

UNDERWRITING AGREEMENT

February 7, 2018

Pollard Banknote Limited
140 Otter Street
Winnipeg, Manitoba
R3T 0M8

Ladies and Gentlemen:

Canaccord Genuity Corp. ("**Canaccord Genuity**") and Acumen Capital Finance Partners Limited (the "**Co-Lead Underwriters**") along with Cormark Securities Inc. (collectively, the "**Underwriters**" and each individually, an "**Underwriter**") understand that, subject to the terms and conditions stated herein, Pollard Banknote Limited (the "**Corporation**") proposes to issue and sell to the Underwriters 1,800,000 common shares in the capital of the Corporation (the "**Purchased Shares**"). The Purchased Shares shall have the material attributes described in and contemplated by the Prospectus (as defined below), all as more particularly described below.

On the basis of the representations, warranties, covenants and agreements contained herein, but subject to the terms and conditions herein set forth, the Underwriters hereby severally and not jointly (or jointly and severally) agree, in the respective percentages set out in Section 16 of this Agreement, to purchase from the Corporation, and by its acceptance of this Agreement, the Corporation hereby agrees to sell to the Underwriters, all but not less than all of the Purchased Shares at a purchase price of \$18.45 per Purchased Share (the "**Purchase Price**"), being an aggregate purchase price of \$33,210,000 against delivery of the Purchased Shares. In addition, by acceptance of this Agreement, the Corporation grants to the Underwriters an option (the "**Over-Allotment Option**") to purchase from the Corporation up to an additional 270,000 common shares in the capital of the Corporation (the "**Additional Shares**", and together with the Purchased Shares, the "**Shares**") on the same terms (including the Underwriters Commission (as defined below) payable to the Underwriters per Additional Share) as the purchase of the Purchased Shares (collectively, the "**Offering**").

If the Underwriters elect to exercise the Over-Allotment Option in whole or in part, Canaccord Genuity shall notify the Corporation in writing not later than 5:00 p.m. (Toronto time) on the 30th day following the Closing Date (as defined below), which notice shall specify the number of Additional Shares to be purchased by the Underwriters and the date and time at which such Additional Shares are to be purchased (the "**Over-Allotment Closing Time**"). Such date may be the same as the Closing Date but not earlier than the later of: (i) the Closing Date, and (ii) two Business Days after the delivery date of such notice, nor later than five Business Days after the date of such notice (each an "**Over-Allotment Closing Date**"). Additional Shares may be purchased solely for the purpose of covering over-allotments made in connection with the offering of the Purchased Shares, if any, and for market stabilization purposes. If any Additional Shares are purchased, each Underwriter agrees, severally and not jointly (or jointly and severally), to purchase that

number of Additional Shares (subject to such adjustments to eliminate fractional shares as Canaccord Genuity may determine) equal to the total number of Additional Shares to be purchased multiplied by the percentage set out in Section 16 opposite the name of such Underwriter.

The Underwriters propose to distribute the Purchased Shares in Canada pursuant to the Prospectus (as defined below) and in the United States pursuant to the U.S. Placement Memorandum (as defined below) in the manner contemplated by this Agreement.

The Shares will not be registered under the U.S. Securities Act (as defined below) or the securities laws of any state of the United States and, as contemplated by the U.S. Placement Memorandum (as defined below) and Schedule "A" hereto, will be (i) offered and sold only within the United States exclusively by the Underwriters, through their U.S. registered broker-dealer affiliates, to Qualified Institutional Buyers (as defined in Rule 144A(a)(1) under the U.S. Securities Act) in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by such Rule 144A; or (ii); offered and sold by the Underwriters outside the United States in compliance with Regulation S under the U.S. Securities Act.

In consideration of the agreement of the Underwriters to purchase the Shares and to offer them to the public, the Corporation agrees to pay to the Underwriters at the Closing Time (as defined below) an underwriting fee equal to 5% of the gross proceeds from the sale of the Shares and, for certainty, any Additional Shares on exercise of the Over-Allotment Option (the "**Underwriters' Commission**").

Terms and Conditions

The following are additional terms and conditions of this Agreement among the Corporation and the Underwriters.

Section 1 Definitions.

- (1) Where used in this Agreement, or in any amendment to this Agreement, the following terms will have the following meanings, respectively:

"**Acts**" has the meaning given to that term in Section 8(aa) of this Agreement;

"**Additional Shares**" has the meaning given to that term above;

"**affiliate**" has the meaning given to that term in the *Securities Act* (Ontario);

"**Agreement**" means this underwriting agreement;

"**Business Day**" means a day which is not a Saturday, a Sunday or a day on which Canadian chartered banks are not open for business in Toronto, Ontario;

"**Canada Holdco**" means 1018857 Canada Inc.;

“Canadian Securities Laws” means, collectively, the applicable securities laws of each of the Qualifying Jurisdictions emanating from Governmental Bodies including the respective regulations and rules made under those securities laws together with all applicable published national and local instruments, policy statements, notices, blanket orders and rulings of the Securities Commissions and all discretionary orders or rulings, if any, of the Securities Commissions and all rules, by-laws and regulations governing the TSX, all as the same are in effect at the date hereof and as amended, supplemented or replaced from time to time during the period of Distribution;

“CDS” has the meaning given to that term in Section 12(1)(a) of this Agreement;

“Claim” has the meaning given to that term in Section 14(1) of this Agreement;

“Closing” means the completion of the issue and sale by the Corporation and the purchase by the Underwriters of the Purchased Shares pursuant to this Agreement;

“Closing Date” means February 21, 2018 or any earlier or later date as may be agreed to in writing by the Corporation and Canaccord Genuity on behalf of the Underwriters, each acting reasonably, but in any event not later February 28, 2018;

“Closing Time” means 8:00 a.m. (Toronto time) on the Closing Date, or any other time on the Closing Date as may be agreed to by the Corporation and Canaccord Genuity on behalf of the Underwriters;

“Common Shares” means the common shares in the capital of the Corporation;

“Communication” has the meaning given to that term in Section 20(1) of this Agreement;

“Condition of the Corporation” means the business, affairs, operations, assets, properties, prospects, liabilities (contingent or otherwise), capital, earnings or financial condition of the Corporation and the Material Subsidiaries taken as a whole;

“Corporation” means Pollard Banknote Limited, and for the purposes of Section 8 only shall include its direct and indirect subsidiaries;

“Corporation IP” means the Intellectual Property that is owned by the Corporation or the Material Subsidiaries, whether through development, creation, conception or acquisition;

“Distribution” means “distribution” or “distribution to the public”, as the case may be, for the purposes of Canadian Securities Laws;

“Engagement Letter” has the meaning given to that term in Section 15 of this Agreement;

“Environmental Laws” has the meaning given to that term in Section 8(z) of this Agreement;

“Final Passport System Decision Document” means the final passport system decision document issued by the Manitoba Securities Commission, in its capacity as principal regulator under the Passport System, evidencing that final receipts of the Securities Commissions in each of the Qualifying Jurisdictions have been issued in respect of the Final Prospectus;

“Final Prospectus” means the (final) short form prospectus of the Corporation dated February 14, 2018, including documents incorporated or deemed to be incorporated by reference therein, relating to the qualification for Distribution of the Shares in the Qualifying Jurisdictions (in the English and French languages unless the context indicates otherwise);

“Financial Information” has the meaning given to that term in Section 3(2)(a) of this Agreement;

“Gaming Licenses” means the gaming licenses, permits, registrations or approvals issued in the Licensing Jurisdictions;

“Governmental Body” means any (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) any subdivision, agent, commission, board or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, and any stock exchange or self-regulatory authority and, for greater certainty, includes the Securities Commissions, the TSX and the Investment Industry Regulatory Organization of Canada;

“Hazardous Materials” has the meaning given to that term in Section 8(z) of this Agreement;

“IFRS” means International Financial Reporting Standards as issued by the International Accounting Standards Board;

“Indemnified Party” has the meaning given to that term in Section 14 of this Agreement;

“INNOVA” means INNOVA Gaming Group Inc.;

“Intellectual Property” means, without limitation, (i) trademarks, including brand names, trade names, registered and unregistered trademarks, service marks, certification marks; (ii) patents, including patents, patent applications (including all divisionals, continuations, continuation-in-part applications, renewals, re-examinations, extensions), reissues, patent rights and related applications and

registrations thereto; (iii) copyrights, writing and other copyrightable works of authorship, including software and all rights thereto (including all computer software and programs (in both source code and object code form), all proprietary rights in the computer software and programs and all documentation and other materials related to the computer software and programs, data bases and related documentation); (iv) designs, design registrations, design registration applications, industrial designs, industrial design registrations, industrial design registration applications; and (v) proprietary and non-public business information, including trade secrets, know-how, inventions, discoveries, improvements, concepts, ideas, methods, processes, designs, formulae, technical data, drawings, specifications, research and development information, customer lists, business plans and marketing plans;

“Knowledge of the Corporation” means the actual knowledge, after due inquiry, of John Pollard, Doug Pollard, Rob Rose and Riva Richard;

“KPMG” means KPMG LLP;

“Laws” means Canadian Securities Laws, U.S. Securities Laws and all statutes, regulations, statutory rules, orders, by-laws, codes, ordinances, decrees, the terms and conditions of any grant of approval, permission, authority or license, or any judgement, order, decision, ruling, award, policy or guideline, of any Governmental Body, and the term “applicable” with respect to such Laws apply to such persons or its or their business, undertaking, property or securities and emanate from a Governmental Body having jurisdiction over the person or persons or its or their business, undertaking, property or securities;

“Licensed IP” means the Intellectual Property owned by any person other than the Corporation or the Material Subsidiaries and which the Corporation or the Material Subsidiaries uses under license;

“Licensing Jurisdictions” means the markets where development and distribution of gaming solutions, products and services by a company requires gaming regulatory approval;

“Lien” means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatsoever which affects ownership or possession of, or title to, any interest in, or right to use or occupy such property or assets;

“marketing materials” has the meaning given to that term under NI 41-101;

“Marketing Materials of the Corporation” means the template version of the term sheet (in both the English and French languages unless the context indicates otherwise) dated February 1, 2018 and filed with the Securities Commissions;

“Material Adverse Effect” means any material adverse change in or adverse effect on the Condition of the Corporation;

“Material Subsidiaries” means Pollard Holdings, Canada Holdco and INNOVA;

“misrepresentation”, “material fact”, “material change”, “person” and “company” means, with respect to circumstances to which the Canadian Securities laws of a particular Qualifying Jurisdiction are applicable, a misrepresentation, material fact, material change, person and company as defined under the Canadian Securities Laws of that Qualifying Jurisdiction and, if not so defined or in circumstances in which the particular Canadian Securities Laws of a particular Qualifying Jurisdiction are not applicable, mean a misrepresentation, material fact, material change, person and company as defined under the *Securities Act* (Ontario);

“Money Laundering Laws” has the meaning given to that term in Section 8(bb) of this Agreement;

“NI 41-101” means National Instrument 41-101 – *General Prospectus Requirements*;

“NI 44-101” means National Instrument 44-101 – *Short Form Prospectus Distributions*;

“Offering” has the meaning given to that term above;

“Offering Documents” means the Preliminary Prospectus, the Final Prospectus, the U.S. Placement Memorandum, the Marketing Materials of the Corporation and any Supplementary Material;

“Over-Allotment Closing Date” has the meaning given to that term above;

“Over-Allotment Closing Time” has the meaning given to that term above;

“Over-Allotment Option” has the meaning given to that term above;

“Passport System” means the passport system procedures provided for under Multilateral Instrument 11-102 – *Passport System* and National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions* among the Canadian Securities Administrators;

“person” includes any individual, general partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, joint stock company, association, trust, trust company, bank, pension fund, trustee, executor, administrator or other legal personal representative, regulatory body or agency, Governmental Body or other organization or entity, whether or not a legal entity, however designated or constituted;

“Pollard Holdings” means Pollard Holdings, Inc.;

“Preliminary Passport System Decision Document” means a receipt issued by the Manitoba Securities Commission, in its capacity as principal regulator under the Passport System, evidencing that receipts of the Securities Commissions in each of the Qualifying Jurisdictions have been issued in respect of the Preliminary Prospectus;

“Preliminary Prospectus” means the preliminary short form prospectus of the Corporation dated February 7, 2018, including documents incorporated or deemed to be incorporated by reference, relating to the qualification for Distribution of the Shares in the Qualifying Jurisdictions (in the English and French languages unless the context indicates otherwise);

“Proceedings” has the meaning given to that term in Section 8(o) of this Agreement;

“Prospectus” means any one of the Preliminary Prospectus and the Final Prospectus;

“Purchase Price” has the meaning given to that term above;

“Purchased Shares” has the meaning given to that term above;

“PWC” means PricewaterhouseCoopers LLP;

“Qualification Deadline” means 5:00 p.m. (Toronto Time) on February 14, 2018 or such later date and/or time as the Corporation and Canaccord Genuity, on behalf of the Underwriters, may mutually agree upon in writing;

“Qualifying Jurisdictions” means, collectively, each of the provinces and territories of Canada;

“Regulation D” means Regulation D adopted by the SEC pursuant to the U.S. Securities Act;

“Regulation S” means Regulation S adopted by the SEC pursuant to the U.S. Securities Act;

“Regulatory Authorities” means the Securities Commissions, the SEC and the TSX;

“Rule 144A” means Rule 144A adopted by the SEC pursuant to the U.S. Securities Act;

“SEC” means the United States Securities and Exchange Commission;

“Securities Commission” means the applicable securities commission or securities regulatory authority in each of the Qualifying Jurisdictions;

“Selling Firms” means the Underwriters, together with such other investment dealers and brokers through which the Underwriters may sell Shares to the public under the terms of this Agreement;

“Shares” has the meaning given to that term above;

“Standard Listing Conditions” has the meaning given to that term in Section 3(2)(d) of this Agreement;

“Subsidiary” means a subsidiary as defined in Section 1.1 of National Instrument 45-106 – *Prospectus Exemptions*, and **“Subsidiaries”** means more than one such Subsidiary;

“Supplementary Material” has the meaning given to that term in Section 4 of this Agreement;

“Tax Act” means the *Income Tax Act* (Canada), including the rules and regulations thereunder;

“template version” has the meaning given to that term in NI 41-101;

“Transfer Agent” means Computershare Trust Company of Canada;

“TSX” means the Toronto Stock Exchange;

“U.S. Affiliate” has the meaning given to that term in Section 5 of this Agreement;

“U.S. Exchange Act” means the United States Securities Exchange Act of 1934, as amended, including the rules and regulations thereunder;

“U.S. Investment Company Act” means the United States Investment Company Act of 1940, as amended;

“U.S. Placement Memorandum” means the U.S. private placement memorandum, which consists of “wrap” pages describing, among other things, restrictions imposed under the U.S. Securities Act, the preliminary version of which is attached to and incorporates the Preliminary Prospectus and the final version of which will be attached to and incorporates the Final Prospectus to be delivered to offerees and purchasers of the Purchased Shares in the United States in accordance with Rule 144A;

“Qualified Institutional Buyer Letter” means the form of applicable purchaser letter to be delivered to and executed by purchasers of Shares in the United States in reliance on Rule 144A;

“U.S. Securities Act” means the United States Securities Act of 1933, as amended, including the rules and regulations thereunder;

“U.S. Securities Laws” means all applicable securities legislation in the United States, including, the U.S. Securities Act the U.S. Exchange Act, and the U.S. Investment Company Act;

“Underwriters” has the meaning given to that term above;

“Underwriters’ Commission” has the meaning given to that term above; and

“United States” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

- (2) Capitalized terms used but not defined in this Agreement have the meanings given to them in the Preliminary Prospectus.
- (3) Any reference in this Agreement to a section, paragraph, subsection, subparagraph, clause or subclause will refer to a section, paragraph, subsection, subparagraph, clause or subclause of this Agreement.
- (4) All words and personal pronouns relating to those words will be read and construed as the number and gender of the party or parties referred to in each case required and the verb will be construed as agreeing with the required word and/or pronoun.
- (5) The words **“Agreement”**, **“hereunder”**, **“hereof”**, and similar phrases mean and refer to the agreement formed as a result of the acceptance by the Corporation of this offer by the Underwriters to purchase the Shares.
- (6) In this Agreement, unless otherwise specified, all references to money amounts are to Canadian currency.

Section 2 Qualification of the Shares.

- (1) The Corporation shall fulfill to the satisfaction of the Underwriters all legal requirements to be fulfilled by it to enable the Shares to be offered for sale and sold to (i) the public in Canada by or through the Selling Firms who comply with applicable Canadian Securities Laws in each of the Qualifying Jurisdictions and (ii) Qualified Institutional Buyers in the United States in transactions exempt from the registration requirements of the U.S. Securities Act in accordance with Rule 144A and applicable state securities laws; such fulfillment shall include, without limiting the generality of the foregoing, compliance with all applicable Canadian Securities Laws including, without limitation, (A) as soon as possible following the execution and delivery of this Agreement and, in any event, not later than 5:00 p.m. (Toronto time) on the date hereof, filing the Preliminary Prospectus with the Securities Commissions in each of the Qualifying Jurisdictions in compliance with Canadian Securities Laws, and obtaining a Preliminary Passport System Decision Document therefor from the Manitoba Securities Commission, in its capacity as principal regular in accordance with the Passport System, representing the deemed receipt of each of the other Securities Commissions, as soon as reasonably possible after filing

the Preliminary Prospectus, and (B) filing the Final Prospectus with the Securities Commissions in each of the Qualifying Jurisdictions in compliance with Canadian Securities Laws, and obtaining a Final Passport System Decision Document therefor from the Manitoba Securities Commission, in its capacity as principal regular in accordance with the Passport System, representing the deemed receipt of each of the other Securities Commissions, as soon as reasonably possible after filing the Final Prospectus and, in any event, not later than the Qualification Deadline. The Corporation shall promptly provide copies of the Preliminary Passport System Decision Document and the Final Passport System Decision Document to Canaccord Genuity and legal counsel to the Underwriters promptly following the issuance thereof.

- (2) Until the completion of the Distribution of the Shares, the Corporation shall co-operate in all respects with the Underwriters to allow and assist the Underwriters to participate in the preparation of the Preliminary Prospectus, the Final Prospectus and the U.S. Placement Memorandum, if any, and shall allow the Underwriters to conduct all due diligence investigations which the Underwriters may reasonably require in order to fulfill their obligations as Underwriters under applicable Canadian Securities Laws and to enable the Underwriters to responsibly execute the certificate contained in the Preliminary Prospectus and the Final Prospectus required to be executed by them.
- (3) The Corporation shall, as soon as possible and in any event by the Closing Time, fulfill and comply with, to the satisfaction of the Underwriters, acting reasonably, all requirements under U.S. Securities Laws to be fulfilled and complied with by the Corporation to enable the Shares to be lawfully offered for sale and sold in the United States in accordance with Schedule "A" hereto.

Section 3 Documents to be Delivered.

The Corporation shall cause to be delivered to Canaccord Genuity on behalf of the Underwriters or their counsel:

- (1) contemporaneously with the filing thereof with the Securities Commissions in each of the Qualifying Jurisdictions, copies in the English language and in the French language of the Preliminary Prospectus and the Final Prospectus and a copy of any other document required to be filed (in the English or French language, as applicable) by the Corporation under Canadian Securities Laws in connection therewith, together with copies of the U.S. Placement Memorandum in each case, signed, where applicable, as required by Canadian Securities Laws or by U.S. Securities Laws;
- (2) in the case of Section 3(2)(a), Section 3(2)(b), Section 3(2)(c) and Section 3(2)(d), at the time of delivery to Canaccord Genuity pursuant to this Section 3 of the Final Prospectus and in the case of Section 3(2)(a), Section 3(2)(c) and Section 3(2)(b), at the time of delivery to Canaccord Genuity pursuant to this Section 3 of the Preliminary Prospectus, in each case, in the French language:

- (a) an opinion of the Corporation's counsel in Quebec, dated the date of such document, and reasonably acceptable in form and substance to the Underwriters' counsel, that except for any financial statements and notes thereto, Auditors' reports and consents, summary and selected financial information, management's discussion and analysis of financial condition and results of operations, consolidated capitalization and other numerical data (collectively, the "**Financial Information**") contained or incorporated by reference in such document, the document in the French language in all material respects is a complete and proper translation of the English version thereof;
 - (b) an opinion of KPMG, dated the date of such document, and reasonably acceptable in form and substance to the Underwriters' counsel, that the Financial Information (other than such Financial Information related to INNOVA) filed in the French language by the Corporation under Canadian Securities Laws in connection with such document and contained or incorporated by reference in such document includes the same information and in all material respects carries the same meaning as the English language version thereof;
 - (c) an opinion of PWC, dated the date of such document, and reasonably acceptable in form and substance to the Underwriters' counsel, that the Financial Information of INNOVA filed in the French language by the Corporation under Canadian Securities Laws in connection with such document and contained or incorporated by reference in such document includes the same information and in all material respects carries the same meaning as the English language version thereof; and
 - (d) evidence satisfactory to the Underwriters of the approval of the listing and posting for trading on the TSX of the Shares subject only to satisfaction by the Corporation of the conditions imposed by the TSX in the letter of the Stock Exchange granting conditional listing approval (the "**Standard Listing Conditions**");
- (3) at the Closing Time, the Over-Allotment Closing Time and at the time of the delivery to Canaccord Genuity pursuant to this Section 3 of the Final Prospectus, a "long form" comfort letter of KPMG (and PWC in respect of INNOVA) dated the date of the Final Prospectus, the Closing Date or the Over-Allotment Closing Date, as the case may be, and addressed to the Underwriters, in form and substance reasonably satisfactory to the Underwriters, relating to the financial information contained or incorporated by reference in the Final Prospectus and matters involving changes or developments since the respective dates of which the financial information is given to a date not more than two Business Days prior to the date of such letter, which letter shall be in addition to the auditors' reports in the Final Prospectus; and
- (4) during the period commencing on the date hereof and ending on the date of completion of the distribution of the Shares, the Corporation will promptly provide

to Canaccord Genuity and its counsel, drafts of any press release of the Corporation (relating to any of the Corporation, Material Subsidiaries or the Offering) for review and approval by Canaccord Genuity, and its counsel, such approval not to be unreasonably withheld or delayed prior to issuance.

Section 4 Supplementary Material.

Subject to compliance with Section 7, the Corporation shall promptly deliver to the Underwriters duly signed copies (if applicable) of all amendments or supplements or any other supplemental documents to the Preliminary Prospectus and the Final Prospectus (including the Marketing Materials of the Corporation incorporated by reference therein) and/or the U.S. Placement Memorandum required to be prepared and/or filed by the Corporation under Canadian Securities Laws or U.S. Securities Laws, as the case may be (collectively, the “**Supplementary Material**”), and any other document required to be filed under Section 7(2). The Supplementary Material shall be in form and substance satisfactory to the Underwriters, acting reasonably.

Section 5 Delivery Constitutes Representation and Consent.

Delivery to the Underwriters of the Preliminary Prospectus, the Final Prospectus, the U.S. Placement Memorandum and any Supplementary Material shall constitute, at the respective times of delivery, a representation and warranty by the Corporation to the Underwriters that: (A) all information and statements (except information and statements relating solely to the Underwriters furnished to the Corporation in writing specifically for use therein) contained in the Preliminary Prospectus, the Final Prospectus, U.S. Placement Memorandum and any Supplementary Material, at the respective dates thereof, are true and correct in all material respects, contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Corporation and the Shares as required by Canadian Securities Laws and (B) the Preliminary Prospectus, the Final Prospectus and any Supplementary Material, at the time of their respective deliveries, complied in all material respects with Canadian Securities Laws and that the use of the U.S. Placement Memorandum in connection with the transactions contemplated in the attached Schedule “A” complies in all material respects with U.S. Securities Laws. Such delivery shall also constitute the consent of the Corporation to the use of the Prospectus and any Supplementary Material by the Underwriters and the Selling Firms for the Distribution of the Shares in the Qualifying Jurisdictions in compliance with the provisions of this Agreement and Canadian Securities Laws and to the use of the U.S. Placement Memorandum and any Supplementary Material by the U.S. broker-dealer affiliates of the Underwriters (the “**U.S. Affiliate**”) and the Selling Firms for the offering and sale of the Shares by them in the United States in accordance with Schedule “A” hereto.

Section 6 Commercial Copies.

The Corporation shall cause commercial copies of the Preliminary Prospectus and the Final Prospectus, in each case in the English and French languages, to be delivered to the Underwriters, without charge, in such numbers and at such delivery points in the Qualifying Jurisdictions as the Underwriters may reasonably request by written instructions

to the printer thereof. Such delivery shall be effected as soon as possible and, in any event, to the City of Toronto no later than 12:00 noon (local time) on the first Business Day, and to other cities no later than 12:00 noon (local time) on the second Business Day, after the Preliminary Passport System Decision Document and the Final Passport System Decision Document has been issued to the Corporation for the Preliminary Prospectus and the Final Prospectus, respectively, and thereafter from time to time during the Distribution of the Shares. The Corporation shall similarly cause to be delivered commercial copies of any Supplementary Material in the English and French languages, but only to the extent that, under applicable Canadian Securities Laws, copies thereof may be required to be delivered to purchasers or prospective purchasers of the Shares. If requested by the Underwriters, the Corporation shall cause commercial copies of the U.S. Placement Memorandum to be delivered to the Underwriters in such places and in such numbers as they may reasonably request.

Section 7 Material Change.

- (1) Commencing on the date hereof and until the completion of the Distribution of the Shares, the Corporation shall promptly notify the Underwriters in writing of:
 - (a) any material change (actual, anticipated, contemplated, proposed or threatened, financial or otherwise) in the Condition of the Corporation;
 - (b) any change in any material fact (which shall include the disclosure of any previously undisclosed material fact) or any misstatement of any material fact contained in the Preliminary Prospectus, Final Prospectus, U.S. Placement Memorandum or any Supplementary Material; or
 - (c) the discovery of any new material fact that would have been required to be disclosed in the Preliminary Prospectus, Final Prospectus, U.S. Placement Memorandum or any Supplementary Material had it been discovered prior to the date hereof,

which is, or may be, of such a nature as to render the Preliminary Prospectus, Final Prospectus, U.S. Placement Memorandum or any Supplementary Material misleading or untrue in whole or in part in a material respect or would result in a misrepresentation therein or would result in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material not complying with any Canadian Securities Laws or would result in the U.S. Placement Memorandum not complying with any U.S. Securities Laws or which change, misstatement or new material fact would reasonably be expected to have a significant effect on the market price or value of the Shares.

- (2) The Corporation will, to the satisfaction of the Underwriters and their legal counsel, acting reasonably, promptly (and in any event within any applicable time limitation) comply with all applicable legal requirements under Canadian Securities Laws and U.S. Securities Laws required as a result of an event described in Section 7(1) in order to continue to qualify the Distribution of the Shares in each of the Qualifying

Jurisdictions and to permit the offer and sale of the Shares in the United States pursuant to this Agreement, including the prospectus amendment provisions of applicable Canadian Securities Laws and any applicable U.S. Securities Laws, and the Corporation will prepare and file to the satisfaction of the Underwriters, acting reasonably, any Supplementary Material which, in the opinion of the Underwriters, may be necessary or advisable.

- (3) In addition to the provisions of Section 7(1) and Section 7(2), the Corporation will, in good faith, discuss with the Underwriters any change, event or fact contemplated in Section 7(1) which is of such a nature that there may be reasonable doubt as to whether notice should be given to the Underwriters under Section 7(1) and will consult with the Underwriters with respect to the form and content of any Supplementary Material proposed to be filed by the Corporation, it being understood and agreed that no such Supplementary Material will be filed with any Securities Commission prior to the review and approval by the Underwriters and their counsel, acting reasonably. The Corporation shall also co-operate in all respects with the Underwriters to allow and assist the Underwriters to participate in the preparation of any Supplementary Material and to conduct all due diligence investigations during the period of Distribution which the Underwriters may reasonably require in order to fulfill their obligations as underwriters under applicable Canadian Securities Laws and to enable the Underwriters to responsibly execute any certificate related to such Supplementary Material required to be executed by them and complete the Offering.
- (4) Commencing on the date hereof and until the completion of the Distribution of the Shares, the Corporation shall promptly notify the Underwriters in writing of:
 - (a) any request by any Securities Commission that the Corporation make any amendment to the Preliminary Prospectus, the Final Prospectus, any Supplementary Material or that the Corporation provide any additional information in respect of the Offering; and
 - (b) the receipt by the Corporation or any written communication from any Securities Commission, the TSX or any other Governmental Body relating to the Prospectus or the Distribution of the Shares.

Section 8 Representations, Warranties and Covenants of the Corporation.

The Corporation represents and warrants to the Underwriters, and acknowledges that the Underwriters are relying on such representations and warranties in entering into this Agreement, that:

- (a) the Corporation and each of the Material Subsidiaries is a valid and subsisting corporation, duly incorporated, continued or amalgamated and in good standing under the laws of their respective jurisdictions of formation, incorporation, continuation or amalgamation and have all requisite power, capacity and authority to carry on their business as now conducted or

contemplated to be conducted and to own, lease and operate their property and assets; and no proceedings have been taken or authorized by the Corporation or its shareholders or, to the Knowledge of the Corporation, any other person, with respect to the bankruptcy, insolvency, liquidation, dissolution or winding up of the Corporation or any of the Material Subsidiaries;

- (b) except as disclosed in the Prospectus, the Corporation is, directly or indirectly, the beneficial owner of 100% of the equity and voting interest in each of the Material Subsidiaries;
- (c) all necessary corporate action has been taken by the Corporation to authorize the issuance, sale and delivery of the Shares on the terms set forth in this Agreement and, upon payment therefor, the Shares will be validly issued and outstanding as fully paid and non-assessable Common Shares and will not have been issued in violation of the pre-emptive or similar rights of any shareholders of the Corporation;
- (d) the execution, delivery and performance by the Corporation of this Agreement has been duly authorized by all necessary corporate action on the part of the Corporation and does not require the consent, approval, authorization, registration or qualification of or with any court, Governmental Body or other third party, except: (i) those which have been obtained (or will be obtained prior to the Closing Time), or (ii) those as may be required (and will be obtained prior to the Closing Time) under applicable Canadian Securities Laws;
- (e) this Agreement has been duly authorized, executed and delivered by the Corporation and constitutes a valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms except (A) as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally, (B) as limited by the application of equitable principles when equitable remedies are sought, (C) that rights to indemnity and contribution may be limited under applicable Law, and (D) that provisions that attempt to sever any provision which is prohibited or unenforceable under applicable Law without affecting the enforceability or validity of the remainder of the agreement would be determined only in the discretion of the court;
- (f) neither the Corporation nor any of the Material Subsidiaries is in violation or default of, nor will the execution and delivery of this Agreement and the performance by the Corporation of its obligations hereunder, including the issuance, sale and delivery of the Shares to be issued by the Corporation, result in a breach or violation of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time, or both, would constitute a default under, or result in the imposition of any Lien upon

any property or assets of the Corporation or the Material Subsidiaries pursuant to:

- (i) any of the terms, conditions or provisions of the constating documents of the Corporation or any of the Material Subsidiaries, or any resolution of their respective directors (or committees of directors) or shareholders;
 - (ii) any Law applicable to the Corporation or the Material Subsidiaries; or
 - (iii) any judgement, decree, order or award of any court, Governmental Body or arbitrator having jurisdiction over any of the Corporation or the Material Subsidiaries, of which the Corporation or the Material Subsidiaries are aware, or any agreement, license, authorization or permit necessary for the conduct of their businesses as currently conducted, to which any of the Corporation or the Material Subsidiaries is party or by which their businesses may be affected;
- (g) as of the date hereof, the Corporation has an authorized share capital consisting of an unlimited number of Common Shares, without par value, and an unlimited number of preferred shares, of which 23,543,158 Common Shares are issued and outstanding and no preferred shares are issued and outstanding;
- (h) the attributes of the Shares will be consistent in all material respects with the description thereof in the Offering Documents;
- (i) the Corporation is eligible to file short form prospectuses in accordance with NI 44-101;
- (j) other than as disclosed in the Offering Documents and other than in respect of employee compensation not required to be disclosed in the Offering Documents, no person (except for the Underwriters hereunder) has any agreement (oral or written) or option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement for the purchase, subscription or issuance of any of the Common Shares or any other securities of the Corporation or any securities of the Material Subsidiaries, or for the purchase or acquisition, outside the ordinary course of business, of any assets or property of any kind of the Corporation or any of the Material Subsidiaries;
- (k) neither the Corporation nor any of the Material Subsidiaries is in violation of any Laws, other than violations which would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect;
- (l) the Corporation and the Material Subsidiaries possess all licenses, permits, franchises, certificates, registrations and authorizations necessary to conduct

their business as currently conducted and own their property and assets and are not in default or breach of any of the foregoing, except for failure to possess, defaults or breaches which would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect, all such licenses, permits, franchises, certificates, registrations or authorizations are renewable on terms or conditions that would not reasonably be expected to have a Material Adverse Effect and no proceeding is pending or threatened to revoke or limit any of the foregoing;

- (m) except those that would not reasonably be expected to have a Material Adverse Effect, neither the Corporation nor any of the Material Subsidiaries is in breach of, conflict with, or default under, and no event or omission has occurred which, after notice or lapse of time or both, would constitute a breach of, conflict with, or default under, or would result in the acceleration or maturity of any indebtedness or other material liabilities or obligations under any mortgage, hypothec, note, indenture, contract, agreement (written or oral), instrument, lease, license or other document to which it is a party or is subject or by which it is bound;
- (n) except as disclosed in the Offering Documents, there is no action, suit or proceeding before or by any Governmental Body now pending or, to the Knowledge of the Corporation, threatened against or affecting the Corporation, the Material Subsidiaries or any of their properties or assets (collectively, “**Proceedings**”) that is required to be disclosed in the Offering Documents or that could have a Material Adverse Effect and the aggregate of all pending Proceedings, including routine litigation, would not reasonably be expected to have a Material Adverse Effect if determined unfavourably;
- (o) no Governmental Body has issued any order preventing or suspending the trading of the Corporation’s securities, the use of the Offering Documents or the Distribution of the Shares and the Corporation is not aware of any investigation, order, inquiry or proceeding which has been commenced or which is pending, contemplated or threatened by any such authority;
- (p) the financial statements forming part of the Offering Documents fairly present in all material respects the consolidated financial position, results of operations, comprehensive income, shareholders’ equity and cash flow of the Corporation as at the dates and for the periods indicated therein and do not contain a misrepresentation. Such financial statements have been prepared in conformity with IFRS on a basis consistent throughout the periods indicated and are in accordance with the books and records of the Corporation;
- (q) except as disclosed in the Offering Documents, neither the Corporation nor any of the Material Subsidiaries has outstanding any debentures, notes, mortgages or other indebtedness that is material to the Corporation and the Material Subsidiaries, taken as a whole;

- (r) the Corporation has established and maintains “disclosure controls and procedures” and “internal control over financial reporting” (each as defined in National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings* (“NI 52-109”) as required by NI 52-109 and Canadian Securities Laws, and the Corporation is not aware, and have not been advised by its auditors, of any “material weakness” (as defined in NI 52-109);
- (s) except as disclosed in the Offering Documents and except with respect to matters which would not reasonably be expected to have a Material Adverse Effect, (i) all income tax returns of the Corporation and the Material Subsidiaries required by Law to be filed in any jurisdiction have been filed, all such returns (as amended, when applicable) are complete and accurate in all material respects and all taxes shown on such returns or otherwise assessed which are due and payable have been paid, except tax assessments against which appeals have been or will be promptly taken and as to which adequate reserves have been provided; (ii) all other tax returns of the Corporation and the Material Subsidiaries required to be filed pursuant to any applicable Law have been filed, all such returns are complete and accurate in all material respects and all taxes shown on such returns or otherwise assessed which are due and payable have been paid, except for such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided; (iii) the Corporation has made instalments of taxes as and when required; and (iv) the Corporation has, if required, duly and timely withheld from any amount paid or credited by it to or for the account or benefit of any person, including any employee, officer, director, or non-resident person, the amount of all taxes and other deductions required by applicable Law to be withheld and has duly and timely remitted the withheld amount to the appropriate taxing or other authority and has duly and timely issued tax reporting slips or returns in respect of any amount so paid or credited by it as required by applicable Law;
- (t) to the Knowledge of the Corporation and except as would not reasonably be expected to result in a Material Adverse Effect, the Corporation and each of the Material Subsidiaries have satisfied all obligations under, and there are no outstanding defaults or violations with respect to, and no taxes, penalties, or fees are owing or exigible under or in respect of, any employee benefit, incentive, pension, retirement, stock option, stock purchase, stock appreciation, health, welfare, medical, dental, disability, life insurance and similar plans, arrangements or practices relating to the current or former employees, officers or directors of the Corporation and the Material Subsidiaries maintained, sponsored or funded by them, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered and all contributions or premiums required to be paid thereunder have been made in a timely fashion and any such plan or arrangement which is a funded plan or arrangement is fully funded on a going concern basis and appropriately funded on a regulatory basis;

- (u) except as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, (i) each of the Corporation and the Material Subsidiaries is in compliance in all respects with the provisions of applicable federal, provincial, state, local and foreign laws and regulations respecting employment; and (ii) no labour dispute (including any strike, lock-out or work slow-down or stoppage) with the current or former employees of the Corporation or any of the Material Subsidiaries exists or is pending or, to the Knowledge of the Corporation, is threatened or imminent, and the Corporation has no knowledge of any existing or imminent labour disturbance by the employees of the Corporation's or the Material Subsidiaries' suppliers or agents;
- (v) the Corporation and the Material Subsidiaries have good and marketable title to the material property and assets owned by them and hold a valid leasehold interest in all material property leased by them, in each case, free and clear of all Liens other than those which arise in the normal course of commercial transactions and that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;
- (w) neither the Corporation nor any of the Material Subsidiaries is in default of or in breach of any material term or provision of any real property lease, and, to the Knowledge of the Corporation, as of the date of this Agreement, neither the Corporation nor any of the Material Subsidiaries has received any notice or other communication from the owner or manager of any real property leased by the Corporation or any of the Material Subsidiaries that the Corporation or any of the Material Subsidiaries is not in compliance with any material term or condition of any such material real property lease and, to the Knowledge of the Corporation, no such notice or other communication is pending or has been threatened;
- (x) the Corporation and the Material Subsidiaries maintain insurance policies with reputable insurers against risk of loss of or damage to their properties, assets and business of such types and in such amounts as are customary in the case of entities engaged in the same or similar businesses and the Corporation and the Material Subsidiaries are not, to the Knowledge of the Corporation, in default with respect to any provisions of such policies and have not failed to give any notice or to present any claim under any such policy in a due and timely fashion;
- (y) except as would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect, (i) neither the Corporation nor any of the Material Subsidiaries is in violation of any applicable Law relating to pollution or occupational health and safety, the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including Laws relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "**Hazardous**

Materials") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "**Environmental Laws**"), (ii) the Corporation and the Material Subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (iii) to the Knowledge of the Corporation, there are no pending or threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws against the Corporation or any of the Material Subsidiaries and (iv) to the Knowledge of the Corporation, there are no events or circumstances that would reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Corporation or any of the Material Subsidiaries relating to Hazardous Materials or any Environmental Laws;

- (z) the Corporation and the Material Subsidiaries hold all Gaming Licenses, licenses, certificates, approvals and permits from all Licensing Jurisdictions, provincial, federal, tribal, state, United States and other regulatory authorities, including but not limited to any gaming commission, or federally recognized tribe, that are required to conduct the business of the Corporation and the Material Subsidiaries (as such business is currently conducted), all of which are valid and in full force and effect, and there is no proceeding pending or, to the Knowledge of the Corporation, threatened which may cause any such Gaming Licenses, licenses, certificates, approvals or permits to be withdrawn, cancelled, suspended or not renewed. The Corporation and the Material Subsidiaries are not in violation of any material law, order, rule, regulation, writ, injunction or decree of any court, Licensing Jurisdiction or Governmental Body applicable to the manufacturing, distribution or sale of the Corporation's products and services, except as would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect;
- (aa) to the Knowledge of the Corporation, neither the Corporation nor the Material Subsidiaries, or any of their respective directors, officers, agents or employees, in each case acting on behalf of the Corporation or the Material Subsidiaries, has taken any action, directly or indirectly, that could reasonably result in a violation by such persons of the *Corruption of Foreign Public Officials Act* (Canada), or the *United States Foreign Corrupt Practices Act of 1977*, as amended, or the rules and regulations promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to the Corporation or the Material Subsidiaries and their respective operations (collectively, the "**Acts**"), including without limitation, making (A) any prohibited contribution, payment or gift of funds or property of the Corporation or the Material Subsidiaries or other unlawful expense relating to political activity to any official, employee or agent of any Governmental Body of any jurisdiction, or (B) any direct or indirect

contribution from corporate funds to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the Acts;

- (bb) the operations of the Corporation and the Material Subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the *Currency and Foreign Transactions Reporting Act of 1970*, as amended, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any Governmental Body to which the Corporation and the Material Subsidiaries are subject (collectively, the “**Money Laundering Laws**”) and no action, suit or proceeding by or before any Governmental Body involving the Corporation or any of the Material Subsidiaries with respect to the Money Laundering Laws is in progress, pending or, to the Knowledge of the Corporation, threatened;
- (cc) to the Knowledge of the Corporation, neither the Corporation nor any of the Material Subsidiaries, or any of their respective directors, officers, agents or employees, is currently the target of any sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department (“**OFAC**”) or by the Office of the Superintendent of Financial Institutions (“**OSFI**”) in Canada; and, subject to applicable Canadian laws relating to Cuba, the Corporation will not directly or indirectly use the proceeds of the Offering, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other person, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC or Canadian sanctions administered by OSFI; neither the Corporation nor any of its Subsidiaries currently conducts business in Cuba or has any plans to conduct business in Cuba;
- (dd) the Corporation or the Material Subsidiaries, as the case may be, is the legal and beneficial owner of, has good and marketable title to, the right to use and exploit, and owns all rights, title and interest in all Corporation IP free and clear of all Liens, covenants, conditions, options to purchase and restriction, except as would not reasonably be expected to result in a Material Adverse Effect. Except for customary or common exclusivity or third party Intellectual Property restrictions, no consent of any person is necessary to make, use, reproduce, license, sell, modify, update, enhance or otherwise exploit any Corporation IP and none of the Corporation IP comprises any Licensed IP (including open source software), or any improvements to Licensed IP, that would give any person any rights to the Corporation IP, including rights to license the Corporation IP or to restrict the Corporation or the Material Subsidiaries’ use of or ability to exploit the Corporation IP, except as would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect;

- (ee) no action, suit, proceeding or claim is pending, nor have the Corporation or the Material Subsidiaries received any notice or claim (whether written, and to the Knowledge of the Corporation, oral or otherwise), challenging the ownership, validity or right to use any of the Corporation IP or suggesting that any other person has any claim of legal or beneficial ownership or other claim or interest with respect to Corporation IP and, to the Knowledge of the Corporation, no fact exists which could form a reasonable basis for any such claim with respect to the Corporation IP. To the Knowledge of the Corporation, there are no facts or circumstances which would render any Corporation IP invalid or inadequate to protect the interest of the Corporation or the Material Subsidiaries. To the Knowledge of the Corporation, there is no Corporation IP being used or enforced by the Corporation or any of the Material Subsidiaries in a manner that would result in its abandonment, cancellation or unenforceability. To the Knowledge of the Corporation, no person is infringing upon, violating or misappropriating any Corporation IP and neither the Corporation nor any of the Material Subsidiaries is a party to any action or proceeding that alleges that any person has infringed, violated or misappropriated any Corporation IP;
- (ff) each of the Corporation and the Material Subsidiaries, as applicable, has entered into valid and enforceable written agreements pursuant to which the Corporation or the Material Subsidiaries has been granted all licenses and permission to use, reproduce, sub license, sell, modify, update, enhance or otherwise exploit the Licensed IP, as represented to the Corporation, to the extent required to conduct the business of the Corporation and the Material Subsidiaries (including, if required, the right to incorporate such Licensed IP into the Corporation IP). All license agreements in respect to Licensed IP that are material to the business of the Corporation are in full force and effect and none of the Corporation, the Material Subsidiaries, or to the Knowledge of the Corporation, any other person, is in default of its material obligations thereunder;
- (gg) except as disclosed in the Offering Documents and except for the transactions contemplated by this Agreement, since September 30, 2017:
 - (i) there has not been any material change (actual, anticipated, contemplated or threatened, whether financial or otherwise) in the Condition of the Corporation;
 - (ii) there has not been any material change in the capital stock or long-term or short-term debt of the Corporation determined on a consolidated basis; and
 - (iii) there has been no transaction out of the ordinary course of business that is material to the Corporation and the Material Subsidiaries taken as a whole;

- (hh) except as described in the Offering Documents, neither the ten (10) largest customers of the Corporation and the Material Subsidiaries, taken as a whole, in terms of sales for the twelve-month period ended December 31, 2017, nor the customers of the Corporation and the Material Subsidiaries named in the Offering Documents, has notified the Corporation or the Material Subsidiaries, and the Corporation and the Material Subsidiaries have no reason to believe, that such customers do not intend to continue dealing with the Corporation or the Material Subsidiaries on substantially the same terms as presently conducted, and no material disagreements exist with any of such customers;
- (ii) to the Knowledge of the Corporation, none of the Corporation's directors or officers is now, or has ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on any stock exchange;
- (jj) other than the Underwriters and the Selling Firms, there is no person acting or purporting to act at the request of the Corporation, who is entitled to any brokerage or agency fee in connection with the sale of the Shares;
- (kk) the Corporation's auditors, KPMG, are independent public accountants as required under Canadian Securities Laws and there has not been any disagreement (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) with the present or any former auditors of the Corporation;
- (ll) in respect of the Offering Documents:
 - (i) all information and statements (except information and statements relating solely to the Underwriters and provided by them in writing expressly for inclusion therein) contained therein:
 - (A) are true and correct in all material respects and contain no misrepresentation; and
 - (B) constitute full, true and plain disclosure of all material facts relating (i) to the Corporation and the Material Subsidiaries considered as a whole, and (ii) the Shares;
 - (ii) no material fact or information has been omitted from any of such documents which is required to be stated therein or is necessary to make any statement or information therein not false or misleading in light of the circumstances in which it was made and that none of such documents contains an untrue statement of a material fact; and

- (iii) the Prospectus and any Supplementary Material is and will, as the case may be, comply in all material respects with Canadian Securities Laws and that the use of the U.S. Placement Memorandum in connection with the transactions contemplated in the attached Schedule "A" is and will, as the case may be, comply in all material respects with U.S. Securities Laws;
- (mm) except as described in the Offering Documents, no acquisition has been made by the Corporation or the Material Subsidiaries during the three most recently completed financial years of the Corporation that would be a significant acquisition for the purposes of Canadian Securities Laws, and no proposed acquisition by the Corporation or the Material Subsidiaries has progressed to a state where a reasonable person would believe that the likelihood of the Corporation or the Material Subsidiaries completing the acquisition is high and that, if completed by the Corporation or the Material Subsidiaries at the date of the Offering Documents, would be a significant acquisition for the purposes of Canadian Securities Laws, in each case, that would require the prescribed disclosure in the Offering Documents pursuant to such laws;
- (nn) the Corporation intends to use the net proceeds from the issue and sale of the Shares in accordance with the disclosure set out under the heading "Use of Proceeds" in the Offering Documents;
- (oo) prior to filing of the Final Prospectus, the Shares will be conditionally approved for listing and trading on the TSX, subject to the satisfaction of the listing conditions set forth in the conditional approval letter of the TSX, a copy of which will be provided to the Underwriters;
- (pp) the Transfer Agent, at its principal office in Toronto, has been duly appointed as the registrar and transfer agent of the Corporation with respect to the Shares; and
- (qq) the representations, warranties and covenants of the Corporation set out in Schedule "A" attached hereto are hereby incorporated herein by reference as if stated herein in full.

Section 9 Distribution of the Shares.

- (1) The Underwriters will not solicit directly or indirectly offers to purchase or sell the Shares so as to require registration thereof or filing of a prospectus or other similar document with respect thereto under the Laws of any jurisdiction (other than the Qualifying Jurisdictions) including the United States and various states of the United States and will require each Selling Firm to agree with the Underwriters not to so solicit or sell. For purposes of this Section 9(1), the Underwriters shall be entitled to assume that the Shares are qualified for Distribution in any Qualifying Jurisdiction in respect of which a Final Passport System Decision Document for the Final

Prospectus shall have been obtained following the filing of the Final Prospectus until the Underwriters receive written notice to the contrary from the Corporation or the applicable Securities Commissions. Any offer of Shares in the United States will be made in accordance with all Laws (including U.S. Securities Laws) and with Schedule "A" attached hereto, and the Underwriters' representations, warranties and covenants contained herein are hereby incorporated by reference herein and made a part hereof.

- (2) The Shares will be offered for sale in the Qualifying Jurisdictions subject to the terms and conditions of this Agreement and in compliance with Canadian Securities Law. Each agreement of the Underwriters establishing a banking, selling or other group in respect of the Distribution shall contain a similar covenant by each Selling Firm.
- (3) The Underwriters shall:
 - (a) complete, and use reasonable commercial efforts to cause each Selling Firm to complete, the Distribution of the Shares as promptly as possible after the Closing Time or Over-Allotment, as applicable;
 - (b) promptly notify the Corporation in writing when the Underwriters have completed the Distribution of the Shares; and
 - (c) promptly notify the Corporation of sales in each Qualifying Jurisdiction and provide a breakdown of the total proceeds realized in each of the Qualifying Jurisdictions in which a filing fee for a prospectus is based on the proceeds realized in the Qualifying Jurisdiction from the sale of securities offered therein.
- (4) During the Distribution of the Shares, the Corporation shall (i) not provide to any potential investors any marketing materials in respect of the Shares that are or would be required to be incorporated by reference into the Preliminary Prospectus or the Final Prospectus without the prior approval of the Corporation of the template version of such marketing materials, such approval to be evidenced by a written agreement between the Corporation and Canaccord Genuity (which approval may be provided by e-mail); provided, for greater certainty, that the Marketing Materials of the Corporation were approved by the Corporation and Canaccord Genuity pursuant to a written agreement dated February 1, 2018; and (ii) provide a copy of the Preliminary Prospectus to each potential investor of the Shares who receives any marketing materials referred to in this Section 9(4);
- (5) The Underwriters will not make use of any "greensheet" in respect of the Corporation and the Offering without the approval of the Corporation, acting reasonably.
- (6) The Underwriters will not make any representations or warranties with respect to the Corporation or the Shares other than as set forth in this Agreement, the

Preliminary Prospectus, the Final Prospectus, any Supplementary Material or otherwise with the written approval of the Corporation, acting reasonably.

- (7) Provided that the Underwriters are satisfied, in their sole discretion, that it is responsible for them to do so, the Underwriters will execute and deliver to the Corporation the certificates required to be executed by the Underwriters under Canadian Securities Laws in connection with the Preliminary Prospectus, the Prospectus and any Supplementary Material.
- (8) No Underwriter shall be liable to the Corporation with respect to any act, omission default of conduct by any other Underwriter or any Selling Firm appointed by one other Underwriter under this Section 9.

Section 10 Covenants of the Corporation.

The Corporation covenants and agrees with the Underwriters, and acknowledges that each of them is relying on such covenants in connection with the purchase of the Shares, that:

- (1) the Corporation will advise the Underwriters, promptly after receiving notice thereof, of the time when the Preliminary Prospectus, the Final Prospectus and any Supplementary Material have been filed and receipts therefor have been obtained and will provide evidence satisfactory to the Underwriters of each filing and the issuance of receipts;
- (2) the Corporation will use its reasonable commercial efforts to promptly do, make, execute, deliver or cause to be done, made, executed or delivered, all such acts, documents and things as the Underwriters may reasonably require from time to time for the purpose of giving effect to this Agreement and the transactions contemplated by the Preliminary Prospectus and the Final Prospectus, and take all such steps as may be reasonably within its power to implement to the full extent the provisions of this Agreement and the transactions contemplated by this Agreement and the Final Prospectus.

Section 11 Conditions of Closing.

- (1) The Underwriters' obligations to purchase the Purchased Shares at the Closing Time shall be subject to the following conditions, which conditions are for the sole benefit of the Underwriters and may be waived in writing in whole or in part by Canaccord Genuity, in its sole discretion, on behalf of the Underwriters:
 - (a) The Underwriters shall have received at the Closing Time favourable opinions of Torys LLP, counsel of the Corporation, in form and substance satisfactory to counsel for the Underwriters, acting reasonably, to the effect set forth below (based upon customary assumptions and subject to customary qualifications). In giving such opinion such counsel may rely, as to all matters governed by the laws of jurisdictions other than the laws of (i)

the Provinces of Ontario and Alberta and the federal laws of Canada applicable therein, and (ii) the laws of the United States or any state thereof on the opinions of local counsel satisfactory to the Underwriters, acting reasonably. Torsys LLP may state that they express no opinion as to laws of any jurisdiction other than (i) Canadian federal laws or the laws of the Provinces of Ontario and Alberta, and (ii) the laws of the United States or any state thereof, except as aforesaid. Torsys LLP may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Corporation and the Material Subsidiaries and certificates of public officials. Any opinion of Torsys LLP in respect of the laws of the United States or any state thereof will be limited to the federal laws of the United States and the general Corporate law of the State of Delaware:

- (i) that the Corporation and each Material Subsidiary is a corporation incorporated or formed, as applicable, existing and in good standing under the laws of its jurisdiction of incorporation or formation, as applicable, and has all requisite corporate power and capacity to carry on its activities as currently carried on and to own, lease and operate its property and assets as described in the Final Prospectus and with respect to the Corporation only, to execute, deliver and perform its obligations hereunder;
- (ii) that the Corporation and each Material Subsidiary has been qualified, licensed or registered to carry on business in the jurisdiction in which it conducts business;
- (iii) as to the authorized, issued and outstanding share capital of the Corporation and each Material Subsidiary, and that all such issued and outstanding securities have been validly authorized and issued as fully paid and non-assessable;
- (iv) that the securities of the Material Subsidiaries are, directly or indirectly, registered in the name of the Corporation;
- (v) that all necessary corporate action has been taken by the Corporation to authorize and issue the Shares on the terms and subject to the conditions contained in this Agreement and, upon receipt by the Corporation of payment therefor by the Underwriters as provided by this Agreement, the Shares will have been validly authorized and issued by the Corporation as fully paid and non-assessable securities in the capital of the Corporation;
- (vi) that the provisions of the Shares conform, in all material respects, with the description thereof contained in the Final Prospectus;

- (vii) that all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of each of the Offering Documents and the filing thereof under Canadian Securities Laws in each of the Qualifying Jurisdictions;
- (viii) that all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of this Agreement and the performance of the Corporation's obligations hereunder, and this Agreement has been duly authorized, executed and delivered by the Corporation, and constitutes a legal, valid and binding agreement of the Corporation, enforceable against the Corporation in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and except as limited by the application of equitable remedies when equitable remedies are sought and subject to other customary qualifications; provided, however, that no opinion need be expressed on the enforceability of the indemnity and contribution provisions herein;
- (ix) that the execution and delivery of this Agreement and the performance of the Corporation's obligations hereunder and the issuance, sale and delivery of the Shares do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with any of the terms, conditions or provisions of the constating documents of the Corporation;
- (x) that the Shares have been conditionally approved for listing by the TSX, subject to fulfillment of the Standard Listing Conditions;
- (xi) that the statements made under the heading "Eligibility for Investment" in the Final Prospectus are accurate, subject to the assumptions, qualifications, limitations, restrictions and understandings set out therein;
- (xii) that, subject to the qualifications, assumptions, limitations, restrictions and understandings referred to under the heading "Certain Canadian Federal Income Tax Considerations" in the Final Prospectus and the statements made therein, to the extent that such statements summarize matters of law or legal conclusions, such statements are accurate and fairly summarize the matters described therein in all material respects;
- (xiii) that Computershare Trust Company of Canada at its principal office in the City of Toronto has been duly appointed as the transfer agent and registrar of the Shares;

- (xiv) that all necessary documents have been filed by the Corporation and all requisite proceedings have been taken by the Corporation and all approvals, permits, consents and authorizations of appropriate regulatory authorities under Canadian Securities Laws have been obtained by the Corporation to qualify the Distribution of the Shares in each of the Qualifying Jurisdictions through or to persons or companies who are duly registered in an appropriate category of dealer registration under the Canadian Securities Laws of each such Qualifying Jurisdiction in which such person or company has engaged in the distribution of the Shares and who have complied with the relevant provisions of the Canadian Securities Laws of such Qualifying Jurisdiction and the terms of such registration;
- (b) The Underwriters shall have received at the Closing Time favourable opinions of the Corporation's counsel in the Province of Quebec (the "**Corporation's Quebec Counsel**"), in form and substance satisfactory to counsel for the Underwriters, acting reasonably, to the effect set forth below (based upon customary assumptions and subject to customary qualifications). In giving such opinion such counsel may rely, as to all matters governed by the laws of jurisdictions other than the laws of the Province of Quebec and the federal laws of Canada applicable therein. The Corporation's Quebec Counsel may state that they express no opinion as to laws of any jurisdiction other than (i) Canadian federal laws or the laws of the Province of Quebec, except as aforesaid. The Corporation's Quebec Counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Corporation and the Material Subsidiaries and certificates of public officials:
 - (i) that all laws of the Province of Québec relating to the use of the French language (other than those relating to verbal communication) will have been complied with in connection with the Offering of the Shares to purchasers in such province if such purchasers received a copy of the Final Prospectus and the Marketing Materials of the Corporation and forms of order and confirmation in the French language only or a copy of each such documents in the French language and in the English language, provided that such documents in the English language may be delivered, without delivery of the French language versions thereof, to physical persons in the Province of Québec who have expressly requested them in writing.
- (c) if any Shares are sold to purchasers in the United States, the Underwriters shall have received at the Closing Time from United States counsel to the Corporation, Torys LLP, a favourable legal opinion dated the Closing Date, addressed to the Underwriters, in form and substance satisfactory to the Underwriters, to the effect that, based upon customary assumptions and subject to customary qualifications that no registration of the Shares under the U.S. Securities Act is necessary in connection with the offer and sale of the

Shares in the United States in the manner contemplated by this Agreement, and the U.S. Placement Memorandum, it being understood that such counsel need not express any opinion as to any subsequent resale of the Shares;

- (d) the Underwriters shall have received at the Closing Time a “bring down” comfort letter dated the Closing Date from the Corporation’s auditors, KPMG LLP (and PricewaterhouseCoopers LLP in respect of INNOVA), addressed to the Underwriters and the board of directors of the Corporation, in form and substance satisfactory to the Underwriters and their counsel, similar to the comfort letter to be delivered to the Underwriters pursuant to Section 3(3) with such changes as may be necessary to bring the information therein forward to a date which is no earlier than two Business Days prior to the Closing Date, which changes shall be acceptable to the Underwriters;
- (e) the Underwriters shall have received at the Closing Time certificates dated the Closing Date, signed by the appropriate officers of the Corporation, addressed to the Underwriters and their counsel, with respect to the constating documents of the Corporation, all resolutions of the board of directors of the Corporation and other corporate action relating to this Agreement and the sale of the Shares, and the incumbency and specimen signatures of signing officers;
- (f) the Underwriters shall have received at the Closing Time a certificate or certificates dated the Closing Date and signed on behalf of the Corporation by either Co-Chief Executive Officer and the Chief Financial Officer of the Corporation or any other officer acceptable to the Underwriters addressed to the Underwriters certifying on behalf of the Corporation and without personal liability, to the best of the information, knowledge and belief of each person so signing, after having made due inquiry and after having carefully examined the Final Prospectus and any Supplementary Material, that except as disclosed in the Final Prospectus or any Supplementary Material:
 - (i) since the date of the Final Prospectus:
 - (A) there has been no adverse change (actual, anticipated, contemplated, or threatened, whether financial or otherwise) in the Condition of the Corporation; and
 - (B) no transaction out of the ordinary course of business has been entered into or is pending by the Corporation or any of the Material Subsidiaries,which is material to the Corporation and the Material Subsidiaries taken as a whole;
 - (ii) no order, ruling or determination having the effect of suspending the sale or ceasing the trading of the Shares or any other securities of the

Corporation has been issued or made by any Governmental Body and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge, information and belief of the persons signing such certificate, contemplated or threatened;

- (iii) the Corporation has duly complied in all material respect with all the terms and conditions of this Agreement on its part to be complied with at or prior to the Closing Time; and
 - (iv) the representations and warranties of the Corporation contained in this Agreement are true and correct as of the Closing Date with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated hereby.
- (g) the Underwriters shall have received, prior to the Closing Time, an executed lock-up agreement, substantially in the form of Schedule "B" hereto from Pollard Equities Limited;
 - (h) evidence satisfactory to the Underwriters that the Corporation has obtained all necessary approvals for the listing of the Shares on the TSX subject only to the Standard Listing Conditions;
 - (i) the Underwriters' shall have received at the Closing Time such other certificates, statutory declarations, agreements or materials, in form and substance satisfactory to the Underwriters and their counsel, as the Underwriters and their counsel may reasonably request; and
 - (j) each of the representations and warranties of the Corporation contained in this Agreement shall be true and correct as of the Closing Time, to the satisfaction of each of the Underwriters, acting reasonably, as if made at and as of each such Closing Time and the Corporation shall have fulfilled each of the covenants contained in this Agreement to the satisfaction of each of the Underwriters.

Section 12 Closing.

- (1) The closing of the purchase and sale of the Purchased Shares will commence at the Closing Time, at the offices of the Corporation's counsel, or at any other place determined in writing by the Corporation and the Underwriters. At the Closing Time, the Corporation will deliver to Canaccord Genuity for the respective accounts of the Underwriters:
 - (a) the Purchased Shares sold pursuant to the Offering, in the form of an electronic deposit pursuant to the non-certificated inventory system maintained by CDS Clearing and Depository Services Inc. ("CDS") or in such other form as directed by the Underwriters in writing; and

- (b) such further documentation as may be contemplated herein or as the Underwriters or the applicable Securities Commissions or the TSX may reasonably require,

against payment by the Underwriters of the purchase price for the Purchased Shares, net of the Underwriters' Commission payable to the Underwriters in respect of the Purchased Shares pursuant to this Agreement and the expenses of the Underwriters in connection therewith, by wire transfers of immediately available funds to such account of the Corporation as the Corporation shall direct in writing. The directions referred to in this Section 12(1) shall be delivered to Canaccord Genuity, on behalf of the Underwriters, in writing not less than 48 hours prior to the Closing Time.

- (2) In the event the Over-Allotment Option is exercised in accordance with its terms, the Corporation will, at or prior to the Over-Allotment Closing Time, deliver to the Underwriters:

- (a) the Additional Shares sold pursuant to the Over-Allotment Option, in the form of an electronic deposit pursuant to the non-certificated inventory system maintained by CDS or in such other form as directed by the Underwriters in writing;
- (b) the items listed in Section 11(1)(a), Section 11(1)(c), Section 11(1)(d) and Section 11(1)(f) and in each case dated the Over-Allotment Closing Date, together with such further documentation as may be contemplated herein or as the Underwriters or the applicable Securities Commissions or the TSX may reasonably require,

against payment by the Underwriters of the purchase price for such Additional Shares, net of the Underwriters' Commission payable to the Underwriters in respect of such Additional Shares pursuant to this Agreement, by wire transfer of immediately available funds to the Corporation, to the account of the Corporation as the Corporation shall direct in writing. The directions referred to in this Section 12(2) shall be delivered to Canaccord Genuity, on behalf of the Underwriters, in writing not less than 48 hours prior to the Over-Allotment Closing Time.

Section 13 Termination.

- (1) If prior to the Closing Time:

- (a) any inquiry, order, action, suit, investigation or other proceeding (whether formal or informal) is instituted, announced or threatened or any order is made by any Governmental Body (other than an inquiry, order, action, suit, investigation or proceeding based upon the activities or alleged activities of the Underwriters, the Selling Firm or U.S. Affiliates), or there is any change of Law, or interpretation or administration thereof, which, in the reasonable opinion of the Underwriters, or any of them, operates to prevent or restrict the Distribution of the Shares in any of the Qualifying Jurisdictions or would

prevent or restrict trading in the Shares or which in the reasonable opinion of the Underwriter, acting in good faith would be expected to have a material adverse effect on the market price or value of the Shares;

- (b) there should occur or come into effect any material change in the business, affairs or financial condition or financial prospects of the Corporation or its Subsidiaries or any change in any material fact, or there should be discovered any previously undisclosed fact (other than a change or fact related solely to the Underwriters) which in each case, in the reasonable opinion of the Underwriters, has or could reasonably be expected to have a material adverse effect on the market price or value of the Shares;
- (c) there should develop, occur or come into effect or existence any event, action, state, condition or occurrence of national or international consequence, acts of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions or any action, Law or regulation, inquiry or other occurrence of any nature whatsoever which, in the reasonable opinion of any of the Underwriters, materially adversely affects or involves or may materially adversely affect or involve, the financial markets in Canada or the United States or the business, operations or affairs of the Corporation and the Material Subsidiaries taken as a whole or the market price or value of the Shares; or
- (d) an order is made or threatened to cease or suspend trading in the Shares, or to otherwise prohibit or restrict in any manner the Distribution or trading of the Shares, or proceedings are announced or commenced for the making of any such order by any Government Body.

then any of the Underwriters shall be entitled, at its option in accordance with Section 13(3), to terminate its obligations under this Agreement in respect of any Shares not then purchased under this Agreement by written notice to that effect given to the Corporation at any time prior to the Closing Time.

- (2) All terms and conditions of this Agreement shall be construed as conditions, and any breach or failure by the Corporation to comply with any of such material terms and conditions shall entitle the Underwriters, or any of them, to terminate their obligations to purchase the Shares by notice to that effect given to the Corporation at or prior to the Closing Time. The Underwriters may waive, in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to their rights in respect of any other of such terms and conditions or any other or subsequent breach or non-compliance; provided, however, that to be binding on the Underwriters any such waiver or extension must be in writing and signed by all of the Underwriters.
- (3) The rights of termination contained in this Section 13 may be exercised by any of the Underwriters and are in addition to any other rights or remedies the Underwriters

or any of them may have in respect of any default, act or failure to act or non-compliance by the Corporation in respect of any of the matters contemplated by this Agreement. In the event of any such termination, there shall be no further liability on the part of such Underwriters to the Corporation or on the part of the Corporation to such Underwriters except in respect of any liability which may have arisen or may thereafter arise under Section 14 and Section 16. A notice of termination given by an Underwriter under this Section 13 shall not be binding upon any other Underwriter who has not also executed such notice.

Section 14 Indemnity and Contribution.

- (1) The Corporation hereby covenants and agrees to indemnify and save harmless each of the Underwriters and their respective Subsidiaries and affiliates and each of their respective directors, officers, employees, partners, shareholders and agents and each other person, if any, controlling the Underwriters or any of their Subsidiaries and affiliates (each referred to in this Section 14 as an “**Indemnified Party**”), to the extent lawful, from and against any and all losses, expenses, claims (including shareholder actions, derivative or otherwise), actions, damages and liabilities, joint or several, including without limitation the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees and expenses of their counsel that may be suffered by, imposed upon or asserted against an Indemnified Party as a result of, in respect of, connected with or arising out of any action, suit, proceeding, investigation or claim that may be made or threatened by any person or in enforcing this indemnity (collectively, the “**Claims**”) insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly:
 - (a) any information or statement (except for any statement relating solely to the Underwriters and furnished by the Underwriters in writing specifically for use therein) contained in the Offering Documents or in any certificate or other document of the Corporation or of any officer of the Corporation or any of its Material Subsidiaries delivered hereunder or pursuant hereto which at the time and in light of the circumstances under which it was made contains or is alleged to contain a misrepresentation;
 - (b) any omission or alleged omission to state in the Offering Documents or any certificate or other document of the Corporation or any officer of the Corporation or any of the Material Subsidiaries delivered hereunder or pursuant hereto any fact, whether material or not (except for facts relating solely to the Underwriters), required to be stated therein or necessary to make any statement therein not misleading in light of the circumstances under which it was made;
 - (c) any order made or any inquiry, investigation or proceedings commenced or threatened by any Securities Commission, court, stock exchange or other Governmental Body based upon any actual or alleged untrue statement, omission or misrepresentation (except for a statement, omission or

misrepresentation relating solely to the Underwriters and furnished by the Underwriters in writing for use therein) in the Offering Documents or based upon any actual or alleged failure to comply with Canadian Securities Laws or U.S. Securities Laws (other than any failure or alleged failure to comply by the Underwriters or Selling Firms), preventing or restricting the trading in or the Distribution of the Shares;

- (d) the non-compliance or alleged non-compliance by the Corporation with any requirement of Canadian Securities Laws or U.S. Securities Laws in connection with the transactions herein contemplated including the Corporation's non-compliance with any statutory requirement to make any document available for inspection; or
- (e) any breach of any representation, warranty, covenant or agreement of the Corporation contained herein or in any certificate or other document of the Corporation or of any officers of the Corporation or any of the Material Subsidiaries delivered hereunder or pursuant hereto or the failure of the Corporation to comply with any of its obligations hereunder.

Notwithstanding the foregoing, in the case of Section 14(1)(c), Section 14(1)(d) and Section 14(1)(e) only, if and only to the extent that and when a court of competent jurisdiction in a final judgement in a proceeding in which an Indemnified Party is named as a party, from which no appeal can be made, has determined that a Claim was primarily caused by such Indemnified Party's fraud, negligence or wilful misconduct, the indemnity provided for in Section 14(1)(c), Section 14(1)(d) and Section 14(1)(e) shall cease to apply to such Indemnified Party in respect of such Claim and the Indemnified Party shall promptly reimburse the Corporation for any funds advanced to the Indemnified Party in respect of such Claim.

- (2) For greater certainty, the Corporation and the Underwriters agree that they do not intend that any failure by any Underwriter to conduct such reasonable investigation as necessary to provide the Underwriters with reasonable grounds for believing the Offering Documents contained no misrepresentation shall constitute "wilful misconduct" or "negligence" for purposes of Section 14 or otherwise disentitle the Underwriters from indemnification or contribution from an indemnifying party under this Agreement.
- (3) The Corporation agrees to waive any right the Corporation may have of first requiring an Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under this Section 14.
- (4) If any Claim is asserted against any Indemnified Party, the Indemnified Party shall notify the Corporation and the Underwriters, as soon as practicable, of the nature of such Claim (provided, however, that failure to provide such notice shall not affect the Indemnified Party's right to indemnification hereunder to the extent the Indemnifying Party is not materially prejudiced thereby) and the Corporation shall

be entitled (but not required) to assume the defence of any suit, action or proceeding brought to enforce such Claim; provided, however, that the Corporation will not, without the Underwriters' prior written consent, not to be unreasonably withheld or delayed, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Claim in respect of which indemnification may be sought under this Section 14 (whether or not any Indemnified Party is a party to such Claim) unless the Corporation has acknowledged in writing that the Indemnified Parties are entitled to be indemnified in respect of such Claim and such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from any liabilities arising out of such Claim without any admission of negligence, misconduct, liability or responsibility by or on behalf of any Indemnified Party.

- (5) In any such Claim, the Indemnified Party shall have the right to retain separate counsel to act on its behalf provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party unless:
- (a) the Corporation fails to assume the defence of such Claim on behalf of the Indemnified Party within 14 days of receiving notice thereof or, having assumed such defence, has failed to pursue it diligently;
 - (b) the Corporation and the Indemnified Party shall have mutually agreed to the retention of the other counsel; or
 - (c) the named parties to the suit (including any added, third parties or interpleaded parties) include the Corporation and one or more of the Indemnified Parties, and the Indemnified Party has been advised in writing by counsel that there are legal defences available to the Indemnified Party that are different or in addition to those available to the Corporation or that representation of the Indemnified Party by counsel for the Corporation is inappropriate as a result of the potential or actual conflicting interests of those represented

in each of cases Section 14(5)(a), Section 14(5)(b), Section 14(5)(c), the Corporation will not have the right to assume the defence of the suit on behalf of the Indemnified Party, but the Corporation will be liable to pay the reasonable fees and expenses of separate counsel for all Indemnified Parties and, in addition, of local counsel in each applicable jurisdiction. Notwithstanding the foregoing, no settlement may be made by an Indemnified Party without the prior written consent of the Corporation which consent will not be unreasonably withheld.

- (6) In order to provide for a just and equitable contribution in circumstances in which the indemnity provided in this Section 14 would otherwise be available in accordance with its terms but is, for any reason, held to be unavailable to or unenforceable by the Underwriters or enforceable otherwise than in accordance with its terms, the Corporation and the Underwriters shall contribute to the aggregate of all claims, expenses, costs and liabilities and all losses (other than loss of profits) of a

nature contemplated in this Section 14 and suffered or incurred by the Indemnified Parties in such proportions as is appropriate to reflect the relative benefits received by the Corporation on the one hand and the Indemnified Party on the other hand from the Distribution of the Shares as well as the relative fault of the parties and any other equitable considerations determined by a court of competent jurisdiction; provided that the Underwriters shall not in any event be liable to contribute, in the aggregate, any amounts in excess of the aggregate fee or any portion thereof actually received by the Underwriters hereunder. However, no party who has been determined by a court of competent jurisdiction in a final non-appealable judgement to have engaged in any fraud, wilful misconduct or negligence shall be entitled to claim contribution from any person who has not been so determined to have engaged in such fraud, wilful misconduct or negligence.

- (7) The rights of contribution and indemnity provided in this Section 14 shall be in addition to and not in derogation of any other right to contribution and indemnity which the Underwriters may have by statute or otherwise at law.
- (8) In the event that the Corporation is held to be entitled to contribution from the Underwriters under the provisions of any statute or at law, the Corporation shall be limited to contribution in an amount not exceeding the lesser of:
 - (a) the portion of the full amount of the loss or liability giving rise to such contribution for which the Underwriters are responsible, as determined above; and
 - (b) the amount of the aggregate fee actually received by the Underwriters from the Corporation hereunder.
- (9) If the Underwriters have reason to believe that a claim for contribution may arise, they shall give the Corporation notice thereof in writing, but failure to notify the Corporation shall not relieve the Corporation of any obligation which it may have to the Underwriters under this Section 14.
- (10) The rights of indemnity contained in this Section 14 shall not enure to the benefit of the Underwriters (in their capacities as Indemnified Parties) to the extent that the Corporation (in its capacity as indemnifying party) has complied with the provisions of Section 6 (in relation to the Supplementary Material) and Section 7 and the person asserting any Claim for which indemnity would otherwise be available was not provided with a copy of any Offering Document which would have corrected any untrue statement or information, misrepresentation or omission which is the basis of such Claim and which was required under Canadian Securities Laws or U.S. Securities Laws to be delivered to that person by the Underwriters or Selling Firms.
- (11) With respect to this Section 14, the Corporation hereby acknowledges and agrees that the Underwriters are contracting on their own behalf and as agents for their affiliates and the respective directors, officers, employees, shareholders and agents of the Underwriters and their affiliates and accordingly the Corporation hereby

constitutes the Underwriters as trustees for each person who is entitled to the covenants of the Corporation contained in this Section 14 and is not a party hereto and the Underwriters agree to accept such trust and to hold in trust for and to enforce such covenants on behalf of such persons.

Section 15 Expenses of the Offering.

Whether or not the Offering is completed, the Corporation shall be responsible for all reasonable expenses incurred in connection with the Offering, including but not limited to: fees and disbursements of accountants and auditors, technical consultants, translators and other applicable experts; all costs and expenses related to roadshows and marketing activities, printing, filing, distribution, stock exchange approval and other regulatory compliance; other out-of-pocket expenses of the Underwriters (including, but not limited to, travel expenses in connection with due diligence and marketing activities, reasonable fees and disbursements of the Underwriters' legal counsel, including any expenses incurred prior to the date of the Engagement Letter and all taxes payable in respect of any of the foregoing. All such fees, disbursements and expenses shall be payable by the Corporation immediately upon receiving an invoice therefore from the Underwriters. Notwithstanding the foregoing, the fees (exclusive of tax and disbursements) of the Underwriters' Canadian legal counsel will not exceed such amounts as are set out in the engagement letter between Canaccord Genuity and the Corporation dated February 1, 2018 (the "**Engagement Letter**").

Section 16 Obligations of the Underwriters to be Several.

- (1) Subject to the terms and conditions of this Agreement, the obligation of the Underwriters to purchase the Shares will be several only and not joint or joint and several and shall be limited to the percentages of the aggregate number of Shares set out opposite the name of the Underwriters respectively below:

Canaccord Genuity Corp.	55%
Acumen Capital Finance Partners Limited	35%
Cormark Securities Inc.	10%

- (2) If one or more of the Underwriters fails to purchase its or their applicable percentages of the aggregate amount of the Shares at the Closing Time or Over-Allotment Closing Time, as applicable, the other Underwriter or Underwriters shall have the right, but shall not be obligated, to purchase on a pro-rata basis (or in such other proportion as the remaining Underwriters may mutually agree) all, but not less than all, of the Shares which would otherwise have been purchased by the Underwriter or Underwriters that fail to purchase. In the event that such right is not exercised, the Underwriter or Underwriters that are able and willing to purchase shall be relieved of all obligations to the Corporation on submission to the Corporation of reasonable evidence of its or their ability and willingness to fulfill its or their obligations hereunder at the Closing Time or Over-Allotment Closing Time, as applicable. Nothing in this Section 16(2) shall oblige the Corporation to sell to any or all of the Underwriters less than all of the aggregate amount of the Shares or shall

relieve any of the Underwriters in default hereunder from liability to the Corporation.

Section 17 Actions on Behalf of the Underwriters.

Except with respect to Section 11, Section 13 and Section 14 of this Agreement, all transactions, notices and waivers on behalf of the Underwriters under this Agreement or contemplated by this Agreement may be carried out or given on behalf of the Underwriters by Canaccord Genuity and, where practicable, Canaccord Genuity will in good faith discuss with the other Underwriters the nature of any of the transactions and notices prior to giving effect to them or the delivery of them, as the case may be. The Corporation may rely entirely on any such transaction or notice as binding all Underwriters.

Section 18 Survival of Representations, etc.

The representations, warranties, obligations and agreements of the Corporation contained herein and in any certificate delivered pursuant to this agreement or in connection with the purchase and sale of the Shares shall survive the purchase of the Shares and shall continue in full force and effect unaffected by the Closing for such maximum period of time as the Underwriters or any purchaser of Shares under the Offering may be entitled to commence an action, or exercise a right of rescission, with respect to a misrepresentation contained or incorporated by reference in the Offering Documents pursuant to, as applicable, Canadian Securities Laws, U.S. Securities Laws, civil or common law rights or otherwise, any subsequent disposition of the Shares by the Underwriters or the termination of the Underwriters' obligations and shall not be limited or prejudiced by any investigation made by or on behalf of the Underwriters in accordance with the preparation of the Preliminary Prospectus, the Final Prospectus or any Supplementary Material or the Distribution of the Shares or otherwise, and the Corporation agrees that the Underwriters shall not be presumed to know of the existence of a claim against the Corporation under this Agreement or any certificate delivered pursuant to this Agreement or in connection with the purchase and sale of the Shares as a result of any investigation made by or on behalf of the Underwriters in accordance with the preparation of the Preliminary Prospectus, the Final Prospectus or any Supplementary Material or the Distribution of the Shares or otherwise.

Section 19 Securities Sales

- (1) The Corporation will not, directly or indirectly, offer, issue, sell, grant or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, or announce any intention to do so, or announce any intention to issue, in any manner whatsoever, any Common Shares or securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Corporation for a period of 90 days after the Closing Date, without the prior written consent of Canaccord Genuity, on behalf of the Underwriters, such consent not to be unreasonably withheld, except, in conjunction with: (i) the grant or exercise of stock options and other similar issuances pursuant to the share incentive plans of the Corporation and other share compensation

arrangements as well as share transfers (i.e. sell and buyback) by the Corporation's employees for fiscal purposes and using related tax shelter vehicles; (ii) the exercise of outstanding warrants; (iii) obligations of the Corporation in respect of existing agreements; or (iv) the issuance of securities by the Corporation in connection with acquisitions in the normal course of business.

Section 20 Notice.

- (1) Unless herein otherwise expressly provided, any notice, request, direction, consent, waiver, extension, agreement or other communication (a "**Communication**") that is or may be given or made hereunder shall be in writing addressed as follows:

in the case of the Corporation:

Pollard Banknote Limited
140 Otter Street
Winnipeg, Manitoba, R3T 0M8

Attention: John Pollard
Facsimile No.: (204) 453-1375

with a copy in the case of a Communication to the Corporation to:

Torys LLP
79 Wellington St W
Toronto, Ontario, M5K 1N2

Attention: John Emanoilidis
Facsimile No.: (416) 865-7380

in the case of Canaccord Genuity Corp.:

Canaccord Genuity Corp.
161 Bay Street, Suite 3100
Toronto, Ontario
M5J 2S1

Attention: Michael Kogan
Facsimile No.: (416) 869-3876

in the case of Acumen Capital Finance Partners Limited:

Acumen Capital Finance Partners Limited
Suite 800, 500 4th Avenue SW
Calgary, Alberta
T2P 2V6

Attention: Kelly Hughes
Facsimile No.: 403-571-0310

in the case of Cormark Securities Inc.:

Cormark Securities Inc.
200 Bay St
Toronto, Ontario
M5J 2J2

Attention: Alfred Avanesy
Facsimile No.: 416-943-6499

with a copy in the case of Communication to any of the Underwriters to:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, Ontario
M5L 1A9

Attention: David Weinberger
Facsimile No.: (416) 861-0445

or to such other address as any of the parties may designed by notice given to the others.

- (2) Each Communication shall be personally delivered to the addressee or sent by facsimile transmission to the addressee and (a) a Communication which is personally delivered shall, if delivered before 5:00 p.m. (Toronto time) on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (b) a Communication which is sent by facsimile transmission shall, if sent on a Business Day and the machine on which it is sent receives the answerback code of the party to whom it is sent before 5:00 p.m. (Toronto time), be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is sent.

Section 21 No Fiduciary Duty.

The Corporation hereby acknowledges that (a) the purchase and sale of the Purchased Shares and any Additional Shares pursuant to this Agreement is an arm's-length

commercial transaction between the Corporation on the one hand, and the Underwriters and any affiliate through which they may be acting, on the other, (b) the Underwriters are acting as principal and not as an agent or fiduciary of the Corporation and (c) the Corporation's engagement of the Underwriters in connection with the Offering and the process leading up to the Offering is as independent contractors and not in any other capacity. Furthermore, the Corporation agrees that it is solely responsible for making its own judgments in connection with the Offering (irrespective of whether any of the Underwriters has advised or is currently advising the Corporation on related or other matters). The Corporation agrees that it will not claim that the Underwriters have rendered advisory services of any nature or respect, or owe an agency, fiduciary or similar duty to the Corporation in connection with such transaction or the process leading thereto.

Section 22 Governing Law.

This Agreement shall be governed and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract. Each party hereby irrevocably submits to the non-exclusive jurisdiction of the courts of Ontario with respect to any matter arising hereunder or related hereto.

Section 23 Time.

Time shall be of the essence of this Agreement.

Section 24 Headings.

Headings are inserted for convenience of reference only and shall not affect the interpretation of this Agreement.

Section 25 Successors and Assigns.

This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors (including any successor by reason of amalgamation or statutory arrangement) and permitted assigns and upon the heirs, executors, legal representatives, successors and permitted assigns of those for whom the Underwriters are contracting pursuant to Section 14(11). No party shall assign any of its rights or obligations hereunder without the prior written consent of the other parties hereto.

Section 26 Severability.

If any provision of this Agreement is determined to be void or unenforceable in whole or in part, such void or unenforceable provision shall not affect or impair the validity of any other provision of this Agreement and shall be severable from this Agreement.

Section 27 Public Announcements.

The Corporation agrees that it shall not make any public announcements regarding the transactions contemplated hereunder without the prior written consent of Canaccord

Genuity, on behalf of the Underwriters, such consent not to be unreasonably withheld. The Corporation agrees that, following the Closing, each Underwriter may place “tombstone” and other advertisements relating to its role in connection with the Offering.

Section 28 Entire Agreement.

This Agreement and the other documents referred to in this Agreement constitute the entire agreement among the Underwriters and the Corporation relating to the subject matter of this Agreement and, other than Section 6 of the Engagement Letter (for greater certainty, Section 6) of the Engagement Letter will survive any termination of the Engagement Letter), supersede all prior agreements among those parties with respect to their respective rights and obligations in respect of the transactions contemplated under this Agreement.

[Remainder of page left intentionally blank; signature pages follow.]

If the foregoing is in accordance with your understanding and is agreed to by you, please signify your acceptance by executing the enclosed copies of this letter where indicated below and returning the same to the Underwriters upon which this letter as so accepted shall constitute an Agreement among us.

Yours very truly,

CANACCORD GENUITY CORP.

By: "Michael Kogan"

Name: Michael Kogan

Title: Managing Director

**ACUMEN CAPITAL FINANCE
PARTNERS LIMITED**

By: "Kelly Hughes"

Name: Kelly Hughes

Title: Head of Investment Banking

CORMARK SECURITIES INC.

By: "Alfred Avanesy"

Name: Alfred Avanesy

Title: Managing Director

The foregoing offer is accepted and agreed to as of the date first above written.

POLLARD BANKNOTE LIMITED

By: "John Pollard"

Name: John Pollard

Title: Co-Chief Executive Officer

Schedule "A"
United States Offers and Sales

As used in this schedule, the following terms shall have the meanings indicated:

Directed Selling Efforts	has the meaning ascribed to it in Rule 902(c) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Shares, and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of any of the Shares;
Foreign Issuer	has the meaning ascribed to it in Rule 902(e) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means any issuer which is: (a) the government of any country other than the United States or of any political subdivision of a country other than the United States; or (b) a corporation or other organization incorporated or organized under the laws of any country other than the United States, except an issuer meeting the following conditions, as of the last business day of its most recently completed fiscal quarter: (1) more than 50 percent of the outstanding voting securities of such issuer are directly or indirectly owned of record by residents of the United States; and (2) any of the following; (i) the majority of the executive officers or directors are United States citizens or residents, (ii) more than 50 percent of the assets of the issuer are located in the United States, or (iii) the business of the issuer is administered principally in the United States;
General Solicitation or General Advertising	has the meaning ascribed to it in Rule 502(c) of Regulation D under the U.S. Securities Act, including without limitation, any advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the Internet or broadcast over radio, television or the Internet, or any seminar or meeting whose attendees had been invited by general solicitation or general

	advertising;
Offshore Transaction	has the meaning ascribed to it in Rule 902(h) of Regulations S;
Qualified Institutional Buyer	has the meaning ascribed to it in Rule 144A;
Substantial U.S. Market Interest	has the meaning ascribed to it in Rule 902(j) of Regulation S.

All other capitalized terms used but not otherwise defined in this Schedule “A” shall have the meanings given to them in the Underwriting Agreement to which this Schedule “A” is attached and of which this Schedule “A” forms a part.

Representations, Warranties and Covenants of the Underwriters

Each of the Underwriters severally but not jointly (or jointly and severally) acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold to any person within the United States except pursuant to the exemption from the registration requirements of the U.S. Securities Act provided for in Rule 144A and applicable state securities laws. Accordingly, each of the Underwriters severally but not jointly (or jointly and severally) represents, warrants and covenants to the Corporation that:

1. it has not offered and sold, and will not offer and sell, any Shares forming part of its allotment except (a) outside the United States in an Offshore Transaction in accordance with Rule 903 of Regulation S or (b) in the United States in accordance with Rule 144A, in each case, in accordance with this Schedule “A”. Accordingly, as contemplated by the Underwriting Agreement and this Schedule “A”, neither the Underwriters, the U.S. Affiliate nor any persons acting on their behalf, has made or will make: (i) any Directed Selling Efforts or (ii)(A) any offer to sell or any solicitation of an offer to buy, any of the Shares to any person in the United States or (B) any sale of Shares to any purchaser unless, at the time the buy order was or will have been originated, the purchaser was outside the United States, or the Underwriters, their affiliates or persons acting on their behalf reasonably believed that such purchaser was outside the United States;
2. it has not entered and will not enter into any contractual arrangement with respect to the distribution of the Shares, except with its U.S. Affiliates, any selling group members or with the prior written consent of the Corporation. It shall require each selling group member to agree in writing, for the benefit of the Corporation, to comply with, and shall use its best efforts to ensure that each selling group member complies with, the same provisions of this Schedule “A” as if such provisions applied to such selling group member;
3. the U.S. Affiliate is duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and under the securities laws of each state in which such offers

and sales of Shares were or will be made (unless exempted from the respective state's broker-dealer registration requirements) and are members in good standing with the Financial Industry Regulatory Authority, Inc. All offers and sales of Shares in the United States were made and will be made in compliance with all applicable United States federal and state broker-dealer requirements;

4. all offers of Shares in the United States have been and will be made through the U.S. Affiliate and the U.S. Affiliate is a Qualified Institutional Buyer;
5. the Underwriter has not either directly or through its U.S. Affiliate, solicited and will not solicit offers for, and have not offered to sell and will not offer to sell, Shares in the United States by means of any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act;
6. any offer or sale of Shares that has been made or will be made in the United States in reliance on Rule 144A, was or will be made only to persons who it reasonably believes to be Qualified Institutional Buyers;
7. the Underwriter will inform (and cause its U.S. Affiliate to inform) all purchasers of Shares in the United States being offered and sold in reliance on Rule 144A that the Shares have not been and will not be registered under the U.S. Securities Act and the Shares are being sold to such purchasers without registration under the U.S. Securities Act in reliance on Rule 144A and exemptions under applicable state securities laws;
8. at least one business day prior to the time of delivery, the Corporation and its transfer agent will be provided with a list of all purchasers of Shares in the United States in reliance on Rule 144A;
9. neither the Underwriter, its U.S. Affiliate or any person acting on its behalf (other than the Corporation, its affiliates and any person acting on their behalf, as to which no representation is made) has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act;
10. it agrees that it will not confirm the sale of any Shares being made in reliance on Rule 144A unless it has first provided a copy of the final U.S. Placement Memorandum to such purchaser and it has received, and provided to the Corporation, an executed Qualified Institutional Buyer Letter in the form attached as Exhibit A to the U.S. Placement Memorandum; and
11. on the Closing Date, it, together with its U.S. Affiliate selling Shares in the United States, will provide a certificate, substantially in the form of Exhibit I to this Agreement relating to the manner of the offer and sale of the Shares in the United States. If an Underwriter and its U.S. Affiliate do not deliver such certificate, they will be deemed to represent to the Corporation, on the Closing Date, that neither the Underwriter nor its U.S. Affiliate has offered or sold any Shares in the United States.

Representations, Warranties and Covenants of the Corporation

The Corporation represents, warrants, covenants and agrees that:

1. the Corporation is and will be, as of the Closing Date or any Over-Allotment Closing Date, a Foreign Issuer and reasonably believes there is no Substantial U.S. Market Interest in its Common Shares;
2. the Corporation is not now, and as a result of the sale of the Shares contemplated hereby and the application of the proceeds thereof will not be required to be registered as an investment company under the U.S. Investment Company Act;
3. except with respect to sales in accordance with this Schedule "A" to Qualified Institutional Buyers in reliance upon Rule 144A, neither the Corporation nor any of its affiliates, nor any person acting on its or their behalf (other than the Underwriters, their U.S. Affiliate or any person acting on their behalf, in respect of which no representation is made), has made or will make: (A) any offer to sell, or any solicitation of an offer to buy, any Shares to a person in the United States; or (B) any sale of Shares unless, at the time the buy order was or will have been originated, the purchaser is (i) outside the United States or (ii) the Corporation, its affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States;
4. during the period in which the Shares are offered for sale, neither it nor any of its affiliates, nor any person acting on its or their behalf (other than the Underwriters, their respective U.S. Affiliate or any person acting on their behalf, in respect of which no representation is made) has engaged in or will engage in any Directed Selling Efforts, or has taken or will take any action in violation of Regulation M under the U.S. Exchange Act or that would cause the exemptions afforded by Rule 144A, to be unavailable for offers and sales of Shares in the United States in accordance with this Schedule "A", or the exclusion from registration afforded by Rule 903 of Regulation S to be unavailable for offers and sales of the Shares outside the United States in accordance with the Underwriting Agreement and this Schedule "A";
5. none of the Corporation, any of its affiliates or any person acting on its or their behalf (other than the Underwriters, their respective U.S. Affiliate or any person acting on their behalf, in respect of which no representation is made) has offered or will offer to sell, or has solicited or will solicit offers to buy, the Shares in the United States by means of any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U. S. Securities Act;
6. none of the Shares is part of a class listed on a national securities exchange registered under Section 6 of the U.S. Exchange Act, quoted in an automated interdealer system in the United States, or convertible or exchangeable at an effective conversion premium (calculated as specified in paragraph (a)(6) of Rule 144A) of less than ten percent for securities so listed or quoted;

Schedule "B"
Lock-Up Agreement

_____, 2018

Canaccord Genuity Corp.
Acumen Capital Finance Partners Limited
Cormark Securities Inc.

Re: Pollard Equities Limited – Lock-Up Agreement

Ladies and Gentlemen:

The undersigned understands that the Underwriters have entered into an Underwriting Agreement (the "**Underwriting Agreement**") with Pollard Banknote Limited (the "**Corporation**") providing for a public offering (the "**Offering**") of common shares of the Corporation (the "**Common Shares**") pursuant to the Corporation's short form prospectus dated the date hereof.

Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Underwriting Agreement.

The undersigned understands that the Corporation and the Underwriters are relying upon this lock-up agreement (the "**Lock-Up Agreement**") in proceeding toward consummation of the Offering. The undersigned further understands that this Lock-Up Agreement is irrevocable and shall be binding upon each of the undersigned's legal representatives, successors and assigns, and shall enure to the benefit of the Corporation, the Underwriters and their respective legal representatives, successors and assigns.

In consideration of the benefit that the Offering will confer upon the Corporation, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees with each Underwriter that the undersigned shall not, and shall ensure that its subsidiaries and associates do not, for a period commencing on the date hereof and ending on the date that is 90 days after the Closing date, directly or indirectly, offer, sell, grant any option to purchase or otherwise dispose of (or agree to, or announce, any intention to do so) any Common Shares of the Corporation without the prior written consent of Canaccord Genuity, on behalf of the Underwriters, which consent shall not be unreasonably withheld or delayed.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Lock-Up Agreement and that, upon request, the undersigned will execute any additional documents necessary or desirable in connection with the enforcement hereof. Any obligations of the undersigned shall be binding upon the successors and assigns of the undersigned.

This Lock-Up Agreement has been entered into on the date first written above. If for any reason the Underwriting Agreement shall be terminated prior to the Closing Time, this Lock-Up Agreement shall likewise be terminated.

Very truly yours,

POLLARD EQUITIES LIMITED

By: _____
Name:
Title:

Accepted and agreed to by the undersigned, on behalf of the Underwriters, as of the date of this letter first written above.

CANACCORD GENUITY CORP.

By: _____
Name: Michael Kogan
Title: Director

UNDERWRITERS' CERTIFICATE

In connection with the offer and sale of Shares of the Corporation pursuant to the underwriting agreement dated February 7, 2018 among the Corporation and the Underwriters named therein (the “**Underwriting Agreement**”), the undersigned does hereby certify for itself and its U.S. Affiliate involved in the offers and sales of the Shares in the United States as follows:

- (a) all offers and sales of Shares in the United States were effected by or through **[name of U.S. Affiliate]** in accordance with all applicable U.S. broker-dealer requirements and **[name of U.S. Affiliate]** is and was a duly registered broker or dealer with the SEC and is and was a member in good standing with the Financial Industry Regulatory Authority, Inc. on the date hereof and as of the date of each such offer and sale;
- (b) prior to confirming any sale of Shares in reliance upon Rule 144A, each purchaser of Shares in the United States in reliance upon Rule 144A was provided with a copy of the final U.S. Placement Memorandum, including the final Canadian Prospectus, and no other written material was used in connection with the offer and sale of Shares in the United States; each such U.S. purchaser has executed and delivered the Qualified Institutional Buyer Letter in the form attached as Exhibit A to the U.S. Placement Memorandum, and such Underwriter and its U.S. Affiliate have not used and will not use any written material other than such documents in connection with such offers and sales;
- (c) with respect to Shares offered and sold in accordance with Rule 144A, immediately prior to our transmitting such U.S. Placement Memorandum to offerees in the United States, we had reasonable grounds to believe and did believe that each offeree was a Qualified Institutional Buyer and, on the date hereof, we continue to believe that each such offeree purchasing Shares is a Qualified Institutional Buyer;
- (d) none of us has taken any action that would constitute a violation of Regulation M under the U.S. Exchange Act with respect to the Offering;
- (e) no form of General Solicitation or General Advertising was used by us in connection with the offer or sale of the Shares in the United States;
- (f) no Directed Selling Efforts have been undertaken by us in the United States with respect to the Shares; and
- (g) the offering of the Shares in the United States has been conducted by us in accordance with the Underwriting Agreement, including Schedule A thereto.

Terms used in this certificate have the meanings given to them in the Underwriting Agreement.

DATED this ____ day of _____, 2018.

[NAME OF UNDERWRITER]

Name:

Title: