date) together with any inaccuracies in the representations and warranties or failure to comply with any of the covenants set forth in Section 2.11 and each applicable Qualifying Holdco's Closing Certificate.

11.4 Indemnification in favour of Vendors by Purchaser.

Subject to the limitations set out in Section 11.6, Purchaser shall indemnify and save the Vendors, their respective Affiliates, and each of their respective shareholders, representatives, successors and assigns (each, a "**Vendor Indemnified Party**") harmless of and from any Damages suffered by, imposed upon or asserted against a Vendor Indemnified Party as a result of, in respect of, connected with, or arising out of, under or pursuant to:

(a) any failure of Purchaser to perform or fulfill any of its covenants under this Agreement for which a notice of claim under Section 11.8 has been provided to Purchaser; and

(b) any breach or inaccuracy of any representation or warranty given by Purchaser contained in this Agreement or Purchaser's Closing Certificate for which a notice of claim under Section 11.8 has been provided to Purchaser.

11.5 Indemnification in Favour of the Vendors by the other Vendors.

Subject to the limitations set out in Section 11.6, following Closing, each Vendor shall jointly indemnify and save the other Vendor Indemnified Parties harmless of and from any Damages suffered by, imposed upon or asserted against such Vendor Indemnified Parties under this Article 11 as a result of, in respect of, connected with, or arising out of, under or pursuant to any breach or inaccuracy of any Individual Representation (and the corresponding representations and warranties contained in Corporation's Closing Certificate and the Qualifying Holdco's Closing Certificate).

11.6 Limitation on Damages.

(a) An Indemnifying Party has no obligation or liability for indemnification or otherwise with respect to any breach or inaccuracy of any representation or warranty contained in this Agreement or the Closing Certificates after the end of the applicable time period specified in Section 11.1, except for claims relating to the representations and warranties that such Indemnifying Party has been notified of prior to the end of the applicable time period. Where an Indemnified Party has a right to make a Claim for breach of representation, warranty or covenant under this Agreement, the right to enforce that Claim in court proceedings shall, subject to the immediately preceding sentence, remain subject to limitation periods imposed by applicable Laws.

(b) An Indemnifying Party has no obligation or liability for indemnification or otherwise with respect to any special, punitive or aggravated damages.

(c) No Indemnified Party is entitled to double recovery for any claims or the same Damages even though they may have resulted from the breach or inaccuracy of more than one of the representations, warranties, covenants and obligations of the Indemnifying Party in this Agreement.

(d) An Indemnifying Party has no obligation or liability for indemnification to the extent that the amount of Damages for which a claim of indemnification is made was taken into account in the determination of the final adjustment to the Purchase Price pursuant to Section 3.5(d).

(e) The representations and warranties of Corporation with respect to the Shareholders in Section 4.1(f) (Title to Shares) and the obligations of each Vendor in Section 11.5 to indemnify a Vendor Indemnified Party for breaches or inaccuracies of such representations and warranties are given jointly by such Vendor with respect to itself only, in accordance with and subject to the terms and conditions of this Agreement (the "**Individual Representations**"). Accordingly, each Vendor will be solely liable to a Vendor Indemnified Party for such Individual Representations as they pertain to such Vendor, but not as they pertain to the other Vendors, in accordance with and subject to the terms and conditions of this Agreement. The remainder of the representations and warranties and the obligations of each Vendor in Section 11.2(b) to indemnify a Vendor Indemnified Party for breaches or inaccuracies of such representations and warranties are given jointly by each Vendor with the other Vendors, in accordance with and subject to the terms and conditions of this Agreement (collectively, the "**Joint Representations**"). Accordingly, each Vendor will be jointly liable to a Vendor Indemnified Party for the amount of the Damages as a result of, in respect of, connected with, or arising out of, under or pursuant to any breach or inaccuracy of the Joint Representations up to such Vendor's allocated portion of such Damages, in accordance with and subject to the terms and conditions of this Agreement.

(f) An Indemnifying Party has no liability or obligation to make any payment for Damages (for indemnification or otherwise) with respect to the matters described in Section 11.2(b) until the total of all Damages with respect to such matters exceeds $[Redacted for reason of commercial sensitivity], representing [Redacted for reason of commercial sensitivity]% of the Gross Purchase Price, and up to the Indemnity Escrow Amount. For avoidance of doubt, once the total of all Damages with respect to such matters exceeds such $[Redacted for reason of commercial sensitivity], representing [Redacted for reason of commercial sensitivity]% of the Gross Purchase Price, the indemnification hereunder shall be from the first dollar of the Damage.

(g) Section 11.6(f) does not apply to (i) indemnification claims with respect to Corporation's Core Representations, Agent's Core Representations and in each case the corresponding representations and warranties set out in Corporation's Closing Certificate, (ii) claims based on fraud, gross negligence and willful misconduct, (iii) indemnification claims pursuant to Sections 11.2(a), 11.2(c) and 11.2(d) or (iv) indemnification claims pursuant to Section 11.3 (including corresponding representations and warranties in the Qualifying Holdco's Closing Certificate) (collectively, the "**Indemnity Exceptions**").

(h) The maximum liability of each Vendor for Damages relating to the Indemnity Exceptions shall be equal to the aggregate sum of the amounts allocated or payable to such Vendor hereunder or under the Plan of Arrangement (including any portion of the Escrow Amounts and the Expense Reserve Holdback that would have been allocated or payable to such Vendor had there not been any escrow or holdback).

(i) Notwithstanding anything to the contrary in Section 11.2, the maximum aggregate liability of the Vendors under Section 11.2(b) for any inaccuracy in or breach of any representation or warranty of Corporation or Agent contained in this Agreement, other than the Indemnity Exceptions, shall not exceed the Indemnity Escrow Amount.

11.7 Limited Recourse.

(a) To the extent any Damage incurred by any Purchaser Indemnified Party is subject to an obligation or liability for indemnification of the Vendors under Section 11.2 (other than in respect the Indemnity Exceptions), the Indemnity Escrow Amount, together with the R&W Insurance Policy, shall be the sole and exclusive remedy and source of recovery of the Purchaser Indemnified Parties for such Damage.

(b) Once the Indemnity Escrow Amount and the R&W Insurance Policy have been exhausted or otherwise released from escrow pursuant to the Escrow Agreement, the indemnification rights and benefits of the Purchaser Indemnified Parties under Section 11.2(b) (other than in respect of the Indemnity Exceptions) shall automatically terminate.

11.8 Notification.

(a) Subject to Section 11.8(d), if an Indemnified Party becomes aware of a Direct Claim, the Indemnified Party will promptly notify the Indemnifying Party in writing of the Direct Claim.

(b) Subject to Section 11.8(d), if a Third Party Claim is instituted or asserted against an Indemnified Party, the Indemnified Party will promptly notify the Indemnifying Party in writing of the Third Party Claim. The notice must specify in reasonable detail, the identity of the Person making the Third

Party Claim and, to the extent known, the nature of the Damages and the estimated amount needed to investigate, defend, remedy or address the Third Party Claim.

(c) Notice to an Indemnifying Party under this Section 11.8 of a Direct Claim or a Third Party Claim is an assertion of a claim for indemnification against the Indemnifying Party under this Agreement. Upon receipt of such notice, the provisions of Section 11.9 will apply to any Direct Claim, and the provisions of Section 11.10 will apply to any Third Party Claim.

(d) Any notice for a claim for indemnification by a Purchaser Indemnified Party shall be given to Agent (acting for and on behalf of the Vendors). No claim for indemnification may be asserted against an Indemnifying Party for breach or inaccuracy of any representation or warranty in this Agreement or the Closing Certificates, or any failure to perform any covenants or obligations contained in this Agreement, unless notice of such claim is received by the Indemnifying Party describing the facts and circumstances with respect to the subject matter of such claim on or prior to the date on which the representation, warranty, covenant or obligation on which such claim or action is based ceases to survive as set forth in this Agreement, irrespective of whether the subject matter of such claim shall have occurred before or after such date.

11.9 Direct Claims.

(a) Following receipt of notice of a Direct Claim under Section 11.8, the Indemnifying Party has 30 days to investigate the Direct Claim and respond in writing. For purposes of the investigation, the Indemnified Party shall make available to the Indemnifying Party or its representatives the information relied upon by the Indemnified Party to substantiate the Direct Claim, together with such other information as the Indemnifying Party or its representatives may reasonably request.

(b) If the Indemnifying Party (or Agent in the case of the Vendors as the Indemnifying Party) disputes the validity or amount of the Direct Claim, the Indemnifying Party shall provide notice of the dispute to the Indemnified Party within the 30 day period specified in Section 11.9(a). The dispute notice must describe in reasonable detail the nature of the Indemnifying Party's dispute. During the 30 day period immediately following receipt of a dispute notice by the Indemnified Party, the Indemnifying Party and the Indemnified Party shall attempt in good faith to resolve the dispute. If the Indemnifying Party and the Indemnified Party fail to resolve the dispute within that 30 day time period, the Indemnified Party is free to pursue all rights and remedies available to it, subject to this Agreement. If the Indemnifying Party fails to respond in writing to the Direct Claim within the 30 day period specified in Section 11.9(a), the Indemnifying Party is deemed to have rejected the Direct Claim, in which event the Indemnified Party is free to pursue all rights and remedies available to it, subject to this Agreement.

11.10 Defense of Third Party Claim.

(a) Subject to Section 11.14, if any Claim shall be instituted or asserted by a third party against an Indemnified Party (each, a "**Third Party Claim**"), then the Indemnifying Party (or Agent in the case of the Vendors) (the "**Defending Party**") shall have the right, after receipt of the Indemnified Party's notice under Section 11.8 and upon giving notice to the Indemnified Party within 30 days of such receipt, to defend the Third Party Claim (provided that the Defending Party shall not settle or compromise any Third Party Claim without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed, unless the Third Party Claim is solely for the payment of money and the Defending Party agrees in writing with the Indemnified Party that the Defending Party shall be fully liable hereunder for any Damages asserted under such Third Party Claim) at its own cost and expense with counsel of its own selection, provided that:

(i) the Indemnified Party (or Agent in the case of the Vendors) shall at all times have the right to fully participate in the defence at its own expense, and the Indemnifying Party shall reasonably cooperate with the Indemnified Party in connection with such participation;

(ii) the Third Party Claim seeks only monetary damages and does not seek any injunctive or other relief against the Indemnified Party; and

(iii) legal counsel chosen by the Indemnifying Party is satisfactory to the Indemnified Party, acting reasonably.

(b) If the Indemnifying Party fails within 30 days from receipt of the notice of a Third Party Claim to give notice of its intention to defend the Third Party Claim in accordance with this Section 11.10 or fails to subsequently pursue and diligently continue the defence of the Third Party Claim, then the Indemnifying Party shall be deemed to have waived its right to defend the Third Party Claim and the Indemnified Party shall have the right (but not the obligation) to undertake or to cause the Indemnifying Party to undertake the defence of the Third Party Claim and compromise and settle the Third Party Claim on behalf, for the account and at the risk and expense of the Indemnifying Party, provided that such Third Party Claim may not be settled or compromised by the Indemnified Party without the prior written consent of the Indemnifying Party, such consent not to be unreasonably withheld, conditioned or delayed.

(c) Where the defence of a Third Party Claim is being undertaken and controlled by the Defending Party, the Indemnified Party will use its Commercially Reasonable Efforts to make available to the Defending Party or its representatives those employees whose assistance, testimony or presence is necessary to assist the Defending Party in evaluating and defending any such claims.

(d) With respect to any Third Party Claim, the Indemnified Party shall make available to the Defending Party or its representatives on a timely basis all documents, records and other materials in the possession of the Indemnified Party, reasonably required by the Defending Party for its use in defending any such claim and shall otherwise cooperate on a timely basis with the Defending Party in the defence of such claim.

11.11 Payments.

(a) Subject to the provisions of Section 11.6 and Section 11.7, any Damage which the Vendor has an obligation to pay pursuant to Section 11.2(b) (other than in respect of the Individual Representations) will be paid from the Indemnity Escrow Amount.

(b) Any payment made to a Purchaser Indemnified Party from the Vendors' allocated portion of the Indemnity Escrow Amount pursuant to this Article 11 will constitute a dollar for dollar decrease of the Purchase Price.

(c) Agent, for and on behalf of the Vendors, will be entitled to withhold an amount up to the equivalent of the amount of any Damage which any Vendor has an obligation to pay pursuant to Section 11.5 from any amount owed to such Vendor under this Agreement or the Plan of Arrangement and to pay any such withheld amount to the other Vendors with indemnification rights or benefits pursuant to Section 11.5.

11.12 Duty to Mitigate.

Nothing in this Agreement in any way restricts or limits the general obligation at Law of an Indemnified Party to mitigate any Damage which it may suffer or incur by reason of the breach by an Indemnifying Party of any representation, warranty, covenant or obligation of the Indemnifying Party under this Agreement. If any claim can be reduced by any recovery under or pursuant to any existing insurance coverage of the Purchaser Indemnified Party or the Vendor Indemnified Party, as the case may be, such Party shall take all reasonable steps (which does not include instituting any legal proceedings) to enforce such recovery. All payments required to be made by an Indemnifying Party to an Indemnified Party under this Article 11 shall be computed taking into account the net present value of any Tax benefits realizable or reasonably expected to be realized by the Indemnified Party as a result of the Damages giving rise to such payments.

11.13 Failure to Give Timely Notice.

A failure to give timely notice as provided in this Article 11 shall not affect the rights or obligations of any Party except and only to the extent that any Party which was entitled to receive such notice sustained a Damage as a result of such failure.

11.14 Tax Matters.

(a) If any Purchased Corporation (or any Qualifying Holdco whose shares were acquired by Purchaser) receives an assessment, a reassessment, an indication that an assessment or an audit is being considered or proposed or any other notice from a Governmental Entity that asserts any claim with respect to Taxes in respect of any Purchased Corporation (or any Qualifying Holdco whose shares were acquired by Purchaser) for any taxation year or period ending on or before the Closing, or in respect of any taxation year or period beginning before and ending after the Closing (a "**Tax Claim**"), Purchaser shall provide a written notice of such Tax Claim, within 30 days of receiving such Tax Claim, to Agent which notice shall include a copy of any documents received from the Governmental Entity with respect to the Tax Claim.

(b) In the case of any Tax Claim, the contest, litigation, defense, negotiation or other proceeding with or against any Governmental Entity (a "**Tax Proceeding**"), Agent shall have the right to control, at its own expense, such Tax Proceeding; provided, however, that: (A) Purchaser shall be entitled to participate in such Tax Proceeding at Purchaser's expense (along with counsel and other advisors of its choice), and (B) Agent shall not settle, compromise or abandon any such Tax Proceeding without obtaining the prior written consent of Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed).

(c) Purchaser will promptly pay or cause to be paid to Agent (for the benefit of the Vendors) any refunds of Taxes received with respect to a Purchased Corporation (or any Qualifying Holdco whose shares were acquired by Purchaser) or any amount that is credited or deducted against Taxes of a Purchased Corporation (or any Qualifying Holdco whose shares were acquired by Purchaser) attributable to any taxation year or period (or portion thereof) ending on or before the Effective Date (plus any interest received with respect thereto from any applicable Governmental Entity), except to the extent specifically identified in the calculation of the Final Net Working Capital Amount or to the extent such refund of or credit against Taxes arises as a result of a carryback of a loss or other tax benefit arising in a taxation year or period beginning after the Closing. All amounts paid under this Section 11.14(c) shall constitute a dollar for dollar increase of the Purchase Price.

11.15 R&W Insurance.

(a) Subject to the terms and conditions of this Agreement, during the Pre-Closing Period, Purchaser shall obtain a buyer-side representation and warranty insurance policy from a reputable insurer with an aggregate policy limit of $[Redacted for reason of commercial sensitivity] and a retention amount of $[Redacted for reason of commercial sensitivity], which shall expressly exclude any right of subrogation against Corporation, the Vendors or Agent (other than with respect to fraud) and otherwise on terms consistent with those specified in the R&W Insurance Policy binder attached hereto as Schedule 11.15 (the "**R&W Insurance Policy**"). Purchaser shall deliver a copy of the R&W Insurance Policy to Agent once obtained. The aggregate costs of the premium for and any costs associated with the subscription of the R&W Insurance Policy shall be divided equally between Agent, on the one hand, and Purchaser, on the other hand. For greater certainty, should Purchaser decide to subscribe for additional insurance coverage in excess of the $[Redacted for reason of commercial sensitivity] policy contemplated by this Section 11.15, Purchaser shall be solely responsible for the additional premium for and any costs associated with the subscription of such additional insurance coverage.

(b) Purchaser agrees and acknowledges on behalf of itself and the Purchaser Indemnified Parties that a Purchaser Indemnified Party shall assert any claim for indemnification as follows: with respect to any claim for Damages based solely upon a breach of any representation or warranty set forth in Article 4, (A) first, against the then available Indemnity Escrow Amount in accordance with the terms of the Escrow Agreement, up until the deductible under the R&W Insurance Policy shall have been met, (B) second, to the extent available to satisfy such claim, against the R&W Insurance Policy (and Purchaser shall use commercially reasonable efforts to seek recovery under the R&W Insurance Policy for such purpose; provided, however, that in using such commercially reasonable efforts, in no event shall Purchaser be required to take any action that would result in a material adverse change in the benefits to the Purchaser Indemnified Party hereunder, to commence or threaten to commence any Proceeding or to incur any other material burden) and (C) third, against the then remaining available Indemnity Escrow Amount in accordance with the Escrow Agreement.

(c) If the Purchaser Indemnified Party receives any insurance proceeds (including under the R&W Insurance Policy) as a result of the matter(s) giving rise to any indemnification Claim of the Indemnified Party prior to the Indemnifying Party paying such Claim to the Indemnified Party (or any portion of the Indemnity Escrow Amount being applied in satisfaction of such Claim), the Indemnifying Party's indemnification obligation with respect to such Claim shall be reduced by the amount of any such insurance proceeds and other amounts actually received by the Indemnified Party, net of any costs reasonably incurred by the Indemnified Party in obtaining such insurance proceeds or other amounts. If the Indemnified Party receives any insurance proceeds or other amounts as a result of the matter(s) giving rise to any indemnification Claim of the Indemnified Party after the Indemnifying Party has paid such Claim to the Indemnified Party (or any portion of the Indemnity Escrow Amount having been applied in satisfaction of such Claim, other than in accordance with paragraph 11.15(c)), then the Indemnified Party shall promptly turn over any such insurance proceeds and other amounts received (net of any costs reasonably incurred by the Indemnified Party in obtaining such insurance proceeds or other amounts) to (i) the Indemnifying Party, to the extent that the Indemnifying Party has made payments to the Indemnified Party on account of such Claim, and/or (ii) the Escrow Agent to the extent that the Indemnity Escrow Amount has been applied in satisfaction of such Claim (other than in accordance with paragraph 11.15(c)) and, at that time, such Indemnity Escrow Amount would, but for such application, remain in escrow, in which case such amounts remitted to the Escrow Agent shall be treated as part of the Indemnity Escrow Amount in accordance with the Escrow Agreement as if they had never been released from escrow.

ARTICLE 12
MISCELLANEOUS

12.1 Amendments.

This Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, and any such amendment may, without limitation:

(a) change the time for performance of any of the obligations or acts of the Parties;

(b) modify any representation or warranty contained in this Agreement or in any document delivered pursuant to this Agreement;

(c) modify any of the covenants contained in this Agreement and waive or modify performance of any of the obligations of the Parties; and

(d) modify any mutual conditions contained in this Agreement.

12.2 Notices.

Any notice, direction or other communication given under this Agreement (each, a "**Notice**") shall be in writing and given by delivering it by personal delivery or courier or sending it by electronic mail, and addressed:

(a) if to Corporation before the Effective Date, at:

1200-3030 boul. Le Carrefour
Laval (Québec) H7T 2P5
Canada

Attention: [Redacted for reason of confidentiality]

Email: [Redacted for reason of confidentiality] with a copy to (which shall not constitute notice):

Stikeman Elliott LLP
1155 René-Lévesque Blvd. West
41st Floor
Montreal, Québec H3B 3V2

Attention: Pierre-Yves Leduc and Gayle Noble
Email: pyleduc@stikeman.com and gnoble@stikeman.com

(b) if to Agent, at:

1155 René-Lévesque Blvd. West
41st Floor
Montreal, Québec H3B 3V2

Attention: [Redacted for reason of confidentiality]
Email: [Redacted for reason of confidentiality]

with a copy (which shall not constitute notice) to:

Stikeman Elliott LLP
1155 René-Lévesque Blvd. West
41st Floor
Montreal, Québec H3B 3V2

Attention: Pierre-Yves Leduc and Gayle Noble
Email: pyleduc@stikeman.com and gnoble@stikeman.com

(c) if to Purchaser after the Effective Date, at:

3438-1 Place Ville-Marie
Montréal, Québec H3B3N6

Attention: [Redacted for reason of confidentiality]
Email: [Redacted for reason of confidentiality]

with a copy (which shall not constitute notice) to:

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

Attention: Richard Cherney and Elliot Greenstone
Email: rcherney@dwpv.com and egreenstone@dwpv.com

A Notice is deemed to be given and received (i) if sent by personal delivery or courier, 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 place of receipt) and otherwise on the next Business Day, or (ii) if sent by electronic mail, on the Business Day following the date of transmission. A Party may change its address for service or agent for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a Notice will be assumed not to be changed. 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.

12.3 Time of the Essence.

Time shall be of the essence of this Agreement. The mere lapse of time in the performance of the terms of this Agreement by any Party will have the effect of putting such Party in default in accordance with Articles 1594 to 1600 of the *Civil Code of Québec*.

12.4 Announcements.

Unless required by Law or by a Governmental Entity, no press release, public statement or announcement or other public disclosure with respect to this Agreement or the transactions contemplated in this Agreement or in the Plan of Arrangement may be made except with the prior written consent and joint approval of Agent and Purchaser. Where the public disclosure is required by Law or by a Governmental Entity, the Party required to make the public disclosure will use its Commercially Reasonable Efforts to obtain the approval of the other Parties as to the form, nature and extent of the disclosure, which approval shall not be unreasonably withheld or delayed.

12.5 Third Party Beneficiaries.

Except for the Purchaser Indemnified Parties and for the Vendor Indemnified Parties and except as provided in Section 10.2, the Parties intend that this Agreement will not benefit or create any right or cause of action in favour of any Person, other than the Parties (including in accordance with Section 2.9, the Vendors) and their respective heirs, administrators, executors, legal representatives, successors and permitted assigns.

12.6 Expenses.

Except as otherwise expressly provided in this Agreement, each Party will pay for its own costs and expenses incurred in connection with the consummation of the Arrangement and the other transactions contemplated by this Agreement and the Plan of Arrangement. The fees and expenses referred to in this Section 12.6 are those which are incurred in connection with the negotiation, preparation, execution and performance of this Agreement, and the transactions contemplated by this Agreement and the Plan of Arrangement, including the fees and expenses of legal counsel, investment advisers and accountants.

12.7 Appointment of Agent.

(a) In order to administer efficiently the determination of certain matters under this Agreement and the Plan of Arrangement, Agent, by virtue of the approval of the Plan of Arrangement, is irrevocably constituted and appointed the exclusive and lawful agent and attorney-in-fact for the Vendors with respect to all matters under this Agreement, the Plan of Arrangement and the Escrow Agreement, including to act for and on behalf of the Vendors in connection with any claim for indemnification under Article 11 (Indemnification). Agent hereby accepts such appointment.

(b) Without limiting the generality of the foregoing, Agent shall have full power and authority acting in each Vendor's name, place and stead, and on its behalf, to make all decisions and take all actions relating to the Vendors' respective rights, obligations and remedies under this Agreement, the Plan of Arrangement and the Escrow Agreement, including to (i) receive and make payments, (ii) receive and send notices or other communications (including notices of termination and any notices in connection with any claim for indemnification under Article 11 (Indemnification)), (iii) receive, sign and deliver documents, including any ancillary agreements, waivers, certificates and all other documents that Agent deems necessary or appropriate, (iv) receive, sign and deliver amendments or modifications to such documents, (v) exercise, enforce or waive rights or conditions, (vi) give releases and discharges, (vii) make claims for indemnification on behalf of the Vendors, (viii) defend against any claim for indemnification by any Purchaser Indemnified Party, (ix) receive service of process in connection with all claims under this Agreement, the Plan of Arrangement and the Escrow Agreement, (x) provide instructions under the Escrow Agreement, and (xi) make all decisions relating to the determination of the Net Working Capital and the Net Indebtedness and any adjustment to the Purchase Price. Agent may take all other actions which are reasonably incidental to these powers or may otherwise be required or advisable in connection with the consummation of the Arrangement and the other transactions contemplated by this Agreement, the Plan of Arrangement and the Escrow Agreement.

(c) All references in this Agreement and the Escrow Agreement to decisions, actions, notices, consents or instructions to be taken or given by the Vendors or any one of them, as the case may be, shall be deemed taken or given by the Vendors or any one of them, as the case may be, if such decisions, actions, notices, consents or instructions are taken or given by Agent and any such decision, action, notice, consent and instruction shall be final, binding and conclusive upon all Vendors and no Vendor shall have the right to object, dissent, protest or otherwise contest the same. All references in this Agreement and the Escrow Agreement to decisions, actions, notices, consents and instructions to be taken or given by Purchaser and directed to all Vendors or any one of them, as the case may be, shall be deemed directed to all Vendors or any one of them, as the case may be, if such decisions, actions, notices, consents or instructions are directed by Purchaser to Agent.

(d) Notwithstanding anything to the contrary set forth herein, no payment, notice, communication, receipt, signature or delivery of documents, amendment or modification of such documents, exercise, enforcement or waiver of rights or conditions, release or discharge, claim for indemnification, defence, service of process, instruction, decision or other action shall be ineffective by reason only of it having been made or given to or by a Vendor, as the case may be, directly if Purchaser and such Vendor consent by virtue of not objecting to such dealings without the intermediary of Agent.

(e) Purchaser shall be entitled to deal only with, but shall not be required to deal only with, Agent in respect of all matters related to the Vendors under this Agreement, the Plan of Arrangement and the Escrow Agreement, including to (i) receive and make payments, (ii) receive and send notices or other communications (including notices of termination and any notices in connection with any claim for indemnification under Article 11), (iii) receive, sign and deliver documents, including any ancillary agreements, waivers, certificates and all other documents that Purchaser deem necessary or appropriate, (iv) receive, sign and deliver amendments or modifications to such documents, (v) exercise, enforce or waive rights or conditions, (vi) give releases and discharges, (vii) make claims for indemnification against the Vendors, (viii) defend against any claim for indemnification by any Vendor Indemnified Party, (ix) receive service of process in connection with all claims under this Agreement, the Plan of Arrangement and the Escrow Agreement, (x) provide instructions under the Escrow Agreement, and (xi) make all decisions relating to the determination of the Net Working Capital and the Net Indebtedness and any adjustment to the Purchase Price. Purchaser shall be entitled to rely upon any decision, action, notice, consent or instruction provided to Purchaser by Agent acting within the scope of its authority. For avoidance of doubt, Purchaser shall have no liability for and shall be held harmless for (i) the application or allocation of any monies paid to Agent by Purchaser and Purchaser will be entitled to rely upon any Notice provided to Purchaser by Agent or action taken by Agent acting within the scope of his authority set out in this Agreement and (ii) for any other action or decision made by Agent.

(f) Agent shall establish an Expense Reserve Holdback to be deposited in an interest-bearing account (or other interest-bearing instruments or deposits as selected by Agent, in its sole discretion). Agent shall maintain the Expense Reserve Holdback for as long as Agent deems necessary or appropriate and upon completion of performing its duties and functions under this Agreement and the Plan of Arrangement, shall pay to the Vendors any remaining portion of the Expense Reserve Holdback. For avoidance of doubt, Purchaser shall have no liability for and shall be held harmless for (i) the application or allocation of any monies paid to Agent by Purchaser and Purchaser will be entitled to rely upon any Notice provided to Purchaser by Agent or action taken by Agent acting within the scope of his authority set out in this Agreement and (ii) for any other action or decision made by Agent.

(g) Agent shall, at the expense of the Vendors, be entitled to engage such counsel, experts and other agents and consultants as Agent shall deem necessary in connection with exercising its duties and performing its functions hereunder and (in the absence of bad faith on the part of Agent) shall be entitled to conclusively rely on the opinions and advice of such Persons. Agent shall have no liability to any of the Vendors for any actions taken by it in good faith in its capacity as Agent (and any action done or omitted pursuant to advice of counsel, expert or other agent or consultant shall be conclusive evidence of such good faith). Each Vendor shall jointly (and not solidarily) indemnify Agent and hold Agent harmless against any Damages and shall reimburse Agent for any out-of-pocket expenses incurred without gross negligence or bad faith on the part of Agent and arising out of or in connection with the acceptance or administration of Agent's duties and functions hereunder, including each Vendor's respective share of the reasonable fees and expenses of any counsel, expert or other agent or consultant retained by Agent in each case to the extent that the amount then held in the Expense Reserve Holdback is not sufficient for such purpose.

(h) The provisions of this Section 12.7 are independent and severable, are irrevocable and coupled with an interest and shall be enforceable notwithstanding any rights or remedies that any Vendor may have in connection with the transactions contemplated by this Agreement and the Plan of Arrangement.

12.8 Waiver.

No waiver of any of the provisions of this Agreement or any Ancillary 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.

12.9 Entire Agreement.

This Agreement, together with the Disclosure Letter, the Confidentiality Agreement and the agreements referred to herein, constitutes the entire agreement between the Parties with respect to the transactions contemplated in this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement except as specifically set forth herein and neither Party has relied or is relying on any other information, discussion or understanding in entering into and completing the transactions contemplated in this Agreement or the Plan of Arrangement.

12.10 Successors and Assigns.

(a) This Agreement is binding upon and enures to the benefit of the Parties and their respective successors and permitted assigns.

(b) Except as provided in this Section 12.10, neither this Agreement nor any of the rights or obligations under this Agreement may be assigned, transferred or delegated, in whole or in part, by any Party without the prior written consent of the other Parties which consent must not be unreasonably withheld. Any purported assignment, transfer or delegation without such written consent will be null and void and of no effect.

(c) Purchaser may assign, transfer or delegate, as applicable, this Agreement or any of its rights or obligations under this Agreement, in whole or in part, to any one of its Affiliates.

(d) Upon effecting an assignment, transfer or delegation in accordance with this Section 12.10, the Party assigning, transferring or delegating will not be released from its obligations under this Agreement unless it obtains the prior written consent of the other Parties, which consent must not be unreasonably withheld.

12.11 Inconsistency.

This Agreement shall override the Exhibits and Schedules annexed hereto to the extent of any inconsistency.

12.12 Severability.

If any provision of this Agreement shall be determined by an arbitrator or any court of competent jurisdiction to be illegal, invalid or unenforceable, that provision shall be severed from this Agreement and the remaining provisions shall continue in full force and effect.

12.13 Governing Law.

This Agreement shall be governed by and interpreted and enforced in accordance with the Laws of the Province of Quebec and the federal Laws of Canada applicable therein. Each Party irrevocably attorns and submits to the exclusive jurisdiction of the Quebec courts situated in the City of Montreal and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

12.14 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.

12.15 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.*

[**SIGNATURE PAGE FOLLOWS**]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above mentioned.

9360-9253 QUÉBEC INC.

Per: (signed) [Redacted for reason of confidentiality]

Name: [Redacted for reason of confidentiality]
Title: [Redacted for reason of confidentiality]

IRIS, LE GROUPE VISUEL (1990) INC.

Per: (signed) [Redacted for reason of confidentiality]

Name: [Redacted for reason of confidentiality]
Title: [Redacted for reason of confidentiality]

NEW LOOK VISION GROUP INC.

Per: (signed) [Redacted for reason of confidentiality]

Name: [Redacted for reason of confidentiality]
Title: [Redacted for reason of confidentiality]

EXHIBIT 1.1(t)

ARRANGEMENT RESOLUTION

BE IT RESOLVED THAT:

1. The arrangement (the "**Arrangement**") under Chapter XVI – Division (1) II of the Business Corporations Act (Québec) (the "**QBCA**") of Iris, le groupe visuel (1990) Inc. ("**Corporation**"), as more particularly described and set forth in the management proxy circular (the "**Circular**") dated ●, 2017 of Corporation accompanying the notice of this meeting (as the Arrangement may be amended, modified or supplemented in accordance with the definitive agreement (the "**Share Purchase Agreement**") made as of ●, 2017 between Corporation, Purchaser and Agent), is hereby authorized, approved and adopted.

2. The plan of arrangement of Corporation (as it has been or may be amended, modified or supplemented in accordance with the Share Purchase Agreement) (the "**Plan of Arrangement**"), the full text of which is set out in Exhibit 1.1(fffff) to the Share Purchase Agreement, is hereby authorized, approved and adopted.

3. The (i) Share Purchase Agreement and related transactions, (ii) actions of the directors of Corporation in approving the Share Purchase Agreement, and (iii) actions of the directors and officers of Corporation in executing and delivering the Share Purchase Agreement, and any amendments, modifications or supplements thereto, are hereby confirmed, ratified, authorized and approved.

4. Corporation is and is hereby authorized to apply for a final order from the Quebec Superior Court (Commercial Division) to approve the Arrangement on the terms set forth in the Share Purchase Agreement and the Plan of Arrangement (as they may be amended, modified or supplemented and as described in the Circular).

5. Notwithstanding that this resolution has been passed (and the Arrangement authorized, approved and adopted) by the shareholders of Corporation or that the Arrangement has been approved by the Quebec Superior Court (Commercial Division), the directors of Corporation are hereby authorized and empowered to, without notice to or approval of shareholders of Corporation, (i) amend, modify or supplement the Share Purchase Agreement or the Plan of Arrangement, and (ii) subject to the terms of the Share Purchase Agreement, not to proceed with the Arrangement and related transactions.

6. Any officer or director of Corporation is hereby authorized and directed for and on behalf of Corporation to execute and deliver for filing with the Enterprise Registrar under the QBCA articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement in accordance with the Share Purchase Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any such other documents.

7. Any officer or director of Corporation is hereby authorized and directed for and on behalf of Corporation to execute or cause to be executed and to deliver or cause to be

delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

EXHIBIT 1.1(sss)

FORM OF ESCROW AGREEMENT

(see attached)

[Voluntarily omitted]

EXHIBIT 1.1(eeee)

ILLUSTRATIVE FINANCIAL CALCULATIONS

(see attached)

[Redacted for reason of commercial sensitivity]

EXHIBIT 1.1(fffff)

PLAN OF ARRANGEMENT

(see attached)

[voluntarily omitted]

EXHIBIT 1.1(yyyyy)

FORM OF SUPPORT AGREEMENT

(see attached)

[voluntarily omitted]

EXHIBIT 6.9

PURCHASER REQUESTED REORGANIZATION

(see attached)

[Redacted for reason of commercial sensitivity]